

ДЕЛОВОЙ АНГЛИЙСКИЙ ЯЗЫК

*Учебно-методическое пособие
для слушателей ИПК и ПК, специальность
«Современные иностранные языки
(английский)»*

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Пособие предназначено для слушателей ИПК и ПК по специальности
«Современные иностранные языки (английский)».

Цель пособия – научить слушателей ИПК и ПК читать и понимать литературу на английском языке по экономике и делопроизводству с выходом на устную и письменную речь, развивать навыки аннотирования и реферирования.

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CONTENTS

ВВЕДЕНИЕ	4
Unit 1. Business organization	5
Unit 2. Management and company structure	39
Unit 3. In the office and business ethics	90
Unit 4. Marketing and promotion	131
Unit 5. Money and banking	185

РЕПОЗИТОРИЙ ВГУ

ВВЕДЕНИЕ

Данное пособие предназначено для слушателей ИПК и ПК (специальность «Современные иностранные языки»). Оно может быть использовано на занятиях по деловому английскому языку.

По своей структуре пособие представляет собой пять разделов, организованных по тематическому принципу:

1. BUSINESS ORGANIZATION.
2. MANAGEMENT AND COMPANY STRUCTURE.
3. IN THE OFFICE AND BUSINESS ETHICS.
4. MARKETING AND PROMOTION.
5. MONEY AND BANKING.

Пособие охватывает широкий круг тем: организация, бизнес, менеджмент, маркетинг и реклама, деньги, банки и работа в офисе с деловыми бумагами. Тематика и характер учебных материалов, представленных в учебном пособии, обеспечивают формирование у слушателей профессионального словаря, а также навыков чтения и говорения в рамках профессиональной тематики. Каждый раздел (Unit) – это самостоятельный комплекс, имеющий унифицированную и логичную структуру и состоящий из следующих частей: YOUR VOCABULARY, TEXT STUDY, GRAMMAR FOCUS, LET'S DISCUSS.

Весь материал, включенный в блоки, тематически выдержан для более глубокого и всестороннего усвоения тем.

При составлении пособия были использованы материалы из учебников по данному аспекту и оригинальных источников.

UNIT 1. BUSINESS ORGANIZATION

The world is a chain, one links another.

Your vocabulary

Business

- work relating to the production, buying, and selling of goods and services;
- an organization which produces and sells goods, or which provides a service;
- important matters that you have to discuss or deal with.

Businessman, businesswoman

- a person engaged in trade or commerce.

Business cycle

- process by which investment, output, and employment in an economy tend to fluctuate up and down in a regular pattern causing boom and depression, with recession and recovery as intermediate stages.

Organization

- a large group of people that has particular aims.

Organizer

- the person who makes all the arrangements for something and makes sure that happens as planned.

business	Business is the production, buying, and selling of goods and services.
company firm	A business, company, or firm is an organization that sells goods or services.
concern	A business may also be referred to formally as a concern .

enterprise free enterprise private enterprise	A business may be referred to approvingly as an enterprise to emphasize its adventurous, risk-taking qualities, and business in general may be referred to in the same way, for example in combinations such as free enterprise and private enterprise .
commerce commercial	Business is also referred to as commerce. This word, and its related adjective commercial , are often used to distinguish the business sphere from other areas such as government or the arts, or to distinguish it from non-money-making activities.

Ex. 1. Business partners. The words in the box frequently occur after 'business'.

	school	leaders	interests	
ventures		business		empire
	community		confidence	

Find combinations that mean:

- 1 an individual's business activities, especially those of politicians.
- 2 a very large business organization.
- 3 specific money-making projects, perhaps involving an element of risk.
- 4 an institution that awards qualifications in business studies.
- 5 people involved in business in general.
- 6 heads of important companies who speak for 5 as a whole.
- 7 the morale of all those referred to in 5 and 6.

Ex. 2. Study the following words and word combinations and translate the sentences given below into Russian. Consult a good dictionary if necessary.

mean business, none of one's business, go out of business, businesslike, be busy with, have no business to do, be in business, like nobody's business, mind one's own business

1. Mother has *busied* herself with our affairs for too long.
2. When travelling *on business* I take my tiny travel kit.
3. Let's *get down to business*.
4. She *had no business* to publish his letters to her.
5. 50% of these stores *were not in business* five years ago.
6. They are working away *like nobody's business*.
7. Umbrella sellers *went out of business*.
8. Stop teaching me! It's *none of your business*.
9. Listen to me! I *mean business*.
10. The visit to Copenhagen was brisk and *businesslike*.

TEXT 1. WOULD YOU LIKE TO START A BUSINESS?

If you want to start a business, you are to know some definite information about it. We suggest you to see how a company is formed from the very beginning.

A company can be also called a firm or a business. When it is producing goods or trading, we say it is in business. A company which is just starting up *is going into business* and a firm which stops operating *goes out of business*.

If a firm becomes bigger, it expands. The expansion means that a company will produce more goods or sell more products. A manufacturer produces goods. They are its products. When a manufacturing company expands, it means that it increases its production.

A company *selling goods* in large quantities (*in bulk*) is called a *wholesaler*. A person or a company buying in bulk (*wholesale*) and selling goods in small quantities is a *retailer*. Many local shops *sell* goods *retail*. Two or more companies which sell or manufacture the same product are *competitors*. They are in *competition* and they *compete* for *customers*. To be ahead of its *rivals* the company must be *competitive*.

An area where there is a *demand for* certain goods is called a market. A company selling locally sells its goods in the *local* market. If a company sells its goods at the same place where they are produced, it uses the *home or domestic market*. A firm selling *abroad* is an exporter. It sells on the *international or overseas market*. The goods it exports are exports. An importer buys goods abroad and imports them into his own country.

Vocabulary

.....
to go into business – начинать (открывать) бизнес
to go out of business – прекращать бизнес
goods - товары
to sell - продавать
bulk – крупная партия товара
wholesale – оптовый
wholesaler – оптовый торговец, оптовое предприятие
retailer – розничный торговец
to sell retail – продавать в розницу
competitor – конкурент
competition – конкуренция
to compete – конкурировать
customer – покупатель
rival – соперник
demand – спрос
local – местный
home or domestic market – внутренний рынок
abroad – за рубежом
international or overseas market – международный, внешний рынок

ASSIGNMENTS

I. Choose the right answer.

1. A firm which is just starting up is __ .
a) going into business

- b)is in business
c)going out of business
2. A company which sells goods in large quantities is called _____.
a)a wholesaler
b)a retailer
c)a wholesale distributor
3. Two or more companies which sell or manufacture the same product are
a)customers
b)retailers
c)competitors
4. A company which sells goods abroad is _____.
a)an importer
b)an exporter
c)a rival
5. An area where there is a demand for certain goods is called a _____.
a)business
b)market
c)importation

II. Complete the sentences using the text.

1. A wholesaler is a person or a company selling
2. A retailer is a person or a company selling
3. A customer is a person
4. A competitor is a person or a company

III. Find the information containing in the text.

1. When a company is producing goods or trading, we say it is in business.
2. Any manufacturer always thinks about expansion of his company.
3. When a company expands, it increases its production.
4. When you sell retail, you sell more expensive.
5. Selling in bulk, you sell cheaper.
6. Two or more companies which sell or manufacture the same product are competitors.
7. The companies selling on the overseas market must be competitive.
8. Imports have become very expensive lately.
9. There are a few competitive companies in the domestic market of the country.
10. An importer buys goods abroad and imports them into his own country.

IV. Answer the following questions.

1. Why can a company go out of business?
2. When can a firm expand?
3. What do you buy wholesale?
4. What can you buy retail?
5. What famous manufacturing companies of our country do you know?
6. Which of them sell goods on the overseas market?
7. What famous importers of our country can you think of?
8. What must a company have to be competitive?
9. What can a firm do to win its rivals?
10. What products in our domestic market can be competitive abroad?

V. Translate into English a piece of a report of the Minister of Economics.

На внутреннем рынке страны в прошлом году появилось много конкурентов. Причина этого в том, что многие иностранные компании открывают свой бизнес в России сейчас. Несмотря на то, что импортные товары дорогие, из-за их качества они конкурентоспособны. Мы понимаем, что в будущем компании-производители начнут расширять производство своих товаров. Именно поэтому наши оптовые предприятия изучают спрос на внешнем рынке. Мы считаем, что наши товары смогут конкурировать со своими соперниками за рубежом и завоюют своих клиентов.

VI. Give the summary of the text in 5 sentences using as many new words as possible.

VII. Split into pairs and act out a dialogue.

One of you is an importer to Russia, the other is an exporter of the same product. Speak about advantages and disadvantages of exporting and importing. Use if necessary the following words and phrases.

Importer

Dangerous to go into business
Difficult to expand
Always competitive because of the quality
Sales are low because of the price

Exporter

To avoid the competitor
To sell at more expensive price
To be the best
To be competitive
To win the customers
Difficult to go into business

VOCABULARY STUDY

Word List

Nouns and noun phrases

asset(s) – актив(ы)
bankruptcy – банкротство
board – правление
board of directors – правление директоров, дирекция (правление) корпорации
charter – устав
company – компания
limited company – компания с ограниченной ответственностью
debt – долг
entity – существо, организм, организация
expenses – расходы
fee – гонорар
flexibility – гибкость
imprisonment – тюремное заключение, заточение
insanity – душевная/психическая болезнь, безумие, невменяемость
lender – займодавец
liabilities – пассивы
licence – лицензия
management – управление, руководство
objective – цель
operation – операция, деятельность, эксплуатация
owner – собственник
ownership – собственность
partner – партнер
partnership – товарищество, партнерство

proprietor – владелец, хозяин
proprietorship – собственность
sole proprietorship – единоличное владение
retail – розничная продажа
retail store – магазин розничной торговли
retirement – отставка, выход на пенсию
revenue – доход
share – акция
shareholder – акционер
tax – налог
whim – прихоть, каприз

Adjectives

complementary – дополнительный
leery – хитрый, недоверчивый
legal – законный, легальный
liable – ответственный

Verbs and verbal phrases

borrow – одалживать
charge – нагружать
be charged – he was charged with – ему было поручено
dissolve – распускать, расторгать, растворять
entail – влечь за собой
involve – вовлекать, влечь за собой, вытекать
be involved – быть вовлеченным
pledge – отдавать в долг, закладывать, обязываться, ручаться

Adverbs

consequently – следовательно, значит, стало быть

I. Read and translate the following words and word combinations. Mind the stress: a) on the first syllable; b) on the second syllable; c) on two syllables.

- a) Asset, company, entity, charter, lender, owner, partner, retail, revenue, legal, leery, liable, management;
- b) expenses, imprisonment, insanity, objective, proprietor, retirement, dissolve, entail, involve;
- c) flexibility, liability, operation, complementary.

II. Match the words with the definitions below.

Stock, shareholder, assets, ownership, charter, debt, liabilities, retail, partnership, tax.

1. Owner of shares.
2. Money lent to a government in return for interest; shares in the capital of a business company.
3. Anything owned by a person, company, etc. that has money value and that may be sold to pay debts.
4. Right of possessing.
5. A business owned by two or more people.
6. An amount of money that you have to pay to the government so that it can pay for public services.
7. The sums of money which a company or organization owes, for example because it has made promises or signed agreement.
8. Written or printed statement of rights, permission to do something, especially from a ruler or government.
9. Payment, which must be, but has not yet been, paid to somebody; obligation.
10. Sale of goods (usually in small quantities) to the general public, not for resale.

III. Using a dictionary add as many words as possible into the table. An example has been given to help you.

Verbs	Adjectives	Nouns
1. to flex	flexible	flexibility
2.		management
3.		operation
4.		owner
5.		retirement

4		tax
7. to charge		
8. to dissolve		
9.	complementary	
10.	legal	

IV. Make adjective from the following nouns.

Nouns

Adjectives

leer
liability
complement
legalism

V. Make nouns from the following verbs.

Verbs

Nouns

to borrow
to entail
to involve
to pledge
to lend

VI. Make verbs from the following nouns.

Nouns

Verbs

imprisonment
licence
objective
board
expenses

VII. Choose the words with similar meaning from the two groups and arrange them in pairs.

A. Objective, lender, board, charter, expenses, management, owner, revenue.

B. Creditor, governing body, regulations, overheads, aim, administration, proprietor, income.

IX. What are the opposites?

Legal, leery, complementary, to borrow, expenses, operation.

TEXT 2. STARTING A BUSINESS

I'd thought we'd begin today with a sort of general look at some of the problems involved in running a business, just as a sort of introduction. If you look at almost any newspaper today, you'll see lots of reports of businesses closing down and of other businesses starting up. And if you just walk down the high street of wherever you live, you'll notice that there are quite a number of little shops which only seem to last a few weeks. The next time you look, there's someone quite different there. Lots of people are starting up their own little businesses, but only a small number of them seem to succeed. Why is this so?

Well, there are several reasons. These are quite difficult times. There has been a pretty general recession - though they tell us the worst is over now - which means that unless you are part of a big, international concern - and not always even then! - it is quite difficult to make a living by making and selling things. Then there's the question of labour relations. One is used to hearing all kinds of horror stories about the activities of wicked trade unions, about excessive wage demands, and about what is officially called "industrial action", which usually means strikes. I'm sure there is no doubt that these factors do contribute to the rapid disappearance of many little businesses, but it is more than likely, in my opinion, that what really accounts for most of the failures is quite simply bad management. So I shall spend the next few minutes talking about management, and in particular about the management of money, which is the single most important aspect of managing a business.

Let's look at some of the ways in which a business may be *badly* managed, to see if we can learn some lessons from them about *good* management. First, many new businesses are under-capitalised, that is, there isn't enough money available to them to give them a real chance to succeed. If everything goes smoothly right from the start, they may survive. But if they encounter problems and delays, and they are undercapitalised, they will be in trouble. And we should remember, too, that enthusiasts tend always to be over-optimistic, so they underestimate the amount of capital they are going to need. ***So that is our first lesson: never attempt to start a new venture if you haven't got enough capital to see it through.***

Second, many new businesses fail because they are in the wrong place or their premises are unsuitable - too big or too small, or something of the sort. This may mean that they can't afford to pay the rent and other costs, or they operate inefficiently because they haven't got enough room to plan properly or to expand if they need to. ***So our second lesson is: don't be too much of a hurry to settle on premises if you aren't quite sure they are right.***

Third, some ambitious new businesses spend too much of their capital on presenting a glossy image, with expensive fittings and office furniture which cost a great deal of money but do not contribute anything to meeting

the expenses. *So that's our third lesson: get your priorities right and don't spend too much of your capital on nonproductive items.*

Fourth, far too many businesses fail because their managers have not done their homework, in two ways in particular - in researching the market to make sure that the product they have in mind is really in demand and not already available from lots of other companies at competitive prices, and in investigating and setting up ways of distributing the finished product, that is, of getting it to the customer on profitable term. Remember, even if you produce the finest product of its type in the world, but no one wants to buy it or you can't get it to the people who do, you will fail. *And that's our fourth lesson: always research the market before you decide to enter it - and that includes taking a long, hard look at the competition. There is fifth lesson here, too. Be very sure you have a system of distribution ready before you even start to produce anything.*

There are quite a lot of other factors to be taken into account: installing the right equipment, hiring a suitable workforce, ensuring a supply of raw materials on terms you can afford; controlling production and the storage of stock; keeping a close check on prices and customer credit; and so on. Some of these we shall be dealing with later in your course.

But above all remember today's golden rule. Plan every step of the way before you start... Any other time is too late.

Questions to the text:

1. Which reports will you see if you look at almost every newspaper?
2. Which factors contribute to the rapid disappearance of many businesses?
3. What is the single most important aspect of managing a business?
4. Can you start a new venture if you haven't got enough capital to see it through?
5. Why is it important to have the right premises?
6. What should the priorities be like? Is it essential to present a glossy image or better to spend money on productive items?
7. What are the two tasks the manager has to do before the company even starts to produce anything?
8. What are the basic problems involved in running a business? Name them.
9. Are there any other factors to be taken into account?

GRAMMAR FOCUS

PARTICIPLES

Participle I (Active)

- 1) You'll see lots of reports of businesses.
- 2) These businesses close down. (Active)

You'll see lots of reports of businesses closing down.

Participle II (Passive)

- 1) There are some problems.
- 2) These problems are involved in running a business. (Passive)

There are some problems involved in running a business.

Exercise 1. Translate the following sentences identifying Participle I and Participle II.

1. The brand being on the market for some time usually has the decline of sales.
2. People involved in marketing spend a great deal of their time.
3. Opinions are the arguments leading to conclusions and recommendations.
4. There are government agencies formed to operate public services.
5. There are letters requiring answers.
6. Normally, the total price paid by the customer is greater when payments are spread over a period.
7. The statement containing certain data is presented by the financial manager.
8. The money collected from the customers replace some of that used in starting the business.
9. All the elements of the marketing mix working together create a brand.
10. The credit level granted to a customer depends on customer's financial standing.

Exercise 2. Combine two sentences to make up one either with Participle I or Participle II.

1. a) In 1985 a new Companies Act was passed.
b) It consolidated lots of earlier acts.
2. a) There is a loss at the time of sales.
b) The loss is caused by incorrect delivery.
3. a) Most managers' reading material consists of letters.
b) The letters require response.
4. a) The policy was based on minimum credit.
b) The credit was given by the bank.
5. a) Papers in technical journals have a brief abstract.
b) The abstract serves the purpose to confirm its interest.
6. a) Some costs vary in proportion to the quantity of goods.
b) The goods are produced by companies.
7. a) Clear instructions are essential.
b) Clear instructions outline the objective of the report and the area of it.
8. a) The credit control function is the responsibility of a credit manager.
b) The credit manager is backed up by his team.

Exercise 3. Use Participle I or Participle II instead of Relative clause.

1. When the mail arrives look first at letters which are specifically addressed or referred to you.

2. Interesting information is defined as the information that affects people.
3. Standards should be set for the typical payment periods, which are expected for the country in question.
4. Often there is a covering which says what you are expected to do.
5. The legislation, which is needed to make a market economy possible, must address numerous problems.
5. The rules and regulations which exist now do not let big business gain extreme profits.
6. The country's debt will still be above 60% target, which is set in the treaty.
7. A connecting thread that runs all the way through Government in the US is the accountability.

Exercise 4. Complete sentences using Participle I or Participle II.

1. People (try) to invent better definitions of their task spend a great deal of time.
2. People (involve) in marketing try to invent better definitions of their task.
3. Agency's resident (form) advertisements uses all his creative genius.
4. Advertisements do not usually spring fully (form) into the mind of an agency's resident.
5. Managers (select) information to pass it on to other managers depend on information (communicate) to them
6. They pass on (select) information to other managers.
7. The sales manager (confirm) the company's orders is out at the moment.
8. The (write) confirmation of order is necessary.

Exercise 5. Replace the clause by Participle I construction using the model:

A new republic was founded
which turned into reality the
ideals of a few political phi-
losophers.

A new republic was founded
turning into reality the ideals of a
few political philosophers.

1. Sales promotions are aimed at the sales force, which encourages them to increase their activities.
2. Enormous amounts of money move round the world, which chases high interest rates of capital gains.
3. You insert the number of each voucher in the column provided, which enables the company's cashier to check later the evidence for each entry.
4. When you submit a recommendation to your boss you will summarize the argument as best as you can, which will stress the facts that support your case.
5. The basic pay of Northern Electric chief executive can be boosted by 54,000 pounds, which brings his total pay to 234,000 pounds.

Exercise 6. Complete sentences using Participle I or Participle II.

1. While (look) forward to receiving the merger the companies would need to address legal concern.
2. When (put) at risk by investing, the company is naturally eager to recover those funds as soon as possible.
3. When (make) a presentation to a small group of people, it is useful to have some illustration of what you mean.
4. Activity ratios are meaningful when (compare) with those of other firms.
5. (Generate) additional sales advertising covers the added costs.
6. When (evaluate) the figures the financial manager presents, the director must weigh the pros and cons.
7. Once (approve), these people hold office for life.
8. When (buy) a fur coat, the design has more effect on the purchaser than price.
9. If (ask) to produce a report, it is worth while drafting it briefly first.

TERMS TO KNOW

become giants	становиться гигантами
distinct advantage	отчетливое (заметное) преимущество
have much flexibility	иметь гибкость
make decisions	принимать решения
daily operations	ежедневное ведение хозяйственной деятельности
supervise	контролировать, наблюдать; инспектировать
beauty parlor	косметический салон
real estate	недвижимость
interior-decorating firms	фирмы по внутреннему оформлению интерьера
daily operations	ежедневное ведение хозяйственной деятельности
render	оказывать (<i>помощь</i>)
offset	возмещать (компенсировать)
overheads	накладные расходы
less efficiently on the job	менее эффективны на работе
a scale of operations	масштаб операций
exceed the local market demand	превышать спрос местного рынка
transportation costs	транспортные расходы
adjust to smth	приспосабливаться к чему-либо
maintain better morale	поддерживать лучший моральный климат
secure	сохранить, обеспечить, гарантировать
cope with monopolistic	справиться с монополистической

practices	практикой
finance expansion	финансировать расширение
tax burdens	бремя налогового обложения
good will	гудвилл, престиж фирмы (<i>условная стоимость репутации и деловых связей</i>)
lack of time	нехватка времени
handle multiple assignment	управлять (осуществлять контроль за многочисленными заданиями)
lack of research facilities	нехватка средств на исследование
overcome with positive planning	преодолеть путем позитивного планирования
reveal opportunities for success	раскрыть возможности для успеха
be contemplated	быть задуманным
be undertaken	быть предпринятым
reward	поощрение, вознаграждение
an outlet for one's creativity	выход для чьего-либо творчества
guarantee	гарантировать
consumerism	консьюмеризм (<i>движение в защиту интересов потребителей</i>)
causes of failure	причины провала
rely on the inherent advantages	полагаться на свойственные преимущества
competent management	компетентное управление
achieve success	достичь успеха
decrease employment	уменьшить безработицу
insurance company	страховая компания
license	лицензия, официальное разрешение
facilities	денежные средства; возможности
law of supply and demand	закон спроса и предложения
expenses incurred	понесенные расходы
vendor	продавец
distribution	распределение
supply a retailer	снабжать розничного торговца
suffer from the recession	страдать от спада

WORD STUDY

1. Match the words with their definitions.

efficiency, facilities, demand, costs, expansion, overheads, consumerism, reward, goodwill, tax

- 1) A need for or a desire for a commodity, together with the ability to pay for it, as in the law of supply and demand.
- 2) A consumer protest against the perceived injustices in exchange relationships and efforts to remedy those injustices.
- 3) The expenses incurred in producing goods or services during the period.
- 4) Regular and essential expenses such as rent and the cost of telephones, stationery, etc.
- 5) The quality of being able to do a task successfully and without wasting time or energy.
- 6) The process of becoming greater in size, number, or amount.
- 7) An amount of money that you have to pay to the government so that it can pay for public services.
- 8) The popularity and good reputation of a successful business that forms part of its financial worth.
- 9) Something that you are given, for example because you have behaved well, worked hard, or provided a service to the community.
- 10) The equipment, buildings, services, etc that are provided for a particular activity or purpose.

2. Supply the sentences with the missing words.

render, lack, facility, offset, estate, maintain, cope with, adjust, handle, vendor, exceed

- 1) He divided his ... among his four brothers.
- 2) We would never have secured our independence without the aid you
- 3) They argued that their wage increases would be ... by higher prices.
- 4) Sales ... all expectations.
- 5) We should ... our approach.
- 6) I need the money to ... me for at least the next month until I start a job.
- 7) We must try to ... our own failure.
- 8) The streets were crowded with ... and buyers.
- 9)... of proper funding is making our job more difficult.
- 10) He ... all the major accounts.
- 11) They ask for a 6 million pound loan ... as working capital.

3. Complete each sentence with the correct form of *make* or *do*.

- 1) There's a rumour going round that Pelly's are going to ... a bid for Squash International.
- 2) Please ... your best to get these typed documents before 5 o'clock.
- 3) Who shall I ... the cheque out to?
- 4) If we don't get some orders soon we'll have to ... some of our workers redundant.

- 5) I'm afraid you'll have to ... without the other photocopier until we can get the part we need from the suppliers.
- 6) We've been ... business with them for over thirty years now.
- 7) Considerable progress has been ... and we hope to put some concrete proposals to our members tomorrow afternoon.
- 8) The bank has decided to ... extra provision against bad debts this year.
- 9) They've been ... a roaring trade since they decided to advertise on local television.
- 10) We have ... a considerable profit on the sale of that land.
- 11) I've got all these invoices to ... before I can go home.
- 12) The business was so run down when she took it over that no body expected her to ... such a success of it.
- 13) Something as simple as changing the size of the lettering on the packet can ... all the difference to your sales.
- 14) Increasing production will ... even more demands on machinery which is already breaking down at an alarming rate.
- 15) They could ... with some computer paper in the wages office.
- 16) We've ... away with the old system of clocking in.
- 17) A customer has ... a complaint about one of our salespeople.
- 18) In fact, Gravers have ... us a favour by launching their product first.

TEXT 3. Advantages and disadvantages of running a small firm

Small firms actually have advantages over large firms in many cases. One advantage of small firms is that they often grow into large firms. Many of today's small firms will become giants in tomorrow's business world.

Some of the situations in which small firms have distinct advantages are the following:

1. When new products or ideas are being tried. Small firms have much flexibility. Decisions can be made and implemented quickly.

2. When the personal attention of the owner is essential to **daily operations**. If the owner's presence is important to the growth of the business, it will be more successful if the business is small enough for one person to **supervise**².

3. Where personal services, either professional or skilled, are dominant. Examples of this include beauty parlors, **real estate**³ offices, interior-decorating firms, TV repair shops. Medical and dental services are also usually **rendered**⁴ by small firms. Any possible advantages of large size in these areas are usually **offset**⁵ by greatly enlarged **overheads**⁶ less **efficiency**⁷ on the job, and the loss of the personal touch of the smaller firm.

4. When the market for the product or service is mainly local. In some types of firms, it just is not economical to attempt a scale of operations that **exceeds**⁸ the local market **demand**⁹. The making of bricks or concrete blocks

for the construction industry is an example. **Transportation costs**¹⁰ are prohibitive for moving such products.

5. When the industry is characterized by wide variations in demand or in styles. Examples of these include ladies' dress line, ornamental candles, and custom-made chandeliers and lamp shades. These types of products just do not invite large firm development in most cases. The small, flexible firm usually can **adjust**¹¹ to the necessary variations of specialized products more easily.

6. When close rapport with personnel is essential. Small firm owners usually have the advantage of being close to employees. They know problems from daily conversations and can adjust employment to a person's abilities better because of this close association. As a result, they are usually able **to maintain**¹² better morale and efficiency in the firm, which is important in any business.

Disadvantages of small firms:

Small firms are often said to labor under such disadvantages as the inability to secure competent employees, the inability **to cope with**¹³ monopolistic practices, the inability to finance **expansion**¹⁴ when it has been proved to be practicable, **tax burdens**¹⁵, limited **vendor goodwill**¹⁶, discriminatory practices by large shopping-center developers, **lack**¹⁷ of time for the small proprietor **to handle**¹⁸ multiple assignment, lack of **research facilities**¹⁹, and the problems of making a new firm or product known in its market.

Many of the disadvantages of small firms could be overcome with positive planning. An ill-conceived business, whether large or small, has little chance of success if its operation has not been properly planned. Good research in the planning stage can reveal opportunities for success. It can also indicate when a business that is contemplated should not be undertaken.

The **rewards**²⁰ for successful small firm ownership can be significant. The personal satisfaction will vary with the individual owner. Good profits, satisfying employment, being one's own boss, community status, family pride and tradition, and having an outlet for one's creativity are some of them.

But these rewards are never automatic or guaranteed. Success makes many demands upon the operator of the firm. The requirements for successful ownership of small business firms can be summarized as follows: personal characteristics, good customer relations and knowledge of **consumerism**²¹, good community relations, business ethics and social responsibility, compliance with government regulations. But sound business knowledge and willingness to work hard stand at the head of any list. Knowing the causes of failure can protect the owner against them.

The individual firm has benefited from having these and other advantages. In addition to the types of firms cited, small firms in such fields as construction, wholesaling, retailing, and the service industries have faced up

well to their larger firm competition. Insurance and small finance firms have also been very successful. The profitable firms have not relied on the inherent advantages of small firms as such, but have combined these advantages with alert and competent management to achieve their success.

Notes: 1. ежедневное ведение хозяйственной деятельности; 2. контролировать, наблюдать; инспектировать; 3. недвижимость; 4. оказывать (*помощь*); 5. возмещать, компенсировать; 6. накладные расходы; 7. эффективность; производительность; 8. превышать; превосходить; 9. спрос; 10. транспортные расходы; 11. приспособлять; 12. поддерживать; 13. справиться; 14. расширение, рост; 15. бремя налогового обложения; 16. гудвилл фирмы; 17. недостаток, нехватка, отсутствие; 18. управлять, осуществлять контроль; 19. средства на исследование; 20. поощрение, вознаграждение; 21. консьюмеризм.

COMPREHENSION

1. Answer the following questions.

- 1) Why are small firms more preferable when new products or ideas are being used?
- 2) Why do small firms have advantages when the personal attention of the owner is essential to daily operations?
- 3) Why are large firms less efficient where personal professional services are dominated?
- 4) What are the advantages of small firms when the market for the product is local and there are wide variations in demand and styles?
- 5) What advantages do small firm owners have?
- 6) What disadvantages of small firms do you know?
- 7) How can owners of small firms overcome disadvantages?
- 8) In what way can owners of small firms be rewarded?
- 9) What requirements for successful ownership of small business firms are mentioned in the passage? Which are the most important?

2. In each of the following select the word or phrase that best completes the statement or answers the question.

- 1) An advantage of small businesses over big businesses is that small businesses
 - a. are more flexible
 - b. have fewer problems
 - c. are less regulated
 - d. are all of the above
- 2) Which of the following would be classified as working for some one else?

- a. physician in private practice c. retail sales clerk
 b. dairy farmer d. attorney
- 3) Big business, some people believe,
 a. is unethical c. has more political power
 b. strangles small business d. does all of the above
- 4) A list of skills in order of difficulty or rank is called
 a. a rank list c. a hierarchy
 b. a guild record d. a table of skills
- 5) Small businesses when compared to big businesses
 a. are more likely to succeed c. are a greater risk
 b. employ more workers d. usually require less capital to start
- 6) Future innovations in technology will
 a. create opportunities for small businesses.
 b. put small businesses out of business.
 c. decrease employment in some industries.
 d. all of the above.
- 7) Which of the following products can be sold in vending machines?
 a. hot soup and sandwiches c. insurance policies
 b. stockings d. all of these
- 8) Which of the following is a performance test?
 a. driving (road) test c. blood test
 b. IQ test d. written driver's test
- 9) Which of the following is a repair business that services businesses?
 a. watchmaker c. office machine repair
 b. TV repair shop d. dentist
- 10) Which of the following is not a financial business?
 a. credit union c. investment banker
 b. insurance company d. company that prints paper money
- 11) If you opened a hamburger stand, you would probably need a
 a. license c. variance or permit
 b. lemonade stand d. all of these
- 12) What businesses are most people likely to have been involved with while still in school?
 a. paper route c. babysitting
 b. lemonade stand d. all of these
- 13) Which of the following statements is true?
 a. Small businesses can be very small.
 b. Small businesses must be run on a full time basis to be profitable.
 c. Small businesses are not found in the production area.
 d. All distribution businesses are small.

TEXT 4. FORMS OF OWNERSHIP

Read the text to get the gist of it. Answer the following questions.

- a) What is the most risky form of ownership?
- b) What form of ownership is the least easy to dissolve?

There are three major legal forms of ownership: sole proprietorship, the partnership and the limited company. It is important to note which form of ownership is involved because the different characteristics of each will have implications for the operation of the firm. The following section explains the various forms of ownership, their advantages and disadvantages.

Sole Proprietorship

A sole proprietorship is a business owned and usually operated by a single individual. Its major characteristic is that the owner and the business are one and the same. In other words, the revenues, expenses, assets and liabilities of the sole proprietorship are the revenues, expenses, assets, liabilities of the owner. A sole proprietorship is also referred to as the proprietorship, single proprietorship, individual proprietorship, and individual enterprise.

A sole proprietorship is the oldest and most common form of ownership. Some examples include small retail stores, doctors' and lawyers' practices and restaurants.

Advantages

A sole proprietorship is the easiest form of business to organize. The only legal requirements for starting such a business are a municipal licence to operate a business and a registration licence to ensure that two firms do not use the same name. The organization costs for these licences are minimal.

A sole proprietorship can be dissolved as easily as it can be started. A sole proprietorship can terminate on the death of the owner, when a creditor files for bankruptcy, or when the owner ceases doing business.

A sole proprietorship offers the owner freedom and flexibility in making decisions. Major policies can be changed according to the owner's wishes because the firm does not operate under a rigid charter. Because there are no others to consult, the owner has absolute control over the use of the company's resources.

Disadvantages

As mentioned earlier, the financial condition of the firm is the same as the financial condition of the owner. Because of this situation, the owner is legally liable for all debts of the company. If the assets of the firm cannot cover all the liabilities, the sole proprietor must pay these debts from his or her

own pocket. Some proprietors try to protect themselves by selling assets such as their houses and automobiles to their spouses.

A sole proprietorship, dependent on its size and provision for succession, may have difficulty in obtaining capital because lenders are leery of giving money to only one person who is pledged to repay.

A proprietorship has a limited life, being terminated on the death, bankruptcy, insanity, imprisonment, retirement, or whim of the owner.

Partnerships

A partnership is an unincorporated enterprise owned by two or more individuals. A partnership agreement, oral or written, expresses the rights and obligations of each partner. For example, one partner may have the financial resources to start the business while the other partner may possess the management skills to operate the firm. There are three types of partnerships: general partnerships, limited partnerships, and joint ventures. The most common form is the general partnership, often used by lawyers, doctors, dentists, and chartered accountants.

Advantages

Partnerships, like sole proprietorships, are easy to start up. Registration details vary by province, but usually entail obtaining a license and registering the company name. Partners' interests can be protected by formulation of an "Agreement of Partnership". This agreement specifies all the details of the partnership.

Complementary management skills are a major advantage of partnerships. Consequently partnerships are stronger entity and can attract new employees more easily than proprietorships.

The stronger entity also makes it easier for partnerships to raise additional capital. Lenders are often more willing to advance money to partnerships because all of the partners are subject to unlimited financial liability.

Disadvantages

The major disadvantage of partnerships is that partners, like sole proprietors, are legally liable for all debts of the firm. In partnerships, the unlimited liability is both joint and personal. Partners are also legally responsible for actions of other partners. Partnerships are not as easy to dissolve as sole proprietorships.

Limited companies

Limited companies, unlike proprietorships or partnerships, are created by law and are separate from the people who own and manage them. Limited companies are also referred to as corporations. In limited companies, ownership is represented by shares of stock. The owners, at an annual meeting, elect a board of directors which has the responsibility of appointing company

officers and setting the enterprise's objectives.

Advantages

Limited companies are the least risky from an owner's point of view. Shareholders of corporations can only lose the amount of money they have invested in company stock.

Corporations can raise larger amounts of capital than proprietorships or partnerships through the addition of new investors or through better borrowing power. Limited companies do not end with the death of owners.

Disadvantages

It is more expensive and complicated to establish corporations proprietorships or partnerships. A charter, which requires the services of a lawyer, must be obtained through provincial governments or the federal government. In addition to legal costs, a firm is charged incorporation fees for its charter by the authorizing government.

Limited companies are subject to federal and provincial income taxes. Dividends to shareholders are also taxed on an individual basis.

With diverse ownerships, corporations do not enjoy the secrecy that proprietorships and partnerships have. A company must send each shareholder an annual report detailing the financial condition of the firm.

I. Find international words in paragraphs 10 and 11.

II. Complete the sentences with the words from the box below.

Single, ownership, sole proprietorship, flexibility, individuals, liability, own, to operate, directors, stock.

1. There are three major legal forms of ... : sole proprietorship, the partnership and the limited company.
2. A sole proprietorship is owned and operated by a ... individual.
3. A can be dissolved as easily as it can be started.
4. A sole proprietorship offers the owner freedom and ... in making decisions.
5. A partnership is an unincorporated enterprise owned by two or more
6. One partner may possess the management skills ... the firm.
7. In partnerships, the unlimited ... is both joint and personal.
8. Limited companies are separate from the people who ... and manage them.
9. The owners of limited companies elect a board of ... at an annual meeting.
10. Shareholders of corporations can only lose the amount of money they

have invested in company ...

III. Make up your own sentences using the following words and word combinations.

Forms of ownership, sole proprietorship, a single individual, most common form of ownership; partnerships, easy to start, partners, to be legally liable for all debts, owners, limited companies, board of directors.

IV. Read the text again and choose the best endings to the following statements.

1. A sole proprietorship is a business owned and usually operated by
 - a) two or more individuals
 - b) a single individual
 - c) shareholders
2. A sole proprietorship is
 - a) the oldest form of ownership
 - b) the youngest form of ownership
 - c) the least risky form of ownership
3. Only a municipal and registration licences are necessary for starting
 - a) a sole proprietorship
 - b) a partnership
 - c) a limited company
4. A sole proprietorship can be dissolved
 - a) with great difficulties
 - b) not easily
 - c) easily
5. A proprietorship has
 - a) a limited life
 - b) an unlimited life
 - c) a long life
6. A partnership agreement, oral or written, expresses the rights and obligations of... .
 - a) the owner
 - b) each partner
 - c) shareholders
7. General partnerships, limited partnerships, and joint ventures are three types of....
 - a) limited companies
 - b) sole proprietorships
 - c) partnerships
8. The most common form of partnerships is
 - a) the general partnership
 - b) the limited partnership
 - c) the joint venture

9. Partnerships can attract new employees more easily than
 - a) limited companies
 - b) proprietorships
 - c) corporations
10. In partnerships, the unlimited liability is
 - a) joint
 - b) personal
 - c) joint and personal
11. From an owner's point of view limited companies are
 - a) the most risky
 - b) the least risky
 - c) risky
- 12 Dividends to shareholders are taxed on
 - a) an individual basis
 - b) a common basis
 - c) both individual and common basis

V. Complete the unfinished questions in column A that are answered in column B.

A	B
How many ... ?	3 major forms of ownership.
How many... ?	1 individual.
How many... ?	2 or more individuals.
How many... ?	3 types of partnerships.
What... ?	Shares of stock.
What... ?	A board of directors.
What... ?	Secrecy.

VI. Using the information obtained from the paragraphs make an outline of the text.

VII. Speak about forms of ownership using key words, phrases, the topic sentences and the outline.

VIII. Translate into English.

1. Единоличное владение – самая простая форма организации бизнеса.
2. Единоличное владение предоставляет владельцу свободу и гибкость в принятии решений.
3. Владелец ответственен за все долги компании.
4. Время существования компании может быть ограничено

- банкротством, тюремным заключением, уходом на пенсию, прихотью владельца и т.д.
5. Заимодавцы предпочитают вкладывать деньги в партнерства, чем в единоличные владения, поскольку все партнеры являются финансово ответственными.
 6. Партнерства не так легко распускаются, как единоличные владения.
 7. В компаниях с ограниченной ответственностью собственность представлена акциями акционерного капитала.
 8. Акционеры могут только потерять деньги, инвестированные в корпорации.
 9. Дивиденды акционеров корпораций облагаются налогом на основе индивидуального принципа.
 10. Компания обязана посылать акционерам ежегодный отчет, отражающий финансовое состояние фирмы.

TRANSLATION PRACTICE

Translate from Russian into English in a written form.

А

1. Корпоративная форма бизнеса является более гибким инструментом для широкомасштабной экономической деятельности, чем единоличное владение или партнерство.

2. Первое, она защищает своих владельцев, освобождая их от индивидуальной ответственности перед законом, когда они представляют бизнес.

3. Второе, владельцы акций капитала обладают ограниченной ответственностью, они не отвечают за долги корпорации. Если акционер заплатил 100\$ за 10 акций капитала и корпорация становится банкротом, он или она могут потерять 100 инвестированных долларов.

4. Третье, капитал корпорации можно перемещать. Потеря интереса к делу, болезнь и т.п. отдельного лица не наносят ущерб корпорации.

В

Партнерство как форма организации бизнеса в большей или меньшей степени является естественным развитием единоличного владения. В попытке преодолеть некоторые из основных недостатков единоличного владения родилась такая форма бизнеса, как партнерство. Само название объясняет суть этой формы. Партнерство – это форма организации бизнеса, при которой два или более отдельных лица договариваются о владении предприятием и его управлении. Обычно они объединяют свои финансовые ресурсы и умение вести дела. Подобным образом они распределяют риски, а также прибыли или убытки, которые могут выпасть на их долю. По степени участия в деятельности предприятия партнерства бывают разные. В некоторых случаях все партнеры играют активную роль в функционировании

предприятия, в других случаях – один или несколько участников могут быть «молчаливыми», то есть играть пассивную роль. Это означает, что они вкладывают свои финансовые средства в фирму, но не принимают активного участия в управлении ею.

TEXT 5. INVESTING IN A LIMITED COMPANY

1 When a limited company has started trading, you do not invest in shares by giving more capital to the company. You buy them from one of the shareholders. If it is a private limited company, a shareholder can only sell shares if all the other shareholders agree. If it is a public limited company, shares can be bought and sold freely, usually at a Stock Exchange. If the company is doing well and paying high dividends, then you might pay more than the face value of the shares. If it is doing badly, you might pay less than the face value of the shares. The price you pay at the Stock Exchange (or to a shareholder) for your shares is their market value.

2 If the company fails, it will stop trading and go into liquidation. This means that all the company's property and equipment (its assets) must be sold and the money from the sale will be used to pay its debts to its creditors. The shareholders may lose the money they paid for the shares. If the company still does not have enough money to pay all its debts, the shareholders do not have to pay any more money. In other words, the shareholders' liability for debts is limited to the value of their shares.

3 On the other hand, if you are an owner of a business which is not limited, for example a sole proprietorship (owned by one person) or a partnership (owned by between 2 and 20 people) and your business fails, you will go bankrupt. In this case you might have to sell your own private possessions (your house, car, furniture, etc.) to pay all your creditors. In other words, sole proprietors and partners have unlimited liability for their firm's debts.

Exercise 1. Express the following in one word:

1. The money shareholders put into a company to buy property and equipment so it can start trading.
2. One of the owners of a partnership.
3. The price you pay for shares when the company has started trading is their.....value.
4. To put money into a business or a bank account so that it will make a profit.
5. The sole (only) owner of a business.
6. To buy and sell goods.
7. The price written on a share is its value.

8. Something belonging to a person or a business which can be sold.
9. One of the owners of a limited company.
10. Your legal duty to other people, eg. to your creditors.
11. If a sole proprietorship or a partnership fails, the owners will go
12. You can only buy or sell shares in a limited company if the other shareholders agree.
13. A person you owe money to.
14. The shares in a limited company can be bought and sold freely.
15. Another name for a business.
16. When a limited company fails, it goes into
17. Money you owe to another person.
18. Shares in public limited companies are usually bought and sold at a exchange (which is also called a market).

Exercise 2. Put questions to text № 5 and answer them.

Exercise 3. Types of business. Complete this table about the four main kinds of business in Britain.

Type of business	Number of owners	Name of owner(s)	Liability of owner(s)	If the business fails...	Additional information
Sole proprietorship	<i>a</i>	<i>b</i>	unlimited	owners go	
<i>d</i>	<i>e</i>	Partners		<i>c</i>	
<i>f</i>	2–50	<i>g</i>	<i>h</i>	Company goes <i>i</i>	Name of company includes word <u>Limited</u> or abbreviation <u>Ltd.</u> Shares sold privately with agreement of other shareholders. <u>Must have Memorandum of Association and Articles of Association.</u>
<i>J</i>	2 or more				Name of company includes words <u>Public Limited Company</u> or abbreviation <u>plc.</u> Shares sold <i>k</i>

Exercise 4. Complete the following sentence with must or can.

1. There _____ be at least two partners in a partnership.
2. A person who wants to start a business, but who has not got any partners start a sole proprietorship.
3. Two people starting a business together _____ start a partnership or a private limited company.
4. You _____ have as many as 20 people in a partnership.
5. A sole proprietor ____ pay the firm's debts with his/her own money if necessary.
6. Each partner _____ pay the firm's debts with his/her own money if necessary.
7. Anyone _ ____ buy shares in a public limited company.
8. The name of a private limited company _____ include the word *limited* or the abbreviation *Ltd.*
9. You _____ only buy shares in a private limited company if the other shareholders agree.
10. You _____ draw up a Memorandum and Articles of Association when you start a limited company.

ACT OUT DIALOGUES

I. Split into pairs and act out the following dialogues.

a) *Student A.* You have recently inherited a small business and would like to operate it. But your wife is absolutely against it. Try to persuade her that it would be a valuable learning experience and you can make a big profit.

Student B. Your husband is eager to become a sole proprietor but you have recently read an article about private companies and think that it is a dangerous and difficult business. Persuade your husband not to start it.

b) *Student A.* You have started a business of your own and work day and night. Your friend thinks that it is easy to operate it and doesn't believe that you make a lot of efforts in doing it. Explain him all the difficulties of a sole proprietorship.

Student B. Your friend is a sole proprietor. You think he does nothing but making money. Try to give all arguments and facts to prove your point.

c) One of you aims at forming a partnership. The other is eager to start a business of his own. Try to persuade each other giving advantages and disadvantages of each form of business organization. Use the vocabulary.

II. In order to start a limited company, you must draw up two legal documents, a Memorandum, of Association and the Articles of Association. In small groups, start your own company. Decide on the name of the company, what you are going to do and how much capital you are each going to invest. Then draw up the Memorandum. Write a full sentence for each of the six clauses, which say the following:

1. The name of the company (*The name of the company will be ...*)
2. The country where the company is.
3. The type of trade the company will carry on.
4. A sentence saying that the liability of the shareholders is limited by the amount invested in shares in the company.
5. The amount of capital the company has and the number and value of its shares.

TEXT 6. WHY ARE COMPANIES REFERRED TO AS LTD., INC., GMBH, OR S.A.?

Translate this text into Russian in written form

An individual, like Henry Ford, might want to begin a small enterprise and personally retain total responsibility and liability, but once it starts to grow, a partnership or a "company"—such as Ford Motor Company—would need to be formed. The key factor in owning any company is the guarantee called limited liability: the owners of a company never have to pay more than they have invested in the company. Their liabilities are limited. When a company goes bankrupt, the owners can never be required to pay its unpaid bills.

The worst that can happen to investors in a limited liability company is losing their initial investment if the company fails. By limiting the downside risk for shareholders, companies are able to attract equity investors and raise large amounts of funds called equity capital through sales of shares rather than by borrowing money at potentially high interest rates. The names of companies around the world reflect this guarantee of limited liability. The abbreviations "GmbH" in Germany, "Inc." in the United States, or "Ltd." in most other English-speaking countries indicate that the firm is a limited liability company and investors have nothing more to lose than the money invested in their shares. The "S. A." in French- and Spanish-speaking countries also refers to limited liability by defining shareholders as "anonymous." Since the identity of shareholders can be kept secret, the creditors of a bankrupt company have no right to pursue them for the company's unpaid debts.

Many countries make a clear distinction between public and private companies, with separate designations, such as AG and GmbH in Germany, or Pic and Ltd. in Britain. Generally, "public" companies are those large enough to have their shares traded on stock exchanges, while smaller unquoted companies are said to be "private," even though their shares can be held by the public at large. In some countries, a large company is said to be privately owned if its shares are not available to the general public. In the United States, where little distinction is made between public and private companies, most companies simply bear the title "Incorporated."

Your vocabulary

corporation	Large companies are referred to as corporations , especially in the United States.
corporate	Corporate is used to describe things relating to a corporation, or to corporations in general, in expressions like the ones in the next exercise.
multinational	Large companies operating in many countries are multinationals .
big business	Big business can refer to large business organizations or to any business activity that makes a lot of money.
small and medium-sized companies	Small companies are referred to as small businesses or small firms.
small business	
small firm	

Unlike some languages, English does not have an everyday term for **small** and **medium-sized companies**, apart from this rather clumsy expression.

1. Corporate partners. The words in the box frequently occur after corporate.

governance	strategy	image	collapses
	logo	corporate	ladder
		performance	

Find combinations that refer to:

- 1 the perception that people have of a corporation.
- 2 what corporate employees climb during their career.
- 3 company results over a period of time.
- 4 the values that people have and the ways that things are done in an organization.
- 5 the way a company is managed at the highest level.
- 6 plans that companies have maintaining and developing their position in the future.
- 7 company failures.
- 8 a symbol, usually showing the company's name.

Now use these expressions to complete the extracts.

- a Corporate _____ and associated fiascos have exposed the failure of the auditing industry as a whole, not just the failure of individual audits.
- b No single subject has so dominated the attention of managers, consultants and management theorists as the subject of corporate _____.
- c While Wal-Mart grew, Walton was developing the practices that were to give the firm one of America's most-admired corporate _____s.
- d Huet, remaining one step ahead on the corporate _____, has been transferred to New York as head of Societe Generale in America.
- e Good corporate _____ should be about stopping messes from happening, not just cleaning up afterwards.
- f Few investors are prepared to look beyond conventional measures for assessing corporate _____.
- g All phone books are to have identical blue covers with the British Telecom _____. It is part of the corporate _____.

LET'S DISCUSS

Wearing the corporate identity. Read this article from the *Independent on Sunday* and answer the questions.

CORPORATE IDENTITY: THE EXECUTIVE UNIFORM

An expensive advertising campaign can attract you to a company, its impressive building will make you glad you came, but if the first person you deal with is wearing a purple tank top and flared trousers, are you really going to take them seriously?

A uniform is the most personal manifestation of a company's corporate identity, so companies specialising in 'executive careerwear' are putting white collar workers and professionals into 'corporate suits'.

- 1 Even if you don't know what a tank top is, does the writer imply that it is a suitable thing for someone working in a company to wear?
- 2 Are white collar workers obliged to wear shirt with white collars in your country, even if they don't wear a uniform provided by the company?

John Larder, a Midland Bank branch manager, wears his dark blue corporate suit by choice. 'We can choose between single-breasted or double-breasted, and I alternate between the two. However, I wouldn't wear it out if I was with a customer as I think it would be unfair for them to be seen with someone who is obviously a Midland Bank man.'

There is often a certain amount of choice available in terms of style and colour, so not everyone ends up dressed identically. But together, the effect remains co-ordinated. At the Abbey National not only are corporate suits provided, but the corporate identity is carried into maternity wear and for the special requirements of ethnic groups.... The majority of people who wear corporate clothing are those who deal directly with the public, and the response from customers has been very positive....

But who among the professionals would wear company colours, and how are they persuaded to do so? The most recent newcomers to corporate dressing are financial services companies such as banks and building societies and the challenge is to find a look that pleases everyone....

There will always be those who consider that being asked to wear a uniform is a dubious privilege. A senior employee at a leading estate agent says: 'When the clothes were

3 Another important part of an organization's corporate identity is its l _g _

4 Is a dubious privilege a privilege that people really want?

introduced, we were all on the phone to our lawyers because we just didn't want to wear them. Some people even left their jobs.'...

Chris Willows, of BMW, explained why the company does not have corporate clothing for its sales people. 'One of the linchpins of BMW's philosophy is its individuality, both in the type of product it produces and the type of customer it attracts. We are a company which places tremendous emphasis on corporate identity, even down to the type of tile for the showrooms, but there is a difference between bricks and mortar and a human being.

But even when organisations do not have corporate clothing, they still expect their staff to dress to reflect the company's values. That means saving the purple tank tops for evenings.

5 If X is the linchpin of Y, is X an important part of Y?

6 If you place tremendous emphasis on something, do you think it is unimportant?

7 Would you wear a uniform or 'corporate clothing' to work? If you do already, what do you think of it?

What is meant by "organizational climate"? Why is it important? What part does an organization's culture play in the daily lives of its members?

Read the text and be ready to discuss each point of cultural values. Can you add any more?

ORGANIZATIONAL CLIMATE

Although the concept of organizational climate is somewhat nebulous, it is valuable in understanding several aspects of organizational behavior. **Organizational climate is the overall favour ability of member attitudes and perceptions with reference to specific activities and features of an organization.**

Organizations tend to have their specific culture: a peculiar mix of values, attitudes, norms, habits, traditions, behaviors and rituals. Some organizations are well aware of their culture and regard it as a powerful strategic tool, used to orient all units and individuals toward common goals, mobilize employee initiative, ensure loyalty, and facilitate communication. They aim at creating a culture of their own and making sure that all employees

understand it and adhere to it. The specific cultural values of an organization may concern, for example:

- the organization's mission and image (high technologies, innovative spirit, superior quality);
- seniority and authority (respect for seniority; seniority as a criterion of authority);
- the treatment of people (concern for people and their needs, equitable treatment or favouritism, privileges, respect for individual rights, training and developing opportunities, how people are motivated);
- the importance of different management positions and functions (authority of personnel department: importance of different vice-presidents' positions; respective role and authority of research and development);
- work organization and discipline (voluntary versus imposed discipline; punctuality; use of time clocks: flexibility in changing roles at work; use of new forms of work organization);
- decision making process (who decides; who has to be consulted; individual or collective decision making; need to reach consensus);
- circulation and sharing of information (employees amply or poorly informed; information readily shared or not);
- communication pattern (preference for oral or written communication; rigidity or flexibility in using established channels, use of meetings; who is invited to what meeting; established behaviour in the conduct of meeting);
- ways of handling the conflicts (desire to avoid conflict; preference for informal or formal ways; involvement of higher management);
- performance evaluation (confidential or public; by whom carried out; how results are used);
- socialization patterns (who socializes with whom during and after work; facilities such as separate dining rooms or reserved clubs);
- management and leadership style (paternalism; authoritative, consultative or participative style; flexibility and adaptability);
- identification with the organization (manager and staff adherence to company objectives and policies; enjoying working with organization).

UNIT 2. MANAGEMENT AND COMPANY STRUCTURE

If the leader is good, the followers will be good.

Your vocabulary

Management

- the control and organizing of a business or other organization;
- those staff within the firm who exert control over its activities on behalf of owners.

Top management

- includes the chief executive of an organization, his or her deputy or deputies, the board of directors and the managers in charge of the divisions or departments of the organization.

Middle management

- consists of the managers to whom top management delegates the day-to-day running of the organization.

Managing director

- company director responsible for the day-to-day running of a company. Second in the hierarchy only to the chairman, if there is one; the managing director is the company's chief executive.

Manager

- a person controlling or administrating a business or part of a business.

staff
employee
workforce
personnel
payroll

People working for a company are referred to as its **workforce**, **employees**, **staff** or **personnel** and are on its **payroll**.

shopfloor

In some contexts, especially more conservative ones, employees and workforce refer to those working on the **shopfloor** of a factory actually making things. Similarly, staff is sometimes used to refer only to managers and office-based workers.

white-collar
blue-collar
management
labour

This traditional division is also found in the expressions **white-collar** and **blue-collar**.

Another traditional division is that between **management** and **labour**.

Personnel or human resources?

personnel
human resources
HR

human resource
management
HRM

The people working for an organization are, formally, its **personnel**. In large organizations, administration of people is done by the **personnel department**, although this expression is now sometimes rejected.

Companies talk instead about their human **resources** or **HR** and **human resource management** or **HRM**.

Hiring and firing

recruit
recruitment
take (staff) on
hire

fire

hiring and firing

quit

Personnel departments are usually involved in finding new staff and **recruiting** them, **hiring** them, or **taking** them **on**, in a process of **recruitment**. Someone recruited is a **recruit**, or in American English only, a **hire**.

They are also involved when people are made to leave the organization, or **fired**.

These responsibilities are referred to, relatively informally, as **hiring and firing**.

If you leave a job voluntarily, you **quit**.

Delaying and downsizing

re-engineering
delaying
downsizing
rightsizing

lean
flat

Middle managers are now most often mentioned in the context of **re-engineering**, **delaying**, **downsizing**, or **rightsizing**: all these expressions describe the recent trend for companies to reduce the numbers of people they employ, often by getting rid of layers of managers from the middle of the hierarchy.

An organization that has undergone this process is **lean** and its hierarchy **flat**.

Ex. 1. Do you know the meaning of the following derivatives? Show it with the help of your own sentences.

to manage; manageable; management; manager; manageress; managerial

Translate the following sentences. Pay attention to the words in italics.

1. They reserved the right to make *managerial* decision.
2. What you need is advice from your bank *manager*.
3. I wish you could *manage* the time to come and to talk to us.
4. Private banks are being nationalized, and are to be *managed with* workers' participation.
5. They are part of my *management* team.
6. The baby can be greatly influenced by the parents' *management*.
7. She has been working as the *manageress* of a bookshop.
8. It is perfectly *manageable* task to tackle systematically.

Ex. 2. Write down a synonym for each of the words on the left. Choose the one on the right. In what do they differ?

choice	affect
objective	present
current	own
predict	target
happen	process
handle	option
influence	give
possess	obtain
grant	foresee
get	occur

Ex. 3. The following words can be classified into 5 groups. What are they? Show the difference in their meaning with the help of your own sentences.

Choice, have, solve, dilemma, own, profit, possess, variant, cope with, to process, option, tackle, problem, handle, return, predicament, gain, alternative.

Ex. 4. Match the definitions with the words given below.

Fee, executive, insure, skill, capacity, profile, applicant, charisma, ensure, guideline, superior.

1. Ability to do something well.
2. Short biographical or character sketch.
3. Payment made for professional advice or services.
4. Person or body with managerial or administrative responsibility.
5. Make certain.
6. Secure compensation in the event of loss or damage by advance regular

- payments.
7. In a higher position; of a higher rank.
 8. Principle directing action.
 9. Power to certain, receive, experience, or produce.
 10. The ability to attract, influence, and inspire people by your personal qualities.
 11. Someone who formally asks to be given something, such as a job or a place at a college or university.

Ex. 5. Give the Russian equivalents to the following.

Involved in management; production oriented? impose regulations, ever-more-complex environment; encompasses both science and art? business executives; code of conduct; develop the body of knowledge; with respect to the second criterion; the issue is much less clear-out; is consistent with their interest; self-interest or concern for others; decision-making machinery; cross-cultural skills; consulting fee; character attributes: compare against the places set earlier; authority.

Ex. 6. Labour exercise. *Some of the words in the box go in front of 'labour'. Others go after. Find which go where and match the combinations to the definitions.*

- 1 The willingness of people in the workforce to change jobs, or move to another part of the country to find work.
- 2 Organizations designed to protect the interests of workers in the United States. These organizations are known in Britain by another name. What is this name?
- 3 Workers with specialist knowledge and abilities.
- 4 A lack of workers in relation to the number required.
- 5 People who work with their hands.
- 6 Workers who don't cost much to employ.
- 7 Disagreements between labour and management, for example over pay.
- 8 These can be good, or they can be bad and lead to a lot of disagreements with management.

		shortage		
	cheap		manual	
mobility		labour/labor		relations
	skilled		unions	
		disputes		

TEXT 1. WHEN SLIMMING IS NOT ENOUGH

This article from *The Economist* uses the language of slimming to talk about downsizing. From the headline, introduction, and the article itself find:

- a a word, used here in the plural, referring to an eating programme designed to help people lose weight.
- b a two-word expression meaning a place where people go to lose weight and get fit.
- c a formal word (a noun) referring to the state of being overweight,
- d a word (used twice here) that means the process of losing weight,
- e the comparative form of an adjective that can mean overweight, used here to talk about the amount of money that companies earn.

American managers are obsessed with corporate corpulence. But a downsized company is not always a dynamic one.

The gurus call it 'downsizing'. Last year, in an unending quest for lower costs, higher productivity and fatter profits, American firms announced 615,000 job cuts, an all-time record. In the first seven months of 1994, according to Challenger, Gray & Christmas, a Chicago consultancy, a further 319,000 workers suffered the same fate. Altogether, corporate America now spends \$10 billion a year on restructuring.

The telecoms and computer industries, grappling with technical change and price wars, account for almost a third of this year's layoffs. The remaining cuts were spread among industries as diverse as oil and aerospace, where deals such as this week's merger between Lockheed and Martin Marietta will lead to still more job losses. And yet, just when this most enduring of management fads seems to be permanently enshrined, American executives have begun to have their doubts.

It can make sense to cut back in stages. But some American firms have started to behave like corporate anorexics, addicted to downsizing as their only business strategy. A forthcoming study by the New York-based American Management Association found that two-thirds of firms cutting back in any given year do so again a year later. A quarter of the companies it studied had undergone three or more episodes of downsizing in the past five years.

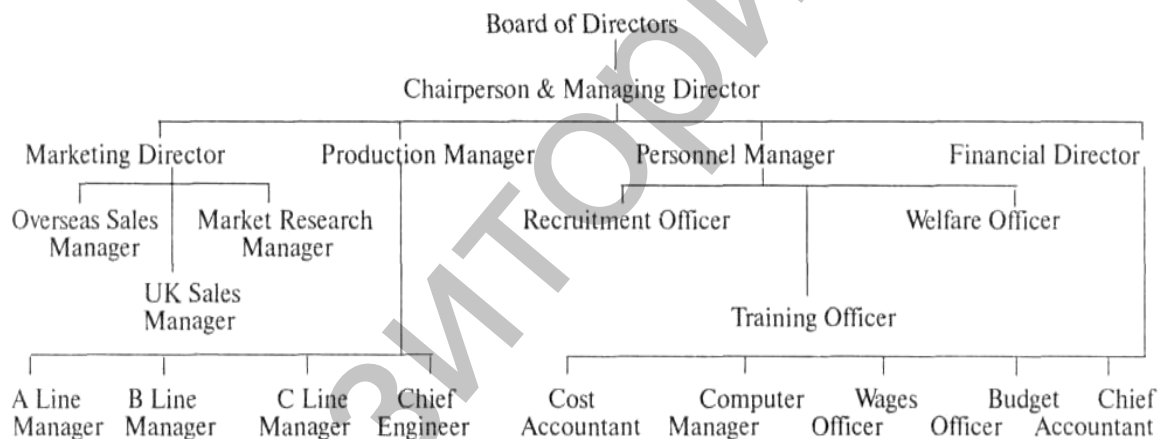
Even the gurus have begun to wonder whether there is more to life than perpetual slimming. Gary Hamel and C K Prahalad, authors of a new book on business strategy, think that managers' obsession with downsizing can reflect a lack of imagination. It may be easier to increase returns on investment by cutting assets or jobs, rather than by raising profits.

Fans of downsizing disagree. They claim that in the 1980s entire industries - cars, defence, computers and others - needed a trip to the health farm, sometimes more than once. Downsizing is a way of freeing up capital and labour for growing sectors to absorb. What is more, there is plenty of evidence that downsizing has worked. American unit-labour costs fell by an average of 6.4% a year in 1985-93. In Japan and Germany, where downsizing has yet to begin in earnest, they rose at annual rates of 4.2% and 6.6% respectively. Recent business surveys show that America has become more competitive than Japan for the first time in a decade. Even if management fashion is changing, there is no case for most firms abandoning their diets.

COMPANY STRUCTURE. Study the chart and answer the questions.

Romford Engineering is a public limited company and its shares are quoted on the London Stock Exchange. The chart below shows the lines of communication and command between the company's senior officials.

The organization chart



After studying the chart you are required to answer the following questions:

1. Who do the Marketing Director, the Production Manager, the Personnel Manager and the Financial Director (in other words the Departmental Heads) take their orders from?
2. Who do the Line Managers and the Chief Engineer take orders from?
3. If the Managing Director and the Production Manager had a meeting, what do you think they might discuss?
4. How many executive directors are there in Romford Engineering?
5. If the Computing Manager was sending information to the Managing Director should he send it through the Financial Director? Why?
6. How many immediate subordinates does each of the Departmental Heads have?

7. In what circumstances do you think the Marketing Director and the Production Manager might have conflicting interests?
8. Would you expect the Chief Engineer to be paid more or less than the Production Manager? Why?
9. What sort of work would you expect the Wages Officer to do?
10. If there was a dispute between one of the line managers and the Chief Engineer how would you expect it to be settled?
11. If there was a dispute between the Marketing Director and the Financial Director how would you expect it to be settled?

Your vocabulary

Board of directors – the people legally responsible for a company.

President – the head of a company.

Vice-president – a senior manager in charge of a function. He/she may be on the board and may have responsibility for running the company.

Executive directors – high-level managers of the company.

Non-executive directors – other directors, bringing their knowledge and experience to several company boards.

Ex. 1. Role-playing. Read the words and complete the commentary

Chairman, chairwoman, managing director, chief operating officer, chief executive, chief executive officer.

The person who chairs board meetings is the _____ or _____. The position is often combined with that of _____, who may be responsible for the day-to-day running of the company. This responsibility is made specific in the titles _____, _____, or CEO. Some companies also have a _____ in addition to or instead of a CEO.

TEXT 2. THE BOARD OF DIRECTORS

Read the text. Answer the following questions.

- a) Does the board of directors make mostly strategic or tactical decisions?
- b) Are there any advantages of the situation that part-time directors can be elected to the board?

The board of directors of a limited company is primarily responsible for determining the objectives and policies of a business. It is the directors who determine the direction the business is going to take. They will need to ensure that the necessary funds are available and will appoint key staff to

whom they will delegate the authority to run the business on a day-to-day basis. They will need to design an effective organization structure so that there is both a chain of command linking one level of management with another and an effective communication network so that instructions can be passed downward and information passed upward.

The directors are appointed by the shareholders, normally at the company's annual general meeting, at which the chairman of the board will be expected to account for their stewardship the previous year. The company's accounts will be presented to the shareholders at that time so they can judge for themselves whether or not the board has been successful.

Direction in business is like strategy in war situation. The strategic decisions determine the areas in which the company's resources will be employed. Above all it involves planning to ensure that the business first survives and then flourishes. Strategic decisions, made by the board of directors, are concerned with the disposition of resources. These contrast with the tactical decisions by means of which the senior executives (appointed by the directors) carry out in detail the plans conceived or approved by the board of directors.

The fact that boards of directors tend to meet rather infrequently, say once a week, means that part-time directors can be elected to the board. Since they will not have departmental responsibilities within the company they are often described as non-executive directors. There are arguments in favour of such directors though they may lack a detailed knowledge of the company's activities. They may bring expertise to the board. Some are lawyers, or experts in tax affairs. Some represent influential groups of shareholders whose support is necessary if the board is going to carry out its plans, while others are directors in a number of companies and are used to interlock boards within a group of companies. For example, a holding (or parent) company may appoint a director from their board to serve on the board of a subsidiary company, with a view to keeping a watching brief on the directors' activities.

Ex. 1. Read the text again and decide which of the following statements are correct.

1. The board of directors of a limited company doesn't determine the objectives and policies of business.
2. Key staff usually runs the business on a day-to-day basis.
3. The shareholders elect the board of directors at the company's annual general meeting.
4. The board of directors doesn't make any decisions concerning the disposition of resources.
5. The senior executives carry out the plans by means of strategic decisions.
6. Non-executive directors can't be elected to the board of directors.

Ex. 2. Answer these questions in your own words.

1. How would you describe the role of the board of directors?
2. And the role of the senior executives?
3. What happens at the annual general meeting?
4. What is the difference between a strategic and a tactical decision?
5. What part can non-executive directors play in the proceedings?
6. What objections might be raised against the appointment of non-executive directors?
7. What is meant by an interlocking board of directors?
8. How is it that a board of directors can control a company though they only meet, say, once a week?

Ex. 3. Which of the following expresses the main idea of the text best of all?

1. The board of directors is responsible for determining the objectives and policies of a business.
2. Direction in business is like strategy in a war situation.
3. The board of directors designs an effective organization structure.

Ex. 4. Give the main points of the text in 5-10 sentences. You may use the following clichés:

The text is about..... It is shown that In the opinion of the author it is Of special interest is his argument that The author concludes by saying that.....

TEXT 3. COMPANY'S STAFF

A.

- 1 As Managing Director of our company I've been asked to say a few words to you today about the way the company is organised. So what I've done is to make a sort of table to show how it is all arranged.
- 2 Not all companies are organised in the same way, of course. They all have more or less the same bits and pieces, but they put them together in different ways. In fact, some Managing Directors are always changing the organisation, which can be very disturbing for everybody else and sometimes causes awful holdups. Sometimes it's necessary, of course, like when you start making something different or join up with another company or something. Anyway, I think the organisation of my company is fairly typical, so let's take a look at how we have arranged it.
- 3 At the top there's the Board of Directors. Their job is to administrate the company, make general policies, and so on. There are two kinds of directors, actually. One kind is what we call non-executive directors, which means that they are not full-time employees. They are the sort of people who have some standing in various parts of the business world and are in a

position to help the company to succeed. They only appear when there are meetings of the Board, and some of them are on the boards of other companies at the same time. But the second lot of directors - the executive directors - are full-time employees of the company. Most of them are managers of our various departments.

- 4 The absolute head of the company, of course, is the Chairman of the Board. He is appointed by the Board, and his job is to take the chair at meetings of the shareholders and the Board of Directors, and to represent the company's interests at outside functions. He does not take much part in the running of the business. He leaves me to get on with the job. Mind you, not all chairmen are like that. Our last one was a real pain, always wanted everything done his own way and he kept interfering...
- 5 Then there's me, the Managing Director, or MD for short - as long as you don't think I'm a doctor of medicine. Now, my job is to coordinate the policies decided by the directors and see that they are carried out. I do this through the various managers of departments - departmental managers. At the moment I've got six. Actually, they're all going to come and tell you about their jobs, so I'll just say a few words.
- 6 The first one is the Production Manager, who is of course responsible for seeing that our products are made properly, and on time, if possible. Then, next is the Marketing Manager, whose main job is to sell the product. Then there's the Purchasing Manager, who makes sure we have the raw materials for the Production Manager to make the product for the Marketing Manager to sell.
- 7 After the Purchasing Manager we have the Chief Accountant - I'm sure you can guess what he does - and next to him the Company Secretary, whose job is to organise the work of the Board of Directors. The last is the Personnel Manager, who recruits people to work in the company and looks after their welfare. All these people will tell you a bit more about what they do. So, that's the general scene.

1. Read and translate text № 3.

2. Draw the scheme of the Company described in the text.

3. Write out of the text the functions of the Company's staff.

Model: The board of Directors administrate the Company and make general policies.

Non-executive directors
Executive directors
The Chairman of the Board
The Managing Director
The Production Manager

The Marketing Manager
The Purchasing Manager
The Chief Accountant
The Personnel Manager
The Company Secretary

4. Remember the duties of the Company's staff mentioned. Name them.

B.

- 1 As Production Manager of our company, my job is concerned with making the company's products. I suppose that's pretty obvious, really! But there are quite a lot of other things we do, too. Let me tell you about the four divisions in my department, and you will be able to see then what I mean.
- 2 First, there's the *Factory*, which of course is where the actual manufacturing takes place. In fact, though, we buy some of the parts ready-made, instead of making them ourselves. But anyway, the factory is our main centre. But when things are being made, you know, lots of things can go wrong. So everything we produce has to be carefully checked, either while it is being made or after it is completed. Or both. And this is the function of my second division - *Quality Control*.
- 3 Now, manufacturing something, even quite simple things, is quite a complicated process. And it also costs a lot of money. So all the time we have to make sure that we are doing things the quickest and the cheapest way. Without, of course, spoiling the quality of the product. It's nearly always possible to make something more cheaply, but if the quality is no good, you'll soon get a bad reputation and before you know it, you'll end up in a mess. So I have a special division of my department to look after this sort of thing. It's called *Planning and Control*.
- 4 Then there's one more division - at the moment, anyway. Don't forget, hardly anybody goes on making the same product all the time. And most companies have a whole range of products, not just one. So all the time we are working out new designs and so on. And that's the job of the division *for Research, Development and Design*.
- 5 So, in one way or another, there is a great deal going on. My department is a very busy one - as I'm sure my colleague, our Marketing Manager, would agree. (Second Speaker)
- 6 Absolutely!.. And it keeps my department pretty busy, too. My main responsibility, of course, is to sell the product., or rather, the products. But that's actually only one part of what we do. In fact, we have so much work that I have had to split my department into five in order to handle it.
- 7 First, I have a *Sales Force*, a number of representatives (we usually call them just "reps") who establish personal and regular contact with our major customers. They travel around a great deal, and it's quite a job to keep them happy and efficient without spending a fortune on them.

- 8 Another big job is to keep track of what is happening in the market. I mean, we have to know what people are buying, what they want and can't get; what our competitors are doing, and so on. This comes under the heading of *Market Research*, for which we have another special division. And this works very closely with another one, the *Advertising* division, which looks after leaflets, exhibitions and conferences, advertisements in newspapers, etc. You know the sort of thing. And since none of these divisions actually make anything - as opposed to spending money - I have to keep a pretty tight control over the finances.
- 9 The other two divisions in my department have tasks that you might not know so much about. My job doesn't end as soon as someone buys our product. It is terribly important to keep in touch with the customers and to service their wants or needs after the sale: and for this we have our *After-Sales* division. And last of all, we are the part of the company that deals with the public, so we have a *Public Relations* division to handle this.

1. Read and translate text № 4.

2. Which two managers speak about their departments?

3. Complete the following sentences:

- a) As Production manager of our company my job is concerned with _____.
- b) The factory is our main _____.
- c) Manufacturing something is quite a _____.
- d) If the quality is no good, you'll soon get _____.
- e) To look after the quality they have a special department, called _____.
- f) All the time the Company is working out _____.
- g) That is the job of the division for Research, _____.
- h) The main responsibility of Marketing Manager is _____.
- i) He has a Sales Force who establish personal and regular contact with _____.
- j) Market Research is another _____.
- k) It keeps track of what is happening _____.
- l) Advertising division looks after leaflets, _____.
- m) After-Sales division keeps in touch _____ and services their wants or needs after _____.
- n) Public Relations division handles its relations _____.

4. Use the sentences created to speak about:

- a) Production department
- b) Marketing department.

GRAMMAR FOCUS

REVIEW OF TENSES

EXERCISE 1. Fill in the correct tense:

Example: (make) So far this morning you have made ten phone calls.

1. (have) I usually _____ lunch at noon.
2. (retire) Mr. Benton _____ next month.
3. (leave) The secretary _____ the office an hour ago.
4. (watch) We _____ a good TV show now; can you call back later?
5. (have) Joan _____ the same job for six years now.
6. (listen) We _____ to the radio when the phone rang.
7. (listen) We _____ to the radio for an hour now.
8. (finish) I _____ typing the memos tomorrow.
9. (dial) The line was busy, so I _____ the number a few minutes later.
10. (meet) Right now the salesmen _____ in the manager's office.
11. (double) Our costs _____ since five years ago.
12. (take) The director always _____ the right decisions.
13. (talk) Mrs. Lewis called while you _____ on another line.
14. (start) Laura _____ working for this company last year.
15. (sit) We _____ in this waiting room for almost an hour now.

EXERCISE 2. Fill in the correct tenses of the italicized verb:

A. Yesterday the director *called* his wife.

1. He ___ her every day.
2. He ___ her right now.
3. He ___ her tomorrow.

B. I *go* to the movies every Saturday evening.

1. Next Saturday I _____ to the movies.
2. Last Saturday I _____ to the movies.
3. I'm in my car now. I _____ to the movies.

C. The secretary *works* from Monday till Friday.

1. It's Wednesday evening. So far this week end she _____ three days.
2. Next week she _____ five days.
3. Last week she _____ five days.

D. Mr. Jennings *is waiting* outside the director's office.

1. He ___ there when I came in this morning.
2. He ___ there since then.
3. He ___ there now to talk with the director.

E. I *eat* breakfast at about 7:30 in the morning.

1. It's 8:30 a.m. I _____ breakfast already.
2. I ___ breakfast an hour ago.
3. I ___ lunch in about four hours.

EXERCISE 3. Fill in the correct progressive form.

Example: At this time tomorrow, I *will be talking* to the directors.
(talk)

1. (watch) Right now John _____ an interesting TV show.
2. (ring) When we walked into the office, the phone _____.
3. (run) Nobody turned off the water; when we came home it _____ for hours.
4. (talk) The president is in his office now; he _____ on the phone for more than an hour.
5. (leave) At 10 o'clock tomorrow we _____ for Washington.
6. (live) I _____ in New York City since last summer.
7. (walk) It started to rain while we _____ to the bus stop.
8. (sit) By the time the meeting started we _____ in the office for twenty minutes.
9. (work) John _____ for an electronics firm now.
10. (teach) Berlitz _____ languages for more than a hundred years!

EXERCISE 4. Choose the simple or progressive form:

<i>Example:</i> (opens, is opening)	The secretary <i>is opening</i> the mail now.
1. (take, am taking)	Usually I _____ my coffee break at three o'clock.
2. (rained, was raining)	When I left the house this morning, it _____.
3. (wait, be waiting)	Tomorrow at six o'clock I will _____ for your call.
4. (made, been making)	When last week's meeting began, we had already _____ our decision.
5. (come, been coming)	Miss Lyons has _____ to the office three times already looking for a job.
6. (seen, been seeing)	So far this month I have _____ four movies.
7. (waited, been waiting)	When I arrived at the office, Mr. Smith had _____.
8. (listen, am listening)	I always _____ to the radio in the evening.
9. (makes, is making)	The director can't speak. He _____ a call.
10. (bought, been buying)	We had already _____ our transistor.
11. (read, been reading)	I have _____ these reports for two months

EXERCISE 5. Complete the following sentences using the Past Perfect

Example: I read the newspaper at eight o'clock. I arrived at the office at nine o'clock.

When I arrived at the office, I had already read the newspaper.

The directors took their seats at three o'clock. The meeting began at three-thirty.

When the directors took their seats, the meeting hadn't begun.

1. I ate at noon. At one o'clock my boss invited me to lunch. When my boss invited me to lunch, _____ .
2. The plane left at 11 o'clock. I arrived at the airport at noon. When I arrived at the airport, _____ .
3. The concert was given on Wednesday. He heard about it on Friday. When he heard about the concert, _____ .
4. My car was washed at 13:30 p.m. I got to the garage at noon. When I got to the garage, _____ .
5. I typed up the report this morning. When I left the office yesterday, _____ .
6. We were waiting for John for two hours. He arrived at five o'clock. When John arrived, _____ .
7. On Monday I went to the meeting. I received the reports on Tuesday. When I went to the meeting, _____ .
8. The secretary left in September. She found another job a month later. When the secretary left, _____ .
9. Mr. Jones had twenty years of management experience. He was named president last week. When Mr. Jones was named president, _____ .
10. They went back to the office. Then they finished their lunch. When they went back to the office, _____ .

EXERCISE 6. Choose the right variant

A. The Board usually meets at the end of March, June, September and December. Today is May 10.

1. (*has met, will have met*)

The Board _____ once this year.

2. (*will meet, will have met*)

The Board _____ three more times this year.

3. (*will be meeting, will have met*)

By the end of the year the Board _____ four times.

B. Tomorrow John will take a four-hour train trip from New York to Boston. The train leaves New York at 9 a.m.

1. (*will be leaving, will have left*)
By 10:30 tomorrow morning John _____ for Boston.
2. (*will be sitting, will have sat*)
It's now noon. At this time tomorrow John _____ on the train to Boston.
3. (*will meet, will have met*)
We ___ him at the station when he arrives.

EXERCISE 7. Fill in *will* or *would*

Example: Today is Monday. Tomorrow will be Tuesday.
It was Monday. The next day would be Tuesday.

1. He's 30 years old. Next year he ___ be 31.
2. The plane left New York at noon; it _____ arrive in Paris five hours later.
3. When I get to London I ___ call you.
4. The company is doing well this year, but how _____ things go next year?
5. Work on the building began three years ago. A year later it _____ be finished.
6. The director is busy now, but he _____ be able to see you later this afternoon.
7. When I first started work as a salesman I never thought I _____ one day be promoted to vice president of the company.
8. My son is five years old. He _____ start school next September.
9. He had done well in school, but _____ he do well in business?
10. The first Berlitz School opened in 1878. By 1900 there _____ be more than 150 of them.

REVIEW OF TIME EXPRESSIONS

EXERCISE 8. Finish the sentences correctly choosing **a, b,** or **c:**

- | | | |
|----|-------------------------------|------------------------|
| A. | 1. I'll see you _____ | a) for 10 minutes |
| | 2. We arrived _____ | b) 10 minutes ago |
| | 3. I've been here _____ | c) in 10 minutes |
| B. | 4. We've been waiting _____ | a) at 10 o'clock |
| | 5. We arrived _____ | b) until 10 o'clock |
| | 6. We're going to stay _____ | c) since 10 o'clock |
| C. | 7. The concert began _____ | a) an hour from now |
| | 8. We'll stay _____ | b) an hour ago |
| | 9. The concert will end _____ | c) until it ends |
| D. | 10. I haven't seen Bill _____ | a) since Thursday |
| | 11. He'll be away _____ | b) three days from now |
| | 12. He'll be back _____ | c) until Saturday |

EXERCISE 9. Complete the following sentences choosing from the words in the box:

Example: I'll call you back in five minutes.

- | | |
|--|----------------|
| 1. The movie started five minutes _____ | for |
| 2. What are you doing _____? | since |
| 3. This store will stay open _____ 10 p.m. | ago |
| 4. I've been taking English lessons _____ two years now. | in |
| 5. This has been the coldest winter _____ 1955. | from until |
| 6. The train will leave the station _____ 7:52 a.m. | at already yet |
| 7. When I left the office last night, it was _____ dark outside. | so far now |
| 8. You've received five phone calls _____ today. | |
| 9. The package will be delivered two weeks _____ now. | |
| 10. The director will retire next week, and they haven't found a replacement for him _____ | |

HEADHUNTING.

TEXT 4. POACHER TURNED TV STAR – DO HEADHUNTERS DESERVE THEIR BBC IMAGE?

Headhunt, headhunter, headhunting - Headhunters are specialist consultants who search for high-level, often board-level, executives and try to persuade them to leave their current job in order to go to work in another company. Managers found in this way are **headhunted** in a process of **headhunting**.

Golden hello – a large sum of money or some other financial enticement offered to executives by the company they move to.

Read this article from the Financial Times about the headhunting profession, and answer the questions.

Last night's episode of *Headhunters*, a new BBC drama, does not present the trade in its most flattering light. Hall works for one of London's foremost headhunting firms, where he spends his time on the mobile phone in constant search of bodies to 'poach'. A client wants to hire an entertainment lawyer: Hall does better by persuading him to poach a whole team. When the head of the old law firm finds out that his valuable assets are about to leave he is so upset he kills himself.

1 What is normally 'poached' and from where?

Headhunters have never been the most respected profession, but the message from the BBC seems to be that their ruthless tactics are pushing them to new depths of unpopularity.

2 If you use ruthless tactics, do you consider the feelings of other people? Does 'ruthless' show approval or disapproval of these tactics?

Tim Clark, an expert on headhunters at the Open University, argues that the business does not deserve a bad name. He says that from the beginning people have viewed headhunting as a secretive, underhand business, disliking the process by which individuals are approached discreetly and persuaded to move jobs. 'It's an easy industry to pick on. So much of the business is confidential. People don't know the full facts.'

3 If you describe an activity as underhand, do you approve of it? 4 If X picks on Y, is Y able to defend himself or herself properly?

So what are the facts? Is there a moral problem with poaching? Might it be the responsibility of the headhunter to think about the mess that a person leaves behind when they change jobs?

'The work is very sensitive,' says Ian Butcher of Whitehead Mann. 'You can create problems if you take out key people. But most senior businessmen recognise that that is part of the game. In any case, our loyalty is to the client.'...

5 Does Ian Butcher sympathize with the companies that he persuades people to leave?

TERMS TO KNOW

<p>entrepreneur recruit recruiting maintain work force</p> <p>foster opportunities hire fill job requirements</p> <p>applicant position description job specification perform seek out applicants fee offer assistance to smb classified sections of newspapers referral application form fit the needs conform to the law furnish the personnel manager conduct an interview obtain information base a decision applicant's aptitudes reference</p> <p>on-the-job training employee manual upgrading personnel management staff position collective bargaining</p> <p>arbitration</p> <p>be punished set of circumstances personnel department hire quit</p>	<p>предприниматель набирать, комплектовать набор, комплектование поддерживать, сохранять рабочая сила; число работающих; численность рабочих и служащих <i>(напр. на предприятии)</i> создавать возможности нанимать, брать на работу соответствовать требованиям к работе кандидат, претендент описание должности квалификационные требования выполнять, исполнять искать кандидатов (претендентов) плата предлагать помощь кому-либо классифицированные разделы газет упоминание, ссылка бланк заявления соответствовать нуждам соответствовать закону снабжать менеджера по кадрам вести интервью (собеседование) получить информацию обосновывать решение склонности претендента рекомендация, отзыв; поручитель <i>(лицо, давшее рекомендацию)</i> обучение по месту работы учебное пособие служащего повышение квалификации управление кадрами штатное положение переговоры о заключении коллективного договора арбитражное разбирательство, арбитраж быть наказанным ряд обстоятельств отдел кадров нанимать; наем увольняться с работы</p>
---	---

terminate	прекращать, класть конец
go bust	разориться, обанкротиться
upturn in profits	подъем в прибыли
decline	падать, понижаться, снижаться; падение, спад, снижение
declining sales	сокращающийся сбыт (продажа)
collapse	крах, крушение
avoid bankruptcy	избежать банкротства
late shift	ночная смена

WORD STUDY

1. Match the words with their definitions.

applicant, specification, fee, personnel, to manage, personnel manager, interview, aptitude, to train

- 1) The entire body of persons employed by an organization, as opposed to material.
- 2) Natural ability or cleverness suited to a particular kind of work or activity.
- 3) A person who applies for employment.
- 4) A very detailed written statement giving a description of the form and content of an article or commodity, or the process by which something is produced.
- 5) To direct, control, take charge of (a business or organization).
- 6) A meeting, especially of two, or of only a few, persons, to do business, or to decide whether one of the persons is fit for a post.
- 7) A manager responsible for all matters concerning the employment of factory workers, office staff.
- 8) A payment for a piece of professional advice or for some special service.
- 9) To teach somebody a skill, occupation or profession.

2. Supply the sentences with the missing words.

employment, applicant, objectives, qualification, skills, purposes, I requirement, experience, performed, training

- 1) The ceremony was... at the same time in nineteen other countries.
- 2) One of the ... you need in advertising is a fertile mind.
- 3) He had retired from regular....
- 4) Math is no longer a prime ... for a career in accounting.
- 5) There was a long waiting list of... for jobs.
- 6) He attended evening ... courses on advertising making.
- 7) She's had nine months'....
- 8) They acted with great... and conviction.
- 9) Complete secrecy was essential to our
- 10) If this policy is reversed we shall never achieve our

3. Complete the extract using an appropriate form of the verb of the right.

The personnel department found itself scrambling to meet the ... demands of the plant

staff, supervise

One consequence of this scramble for new hires was that selection standards were loosened. An ... number of young, single and highly mobile workers was hired, many of whom quit after only a few months in the plant. The result: Personnel had to find ... for people just ... as replacements.

increase

Any organization having stable ... levels plans a stable workforce level - that is, employee ... results in a flow of new hires that matches the flow of ... expected to terminate.

replace, hire
produce

Unfortunately the lead-time needed for recruitment of certain trade skills was at least two weeks for local hires and as long as 3 months for ... relocating from distant areas. But Personnel was expected to find and hire ... in less than two weeks. This became a major factor in the worsening relations between the ... department and Personnel.

recruit
employ

work
replace

operate

4. Generate other forms from these verbs

Verb	Noun	Adjective
<i>develop</i>	<i>development</i>	<i>developing</i>
own		
effect		
describe		
perform		
apply		
employ		
assist		
benefit		
add		

TEXT 5. MANAGING PEOPLE

If the small business **entrepreneur**¹ is going to have a growing and successful business, that person must understand how to manage one of the business's most important resources, people.

The main objective of the personnel function is **to recruit**² and maintain

an efficient work force. This calls for the effective management of people, ensuring a good relationship between people and fostering opportunities for individual development.

The finding and keeping of good employees is not easy.

A small business owner should aim **to hire**³ those individuals who are best qualified to fill the job requirements. The education, experience and personality of each candidate must be carefully considered. The selection of effective personnel is essential if a business is to grow and prosper. Before selecting an employee, the following Points need to be considered:

- A description of the job to be fulfilled.
- A source of **applicants**⁴.
- A basis for selecting the best candidate.
- A training program for the individual after hiring.

Position description has two parts. The first is a job description, which includes the main tasks and responsibilities of the position. The second part is called the job **specification**⁵. This part defines the education, work experience, skills, and abilities the individual must have in order **to perform**⁶ the job effectively.

Sources of employees. It is better to seek out applicants for employment rather than wait for them to come to your business. Recruiting is the practice of actively seeking workers rather than waiting for them to come to you. A number of sources of possible workers are:

- Suppliers are good source of possible applicants.
- Private and public employment agencies, usually for a **fee**⁷, can help find the right applicant.
- High schools, vocational and technical schools, business schools, and colleges offer assistance to employers.
- "Help Wanted" advertisements for applicants in the classified section of newspapers are beneficial, but they must be specific about the job requirements.
- Additional sources of personnel include radio and television announcements, and **referrals**⁸ from your employees, your friends, business associates, and customers.

The **application form**⁹. Application forms should fit the needs of the company and **conform**¹⁰ to the law. Their purpose is to furnish the personnel manager with enough information about applicants so that a judgement as to their qualifications for a job can be made. Only questions referring to a person's ability to perform a job are permissible.

The employment interview. Before conducting an interview, the interviewer should become familiar with the application. Then the applicant should be put at ease and encouraged to discuss items on the application which need to be clarified. The interviewer should take enough time to obtain information on which to base a decision.

Testing the applicant. Many forms of tests are used to determine an applicant's aptitudes, attitudes, skills and suitability for employment. The nature of the work to be performed determines the type of test to be used.

References¹¹. Before deciding to hire an individual, the references which have been provided should be checked. References are persons who have known the applicant for some time and their information may be helpful.

Employee training includes any activity that provides information or the development of skills that improves the employee's performance.

Training usually either on-the-job or formal. On-the-job training an employee usually receives after being hired is an orientation to the company and the job. This training may consist of an employee **manual**¹² plus some information provided by the employee's boss. Formal training refers to organized instruction in a workshop or classroom situation. One of the best sources for the small business employer can be found in adult educational programs. These programs benefit both the employer and trainee as they are of high quality and are usually free. Other forms of education, such as special or technical university courses, are sometimes useful in **upgrading**¹³ specific employees.

Notes: 1. предприниматель; 2. набирать, комплектовать; 3. нанимать, брать на работу; 4. кандидат, претендент; 5. уточнение, детализация; 6. выполнять, исполнять; 7. плата; 8. упоминание, ссылка;
9. бланк заявления; 10. соответствовать; 11. рекомендация, отзыв; лицо, давшее рекомендацию; 12. учебное пособие; 13. повышение квалификации.

COMPREHENSION

1. Answer the following questions.

- 1) What is the main objective of the personnel function?
- 2) What factors about each candidate must be carefully considered?
- 3) Before selecting an employee, some points need to be considered. What are they?
- 4) The employment interview, testing the applicant and references, which one of these three is more effective? What would you prefer if you were a personnel manager?
- 5) Is employee training necessary only for an employee or for a firm? Or is it necessary for both of them?
- 6) What are the forms of employees' upgrading?

2. In each of the following, select the word or phrase that best completes the statement or answers the question.

- 1) Which one of the following statements is true?
 - a. Personnel management is usually a staff position in most small

businesses.

- b. The smaller the business, the less important personnel management is.
 - c. The personnel function should be clearly understood in any business.
 - d. When a business is small, good working relationships between employees and the employer take care of themselves.
- 2) The first step in selecting the best employee for a job is to
- a. contact an employment agency
 - b. place an ad in the newspaper
 - c. select a test to be given to the applicant
 - d. write a position description
- 3) When elected representatives of employees meet with representatives of management to work out an agreement, they are engaged in
- a. collective bargaining
 - b. arbitration
 - c. mediation
 - d. negotiation
- 4) All workers' needs cannot always be met because
- a. management does not care
 - b. they are too expensive
 - c. they are unreasonable
 - d. all of these reasons
- 5) Personnel management is actually the proper and intelligent handling of
- a. people
 - b. personnel
 - c. personal problems
 - d. workers
- 6) Most people work because they
- a. have to in order to eat
 - b. want to make a contribution and feel recognised and appreciated
 - c. feel they will be punished if they do not work
 - d. all of these reasons apply to some individuals
- 7) Personnel management is not an exact science because you are dealing with
- a. people and not objects
 - b. people who are lazy
 - c. people who do not care
 - d. people who feel threatened
- 8) A written company statement that states what will happen in a given set of circumstances is known as a
- a. policy
 - b. rule
 - c. law
 - d. requirement

APPLICATION FOR A JOB

Warming-up

In life of any person there is a moment when he must take a very important decision – to find a job which will bring satisfaction and money simultaneously. And what is an ideal job for you? Choose the answers and give your

reasons.

An ideal job for me is a job ...

- ◆ that suits my personality
- ◆ that gives challenge and opportunity
- ◆ that gives independence
- ◆ well-paid
- ◆ risky
- ◆ exciting
- ◆ that encourages thinking and development
- ◆ calm and steady
- ◆ which is connected with communication
- ◆ prestigious
- ◆ part-time
- ◆ without long business trips

Reading

You know that there are special newspapers dealing with recruitment.

These are some job ads from such a newspaper.

Look them through and choose an advert which attracts your attention at once.

1.

DX Communications is Scotland's leading telecommunications company trading throughout the UK with *subsidiaries* in Ireland and Holland. Specialising in the sale of mobile phones and *related* telecommunications equipment, we are currently listed as one of the three fastest growing private companies in the UK. In line with this rapid growth, we are now looking to recruit the following *key people*.

BRANCH MANAGERS

Excellent Salary and Commission

In line with our current and proposed future expansion, we require Branch Managers for the Aberdeen area *to drive* our *business forward*. We are seeking individuals who are self motivated and who *thrive* in a *fast-paced*, dynamic environment. You should be a skilled communicator and have a genuine enthusiasm for *customer care*. *Retail* management experience is preferred, however knowledge of the mobile phone industry is not *essential* as full training will be given.

COMMUNICATION ADVISORS

Excellent Salary and Commission

Employment opportunities currently exist for high calibre Sales individuals for our Aberdeen retail branches. Industry experience is not essential but a *desire to succeed* is. High flyers will be rewarded by our management pol-

icy to "promote from within". An *outgoing personality*, excellent communication skills and a focus on the customer is essential.

To apply, please send forward your CV, including current *remuneration* package, to Mrs. Mandy Darroch, HR Manager, DX Communications, Clarendon Centre, 39 Durham Street, Glasgow, G 41 IBS.

Closing date for applications 17th October 1997.

DX Communications – we succeed because we care

2.

CLEVELAND EUROPE LIMITED

Customer service – linguist
Cleveland Europe Limited,
a subsidiary of Greenfield Industries, Inc. U.S.A.
wish to recruit a linguist to work in our
Customer Service Department.

Applicants should be fluent in German
and have a good knowledge of French.
Some commercial experience also preferred.

Applicants should apply in writing including a full C. V. to:

**Personnel Department
Cleveland and Europe Limited
Station Road
Peterhead
Aberdeenshire
AB42 6SB**

3.

WHAT MAKES YOU SPECIAL

Are you someone who:

- ◆ Likes a challenge?
- ◆ Enjoys working with people?
- ◆ Wants to make a real contribution?
- ◆ Enjoys a team environment?
- ◆ Needs *variety* day to day?
- ◆ Is *self motivated*?

These are the qualities that make people in the Scottish Prison Service special. The Scottish Prison Service are looking for *female* and *male* Prison Officers to work with us at HMP Aberdeen and Peterhead. You'll need to convince us that you can bring *maturity*, common sense, good communication skills and a *positive attitude* to the role - and in return, we'll provide a supportive team working environment and first class training and professional development.

You must also meet the following criteria:

- ◆ Aged at least 20 years
- ◆ Minimum 5'0" Grades/Standard grades at A,B,C or 1,2,3 pass level which must include English and Maths/Arithmetics - or have at least 3 years' experience in managing people
- ◆ Physically fit with good standard of health and good eyesight

The rewards are excellent - a starting salary of £12,500 with a lot more potential, and a benefits package including non-contributory pension scheme and performance related pay.

You know you're special – so let us know too. Call us today for an application form and more information quoting reference 126A, between 9 a.m.–8 p.m. Monday to Friday, 10 a.m. – 4 p.m. Saturday and Sunday.

0131 225 6755

SPS is fully committed to equal opportunities. People from an *ethnic minority background* are under represented in the Service and applications are particularly welcomed from this group

LOOK AT A BETTER FUTURE

Scottish
prison
service

4.

A CAREER IN SALES

If you have a friendly personality and a desire to build a successful career selling houses and *apartments*, you should be just the person to become a full time

Barratt sales negotiator

You'll need to have your own car, telephone and work five days per week (inc. weekends).

In return, we are offering a generous basic plus commission to provide excellent on target earnings of £20 K P.A. plus other *benefits*.

Sales experience would be *an advantage*.

Applicants in writing with c.v. to

Mr Gordon Cusiter, Sales & Marketing Director
BARRATT CONSTRUCTION LTD
2 Golf Road, Ellon, Aberdeenshire AB41 9AT

BARRATT
BRITAIN'S PREMIER HOUSE BUILDER

5.

ROBERT GORDON'S COLLEGE
(HMC INDEPENDENT - Coeducational 1400 pupils)

School nurse

Applications are invited from suitably qualified candidates who have recent experience of working with children and in healthcare administration.

The school nurse is required only during the school term and salary is paid *pro rata* in accordance with national scale rates.

School teachers

The school *is updating* its list of supply teachers in all subjects. Candidates should be registered with the General Teaching Council for Scotland or *eligible* for such registration.

There are no specially printed forms of application. Letters of application should be *accompanied* by a full Curriculum Vitae and should include the names of two *referees*.

*Application should be made in writing by
14th October 1997 stating qualifications and experience to:*

The Headmaster
Robert Gordons' College
Schoolhill, Aberdeen, AB10 1FE

From whom further information may be obtained.

Robert Gordons' College is recognized as a charity for the provision of education for children

Vocabulary

subsidiary – филиал

to be related – быть связанным

key people – руководящие должности

salary – заработная плата

commission – комиссионное вознаграждение

to require – нуждаться (в чем-либо), требовать

to drive the business forward – продвигать, развивать бизнес

to thrive – процветать, преуспевать

fast-paced environment – быстро меняющаяся обстановка

customer – заказчик, покупатель, клиент

variety – разнообразие
retail – розница
essential – существенный, важный
desire to succeed – желание добиться успеха, преуспеть
outgoing personality – общительный характер
to apply – обращаться (за работой)
remuneration – вознаграждение, зарплата
customer service department – отдел по обслуживанию клиентов
self motivated – инициативный
female – женщина
male – мужчина
maturity – зрелость
positive attitude – положительное отношение
ethnic minority – этническое меньшинство
background – происхождение
benefit – выгода, польза, прибыль
advantage – преимущество
pro rata – в соответствии, пропорционально
to update – обновлять
eligible – подходящий, желательный
to accompany – сопровождать, сопровождаться
referee – судья, человек, который может вас порекомендовать

ASSIGNMENTS

I. 1. Read the first job ad and find the information which was mentioned in the text.

- a) DX Communications has subsidiaries in Ireland and Holland.
- b) DX Communications requires new salesmen.
- c) Knowledge of the mobile phone industry is essential for applicants.
- d) Retail management experience is very important for recruits.
- e) CV should include remuneration package of the previous year.

2. Read the second job ad and say if these sentences are true (T) or false (F).

- a) Greenfield Industries is situated in Aberdeenshire.
- b) Cleveland Europe Limited is seeking a linguist.
- c) Applicants should be fluent both in German and in French.
- d) Applicants should have some experience in commerce.
- e) The new linguist will work in Sales Department.

3. Read the third job ad and complete the following sentences.

1. The Scottish Prison Service is looking for people _____.
 - a) who like to work independently
 - b) who enjoy a team environment
 - c) who like a risky job
2. Applicants must be _____.
 - a) older than twenty
 - b) good at foreign languages
 - c) sensible
3. The Scottish Prison Service is seeking _____.
 - a) only men
 - b) both men and women
 - c) only women

4. Read the fourth job ad and find the information which is incorrect.

- a) Barratt Construction LTD needs a marketing director.
- b) It is a full time job.
- c) Applicants should have some sales experience.
- d) There won't be any commission.
- e) Barratt Construction LTD deals with houses and apartments.

5. Read the fifth job ad and find the answers to the following questions.

1. What kind of experience is needed?
 - a) experience of working with children
 - b) experience of working with elderly people
 - c) experience of working at school
2. How long will a school nurse work?
 - a) during the academic year
 - b) only during the school term
 - c) during three months
3. How many pupils are there in Robert Gordons' College?
 - a) 1500
 - b) 1300
 - c) 1400

II. Name the companies in each of these places

- ◆ Aberdeen
- ◆ Glasgow
- ◆ Peterhead
- ◆ Ellon
- ◆ HMP Aberdeen and Peterhead

III. Now read the ads once more and say which one would you choose if you

1. graduated from the Medical College
2. studied at the Linguistic Department
3. a post-graduate student of the Teachers' Training University
4. graduated from the Academy of Trade
5. studied at the University of Management

Give the reasons for your choice. Don't forget to think over

- ◆ a salary offered
- ◆ criteria required
- ◆ potential of the company
- ◆ the fact if it is a part-time or full-time job.

IV. Answer the questions.

1. Which company is looking for a good salesman?
2. Which firm needs supervisors?
3. Which company is interested in people with good eyesight and physical-ly fit?
4. Where should people able to work with children apply?
5. Why is Robert Gordons' College looking for new teachers?
6. Which company needs workers with a car and a telephone?
7. Which organization needs people for a short period of time?

V. Look through the job ads and say

- ◆ what kind of a company DX Communications is
- ◆ what skills the applicants for the Scottish Prison Service should possess
- ◆ what the main criteria for a linguist in Cleveland Europe Limited are
- ◆ what the salary basis offered in Barratt Construction LTD is
- ◆ what kind of documents the applicants for Robert Gordons' College should have

VI. Try to compose a job ad of your own. Take into consideration that you must

- ◆ give basic information of your company
- ◆ describe the features of character of the staff you need
- ◆ mention qualification and age if necessary
- ◆ name the position you employ for
- ◆ give your address in full and all the phone numbers.

RESUME FORMATS

In general there are two types of resume:

The Targeted Resume is good when you know the job classification and your target audience. In such resume you write about your skills, abilities and qualifications which match the job requirements.

The Standard (Inventory) Resume is good if you cannot identify your target. It highlights your accomplishments and skills in a more general way. You write it when you are open to a number of positions and cannot clearly identify what you really want to do (your target), but you know your *marketable skills*.

In reality, there are SEVEN formats of resume, which seems A LOT for those who do not have experience in resume writing and VERY FEW for employers who can think of many more varieties.

We are going to consider the following resume formats:

- 1) **CHRONONOLOGICAL FORMAT.** It contains work experience (history) in *reverse* time sequence (i.e. starting from the most recent one and going back in time). **The focus** is on *time, job continuity, professional growth and advancement, results*.
- 2) **FUNCTIONAL FORMAT.** It contains work experience and abilities grouped by certain spheres or areas. **The focus** is on *what you did, not when or where*.
- 3) **COMBINATION FORMAT.** It is a combination of your market values (*the functional style*) and your employment chronology (*the chronological format*). **The focus** is on *promoting your assets and qualifications that meet the needs of your prospective employer*.
- 4) **TARGETED FORMAT.** Your work history and education are also there. **The focus** is on *the presentation of your abilities and results directed to a specific target*.
- 5) **ALTERNATIVE FORMAT.** It is good for people without much experience.
- 6) **CREATIVE ALTERNATIVE FORMAT.** It is good for people of arts or crafts.
- 7) **THE RESUMAP** is a new format which breaks the tradition of resume writing. It is much more creative and imaginative. **The focus** is on *dynamics of presentation*.

Finally, a specific form of a resume is **CURRICULUM VITAE (CV)**. It is used mostly by those professions in which it is important to list all the credentials (accomplishments, results, publications, titles of presentations at conferences and symposia, certificates, awards, research programs, public lectures, etc.)

Doctors, university professors, civil servants and others who have a long list of accomplishments will be perfect candidates for CV, which is *not* limited in space (unlike a resume having a one-page, maximum a two-page limit).

FINAL DISCUSSION ON THE RESUME FORMATS

1. What are the two most common resume formats? How do they differ?
2. What resume formats are there at your disposal?
3. Give a brief characteristic of each.
4. What is the main difference between a CV and a resume?
5. What resume format will you choose if:

- *you are a student, returning to a workforce after an **extended** (= long) absence?*
- *you have an impeccable work history?*
- *your future is directly connected to your past?*
- *you have few deficiencies in experience, education, and results?*
- *your results and achievements speak for themselves?*
- *you want to be different and make a statement?*
- *you are an artsy-craftsy person?*
- *you are changing careers?*
- *you have worked many jobs in a short period of time?*
- *you have worked in the same field for a long time?*
- *you have had an employment break?*
- *you have a long list of accomplishments in the medical or scientific career?*
- *your career direction is clear and you want to stay in your field?*

6. Give a YES or NO answer:

- *Will you choose a chronological resume format when you are looking for your first job?*
- *Will you choose a functional resume format if you don't want to show your age?*
- *Will you choose a creative alternative resume format if you have been out of work for some time?*
- *Will you choose a functional resume format to emphasize your strengths and results?*

- Will you choose a chronological resume format if you are re-entering a job market after some time?
- Will you choose a functional resume format if you have done a limited number of functions in your previous job?
- Will you choose a combination resume format if you want to present a summary of your marketable skills?
- Will you choose a targeted resume format if you have a specific job in mind?
- Will you choose targeted resume format if you want to send it to several prospective employers?
- Will you choose an alternative resume format if you haven't got a specific job in mind?

7. What is the best way to select the correct resume format?

ПЯТЬ ОСНОВНЫХ РАЗДЕЛОВ РЕЗЮМЕ FIVE PRIMARY RESUME SECTIONS

1. ЗАГОЛОВОК

HEADING

2. ВВОДНАЯ ЧАСТЬ

INTRODUCTION

3. ОПЫТ РАБОТЫ

EMPLOYMENT (EXPERIENCE)

4. ОБРАЗОВАНИЕ

EDUCATION

5. РАЗНОЕ

MISCELLANEOUS

Заголовок

HEADING

This section can also be named **Personal Directory** or **Name and Address**.

It consists of:

- your full name and mailing address (with full postal code)
- your home phone number (with a country code: for Belarus it is 375, for Russia it is 7, etc.)
- your fax number (if you have and use it)
- your E-mail address

Usually this information is placed at the central top part of the page. If you are a student with a different mailing address for winter and summer months, give both addresses and the dates when you will be at location.

Вводная часть INTRODUCTION

An effective introduction consists of two or three sub-sections. It *sets the tone* (задает тон) of your resume and connects your field of knowledge or work with the needs of your prospective employer. It answers the main questions: *What do you want to do? How can you contribute to the company where you want to work?*

The first sub-section of the Introduction gives information about who you are and what you can offer. It can be written in one of the 3 forms:

- Title
- Objective
- Summary

For a *targeted resume* it is better to use a Title or an Objective.

Title or Job Objective

This category is useful if you are a student trying to suggest that you have definite career goals. It may also be useful if you want a specific job in a large organization with a number of vacancies. In any case, it's better to give not the position you would like (for example, a sales manager), but the area and the general level of responsibility (for example, "a management position in marketing" or "management trainee").

Summary of Qualifications (Profile)

The purpose of the Summary is to give your *key strengths* and *areas of expertise*.

Опыт работы EMPLOYMENT (EXPERIENCE)

This section will have the most influence on a prospective employer (in his or her decision to invite you for an interview and, hopefully, offering you a job).

The Employment (Experience) section highlights your professional career and experience, qualifications and achievements (results) as well as the level of your responsibility.

You begin this section with your *most recent position* (it must have maximum space) and then move backwards. The following information should be provided for each of your (present and past) employer:

- name of organization (enterprise, company);
- its location (city and region where you worked);

- dates of employment;
- job titles or positions which you held.

You don't have to go back to the beginning of your career (if it is long enough). Ten to twelve years of experience is enough (unless this is important for you). What you did 15 or more years ago is not important for your prospective employer.

Experience does not mean only the job for which you were paid. You can also include volunteer work. Students should include all volunteer and part-time jobs.

This is how your Employment (Experience) section should look (especially for *chronological* or *combination* formats), include **three pieces of information** for each job:

- 1. Your main responsibilities and company-specific information**
- 2. Your specific skills, which are necessary to perform those responsibilities**
- 3. Your specific results and accomplishments which are related to your work**

Образование EDUCATION

Educational qualifications are most often the primary selling point. Begin with your most *recent* educational attainment or your most advanced degree or diploma and then work backwards (Ph.D. - MBA or MA - BA). Be sure to give the date you obtained any degree or diploma, along with the name of the institution that granted it.

If you have limited work experience, the Education section appears *at the beginning* of your resume. This will be the case for technical school or college graduate.

If you have graduated from college or university, there is *no need* to include high (secondary) school certificate or other credentials of that period on your resume.

If courses you have taken are a selling point, list those relevant to the job you are applying for. (This is especially important for students seeking their first permanent job.)

Under this section, you may want to include:

- GPA (grade point average - средний балл)
- Extracurricular (внеклассная) activities (working on school newspaper, volunteer work, etc.)
- Jobs and activities while attending school / college / university, which are related to your career

- Scholarships (именные стипендии)
- Awards and honors
- Internships (практика)
- Special theses or dissertations
- Research projects
- Presentations made at conferences and publications

Разное

MISCELLANEOUS

In this section, you *may* write (if you think it is important) about:

- military service
- interests and hobbies
- community service (общественная работа по месту жительства)
- volunteer work
- membership and active participation in professional associations
- awards and honors
- recognitions
- licenses and accreditation
- languages
- personal information (date of birth, marital status, citizenship, etc.)

REFERENCES (ПОРУЧИТЕЛИ, дающие Вам рекомендации, или рекомендательные письма, которые по-английский также называются *references*) may be considered an additional section (number 6) of your resume.

You don't need to give the names of people who can supply references. Some applicants prefer to wait until the employer is seriously interested, especially if they are currently employed and don't want others to know they are looking around. Omit this category altogether or write: "References will be supplied on request". If you do include references, give full name, title, company, and address. Telephone numbers may also be helpful.

TEN MOST COMMON MISTAKES OF RESUME WRITING

1. Too long (preferred length is one page).
2. Disorganized and hard to follow.
3. Poorly typed or printed. Looks unprofessional.
4. Overwritten - long paragraphs and sentences.
5. Too sparse - only dates and job titles.
6. Not oriented at results. No accomplishments of the candidates shown.
7. Too many irrelevances.
8. Misspellings, typos and poor grammar.
9. Overdoing with typesetting. Photos and exotic paper stock distracts attention.
10. Misdirected. Little or no apparent connection to the organization.

EXERCISE 1. Read the resume and write your own one according to the

formats described above.

ROBERT L. LEWIS
56 Waterfront St., River City, VT 07882
(717)999-0264

Professional Profile _____

Management professional attuned to ever-changing needs of business. Extremely service-oriented with a unique combination of initiative and analytical abilities. Astute in identifying areas in need of improvement, with the vision to develop and implement successful action plans. Consistently demonstrate exceptional knowledge and decision-making abilities in the following areas:

Financial Management	Human Resources Management
Organizational Reengineering	Promotional Activities
Computer Technology and Programming	Problem Analysis and Resolution
Automated Systems and Procedures	Quality Improvement
Customer Relations	Strategic Planning

Management Experience _____

Harper Valley auction Co., Inc., Green Hills, Vermont
Position Held: *General Manager* (1997 to Present)
 Managerial Accountant (1992-97)

Selected Achievements:

- Conducted ongoing analyses to evaluate efficiency, quality, and productivity of all departments. Realigned and automated many tasks resulting in fewer errors, higher production levels, and noticeably improved handling of tasks.
- Developed and implemented automated accounting system to more efficiently manage the processing and documentation of all financial data.
- Applied broad knowledge of computer systems. Extensive programming performed in developing and implementing automated systems to increase accuracy and efficiency.
- Dedicated extensive time and energy to improving communications with personnel, accepting full responsibility for scheduling, performance reviews, and employee motivation.

Education

MBA Candidate Local Business College, Green Hills, Vermont (Anticipated completion 5/2002)

Bachelor of Science, Accounting Major University, Boston, Massachusetts, 1991

Affiliations

Institute of Managerial Accountants - Member since 1993

Community Rotary Club - Member since 1994; Current President Elect; Treasurer 1996-98

U.S. Postal Service Advisory Board - 1997-Present

TEXT 6. KNOWING YOURSELF

There have been many studies during the past few years that have attempted to identify the characteristics of successful entrepreneurs. On such study compared many of the lists already developed. Those characteristics common to all or most of the lists indicated that an entrepreneur tends to have the following characteristics:

- High level of physical energy
- Ability to set clear goals and plans to reach goals
- Strong positive attitudes
- High levels of moral strength
- Willingness to take chances
- Industrious – need to be always working at something
- Takes the initiative in starting work
- High level of reasoning ability
- Able to make decisions
- Willing to lead others
- Organized
- Positive attitude towards others
- Uses time effectively
- Willing and eager to learn
- Desire to satisfy the needs of others
- Able to change and adapt to changing environment
- Able to seek and find information needed to achieve their goals
- Avoids procrastination
- Have a determined persistence
- Informed about latest trends and needs
- Willing to take responsibility
- Knows how to manage money
- Able to motivate others
- Always looking for opportunities

- Willing to recognize and reward contributions of others
- Restless eager to do something new
- Learns from failure and moves on

Obviously not all entrepreneurs are alike, but based on a variety of studies most of the successful ones have the above characteristics.

Answer the questions:

What characteristics do you find absolutely necessary for every manager?
 Which of them are inborn and which can be acquired?
 What are of primary importance?
 Do you possess them?

THE PERFECT INTERVIEW

So you chose a job ad, sent your resume to the company and they invited you to the interview. Are you nervous? Now try to imagine that you are a director of a company. What kind of person would you employ?

Tick the most essential features from the text “Knowing Yourself” and give your reasons.

Your vocabulary

- | | |
|---------------------------------------|-------------------------------------|
| An employer | to apply for a job (opening) |
| An employee/appointee | to sit on the panel |
| A one-to-one/individual interview | to run/lead an interview |
| A panel interview | to present the panel of nominees |
| A “deep end” interview | to interview |
| A progress interview | to ask probing questions |
| An interviewer | to elicit (information from) |
| An interview leader | to support/second a nominee |
| An interviewee | to grade according to preferences |
| An applicant/candidate/nominee | to turn into a debate |
| A shortlist | to be prone to stress |
| A recruitment process | to think on one’s feet |
| An employment agency | to be caught off guard |
| A job counselling cost | to zero in on any reservations |
| A job opening/ position/ post vacancy | to address concerns |
| A want ad for | to meet qualifications/requirements |
| A person specification | to advance into a position |
| A “golden hello”/ ‘goldenhandshake” | to fill a post |
| A hiring description | to recruit/hire/employ/take on |
| A job description/specification | to clinch a deal |
| To shortlist for an interview | to set up an interview |

TEXT 7. INTERVIEWING

An interview is the fourth stage in a recruitment process after the following ones:

- 1) advertising an opening (on the part of the employer);
- 2) writing and submitting all the necessary application documents (on the part of applicants);
- 3) making a close study of these documents aiming at singling out the best candidates who will be short-listed for an interview (on the part of the employer).

There are different kinds of interviews:

- 1) *traditional one-to-one/individual interviews*;
- 2) *panel interviews* where one or more candidates are interviewed by a panel of interviewers;
- 3) *"deep end" interviews* where applicants have to demonstrate how they cope in actual business situations.

The atmosphere of an interview may vary from the *informal* to the *formal* one and interviewers may take a friendly, neutral or even hostile approach. Different interviewers use different techniques and the only rules that applicants should be aware of may be: *"Expect the unexpected"* and *"Be yourself!"* Don't get flustered when the prospective employer instead of asking about your strengths, weaknesses and goals presents you with the hypothetical crisis like that: *"Your boss calls you and asks to cancel all his morning and afternoon appointments as he feels not quite well. But his desk-calendar doesn't list the names of the people he's scheduled to meet, only their firms. Plus there are five urgent messages on his voice mail. How would you handle this?"* The interviewer probably wants to see how you think on your feet and react under pressure. Don't let be caught off guard.

Progress interviews are interviews where employees have a chance to review and to set objectives for the future. Such interviews usually take place after a new employee has been working with a company for several months and after that they may take place once or twice a year.

Regardless of the kind every interview proceeds through three stages:

- 1) the warm-up;
- 2) the question-and-answer session;
- 3) the close.

The warm-up. Of the three stages, the warm-up is the most important although it may account for only a small fraction of the time you spend in the interview. Psychologists say that 50% of the interviewer's decision is made within the first 30 to 60 seconds and another 25% is made within 15 minutes. If you've got off to a bad start, it's extremely difficult to turn the interview around. Remember: the first minute of the interview is crucial.

Body language is very important at this point because you won't have time

to say much in the first minute or two. You must sell yourself nonverbally. Begin by using the interviewer's name if you are sure you can pronounce it correctly. If the interviewer extends a hand, respond with a firm but gentle handshake. Then wait until you are asked to be seated. Let the interviewer start the discussion. And listen for cues that tell you what he/she wants to hear.

The question-and-answer session. Questions and answers consume the greatest part of the interview. During this phase the interviewer asks you to restate your qualifications and expand on the points in the c.v. (resume). You will be also asked whether you have any questions of your own.

As questions are asked, tailor your answers to make a favourable impression. Remember that the interviewer will be observing you and noting every word you say. So don't limit yourself to *yes* or *no* answers and pause to think before responding if you are asked a difficult question. Consider the direction of the discussion and guide it where you wish with your responses.

Another way you can reach your goal is to ask some right questions. If you periodically ask a question or two, you will not only learn something but demonstrate your interest as well. It's especially useful to probe for what the company is looking for in its new employees. Once you know that, you can show how you meet the firm's needs. Also try to zero in on any reservations the interviewer might have about you so that you can dispel them.

Paying attention when the interviewer speaks can be as important as giving good answers or asking good questions.

The close. This is the last phase of the interview but not less important than the first two. If the interviewer has any reservations about hiring you – perhaps he/she has cited your lack of public-speaking experience or limited computer knowledge – address these concerns directly: "I agree that delivering powerful presentations is critical for my successful work and accordingly for the success of the company and I intend to join a special course in public-speaking" or "Having mastered WordPerfect 6.0 and Excel, I'll have no problems learning your software too". But if you see that the interviewer is about to finish the procedure, don't prolong it yourself. Just express your gratitude for the interviewer's time and consideration. And if you are strong enough, you may add: "I really want to work for your company. I want this job!" Guess what? You'll be hired!

Remember that when you come to the interview your goal is to get the job, but if the interview goes well your objective should be to clinch the deal on the best possible terms. And they are to get the whole package: a good salary and extra benefits like a company car or cheap housing loans, bonuses paid in a "thirteenth month", company pension schemes, free canteen meals, long holidays or flexible working hours – all that contribute to the attractiveness of a job and the effectiveness of your work.

The range of the language that the participants of an interview may use can be very wide. Below are some of the functions that may be carried out.

Questions:

1. What are the stages in a recruitment process?
2. What are the kinds of interviews? Which one would you prefer as an interviewer/an interviewee? Explain your choice.
3. The first minute of an interview is crucial. Do you agree?
4. How many communication tools do you have at your disposal when being interviewed? Which ones will you use at each stage of an interview?
5. What should an interviewee remember in order not to be caught off guard?
6. Why is paying attention when the interviewer speaks as important as giving good answers or asking good questions?
7. Can an interviewee guide an interview where he/she wishes? In what way?
8. What techniques can an interviewee use to sell him self/herself best?
9. What should you do if the interview goes well and you are quite confident that you'll be hired?
10. Enumerate the factors that you as a potential interviewee consider to influence your behaviour at an interview most. Dwell on each factor.

Task 1. Choose either the adjective or the adverb in each of the sentences below.

1. The first task for the interviewer is to make the candidate feel comfortable/comfortably.
2. In a panel interview the nominee may look at the interviewers nervous/nervously.
3. If the candidate sounds nervous/nervously, encourage him/her to speak on a well-known topic.
4. This approach proves clear/clearly the importance of a well-prepared strategy.
5. When the interviewee appears good/well in control, it is time to move on to more probing questions.
6. If the atmosphere becomes tense/tensely, the interview leader should take charge.
7. The leader should keep the pace of the interview lively/livelily and the atmosphere friendly/friendlily.
8. In a good interview the candidate seems hard/hardly to notice the time.
9. The time for each interviewer and interviewee goes very quick/quickly in a well-conducted interview.
10. Well-prepared interviewers are usually good/well at interviewing.

Task 2. Fill the gaps with suitable words from the list below.

grade	behavioural	expertise
checklist	appointee	person specification
assess	panel	rapport
outcome	non-controversial	biographical
competence	key	enable

1. A ... is the statement of the human characteristics and experience required to do a job.
2. Sometimes one candidate is interviewed by a ... of interviewers because this increases the likelihood of making a good choice.
3. At the first stage of an interview the interviewer needs to make the candidate feel at his/her ease, develop ... and set the scene.
4. It is appropriate to start the interview with a neutral chat by asking ... questions – perhaps about the weather or the traffic conditions.
5. A ... of critical questions is normally prepared so that each nominee is asked for standard information.
6. The ... approach is the most straightforward and reliable.
7. The interviewer might want to know something about the ... style of the interviewee.
8. The interviewer's questions should encourage and ... the candidate to speak freely.
9. Before closing the interview it is useful for the interviewer to summarise the ... points and issues.
10. Then the interviewers need to ... all the candidates in order to select the best one.
11. Before choosing the one who will have the position offered the interviewers ... the nominees according to their preferences.
12. The ... of the interview is of great importance to the candidate.
13. If an organization recruits from inside, the employees see that ... is rewarded.
14. An ... is the person chosen for a position or job.
15. One of the advantages of using an employment agency is that it offers ... in an area where the employer is not regularly in the market.

Task 3. Translate the sentences into English

1. Интервью – четвертый этап в процессе наема персонала.
2. Существуют следующие типы интервью: традиционное интервью один на один, панельное интервью, глубокое интервью и интервью-прогресс.
3. Разные интервьюеры используют разные методы, чтобы посмотреть, как вы можете говорить без подготовки и реагировать под давлением.

4. Во время интервью кандидаты на должность должны постараться произвести благоприятное впечатление на работодателя и делать все, чтобы не быть застигнутыми врасплох.
5. Во вчерашней газете я прочла объявление о вакансии на должность менеджера крупной компании.
6. Цены за консультацию о работе в агенстве по найму довольно высокие.
7. Руководитель интервью задал ему несколько детальных вопросов с целью добыть информацию о его профессиональных навыках и достижениях.
8. Каждый из интервьюиров подддерживал своего претендента, оценив его согласно своим личным предпочтениям, и обсуждение превратилось в спор.
9. Никто из кандидатов не отвечал требованиям этой компании.
10. Язык телодвижений во время разминки является очень важным, т.к. у вас нет достаточно времени, чтобы много рассказать о себе в первые две-три минуты. Вы должны продать себя невербально.
11. После изучения всех резюме для интервью было отобрано только пять кандидатов.
12. Внимательно следите за интервьюиром, чтобы заметить любые его сомнения и развеять их.
13. Если у работодателя есть какие-то сомнения о принятии вас на работу, прямо отвечайте на них.
14. Чтобы продвинуться по службе, нужно быть не склонным к стрессам.
15. Если интервью прошло хорошо, заключайте сделку на самых лучших для вас условиях.

LET'S DISCUSS

Task 1. A good interview is always well-structured. Work in pairs and put the list of things that an interviewer should do into a logical sequence.

- a. answer questions
- b. ask questions about candidate's CV
- c. explain the plan of the interview
- d. explain what happens next
- e. hold a few minutes of neutral conversation
- f. listen
- g. make the candidate feel at ease
- h. observe
- i. summarise the main points

Now decide what the interviewer and the interviewee could say at each of the nine stages.

Example: 1. Make the candidate feel at ease:

Interviewer: “Thank you for coming, I hope you had a good journey”.

Interviewer: “Yes, thanks. It only took 40 minutes, door-to-door, and it’s easy to get here from the station”.

Task 2. In the table below there are some notes prepared by the Marketing Director of a large company. They concern two members of the Market Research Department (MRD), Barbara and Graham. Both these employees have been in the MRD since they joined the company. They have both just applied for the vacant position of the Head of the MRD. Imagine that you are Marketing Director, compare the applicants on the basis of the given information, interview them and then decide who will be offered the position.

Candidate	<i>Barbara</i>	<i>Graham</i>
1	2	3
Age	30	36
Status	single	married, with 3 children
Years of service in company	3	8
Educational qualifications	master's degree in marketing; diploma in communications	3 A-levels, 6 O levels (no further education)
Previous work experience	2 years in transport department of oil company	2 years as a waiter; 5 years in banking (Lloyds); 3 years in market research firm
Special skills and abilities	communicates effectively with staff; articulate; logical mind; sound powers of analysis; fluent French and Italian	writes superb reports; exceptional mathematical ability; highly intelligent
Personal qualities	hard-working; efficient; mobile – will work anywhere in the UK; lively; out-going personality; popular with most colleagues	respected because of his knowledge of the job; quiet; reserved; always calm in a crisis
Negative points	sometimes works too fast and misses important facts; can be too frank and outspoken; one or two colleagues can't stand her; smokes too much; lives on her nerves	considered unsociable by some; speaks rather slowly and hesitantly; no foreign languages; not mobile – wife has important job at local hospital
Interests	modern jazz dancing; collecting paintings	says he is too busy to have outside interests
Health	had serious illness while at university – studies interrupted for one year	excellent

While comparing the candidates make use of the following structures.

e.g.: *Both* Barbara and Graham are **over thirty**. Barbara is **single**. Graham, *on the other hand*, is **married with three children**.

1. Graham has had no further education *whereas* Barbara....
2. *Besides* speaking French, she
3. Graham is extremely good at writing reports. *Furthermore*,
4. *Despite* Barbara's ability to communicate well with her colleagues
5. *Although* Graham is respected by his colleagues

Your vocabulary

Compensation package Remuneration package Bonuses Benefits Perks Share options Stock options	<p>When talking about executive pay, compensation can refer, confusingly, to two different things:</p> <ul style="list-style-type: none"> ▪ what top executives get for running a company. ▪ what they get on leaving a company. <p>Apart from salary, an executive's compensation package can include:</p> <p>bonuses: extra payments, sometimes, but not always, related to the firm's performance.</p> <p>benefits and perks ranging from share options, the right to buy the company's shares at an advantageous price, to a chauffeur-driven car.</p> <p>Remuneration is also used to talk about executives' salary and benefits.</p>
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Golden boot Golden goodbye Golden handshake Golden parachute Compensation payment Compensation payoff Compensation payout Severance package Severance payment oust	<p>A compensation package for an executive leaving a company is also known as a golden goodbye, golden handshake or golden parachute.</p> <p>Compensation for someone leaving a company may be referred to as a compensation payment, compensation payoff, or compensation payout.</p> <p>These payments may form part of a severance package.</p> <p>Severance payments can be the subject of complex negotiations when an executive leaves, or is ousted: forced to leave.</p> <p>When executives are ousted, people may talk about companies giving them the golden boot.</p>
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Ex.1. Failure-related pay. Complete this extract from *The Economist* using grammatically appropriate forms of the words listed. One of the words is not used.

boot	oust	goodbye	pay-off
compensation	fortune	package	executive

A RACKET IN NEED OF REFORM

Many of Britain's company chiefs are overpaid, including some of the ones being _____ (1) out of their jobs. Other bosses deserve more.

'If you can meet with triumph and disaster and treat those two imposters just the same.' Kipling's test manhood is proving all too easy for the

bosses of British firms: they earn a fortune if they do well, and a _____ (2) if they do badly.

This month, Peter Davis, the departing co-chairman of Reed Elsevier, a publishing firm, carried a _____ (3) worth J2 million (\$3 million) away with him in his briefcase; four directors quitting Tiphook, a financially troubled

transport firm that lost J331 million _____ last year, have shared _____ of around J4 million; and Peter Sherlock has resigned as chief executive of NFC, a road haulage firm, with a _____ (5) expected to top J750,000 - two years after his hasty exit from Bass, a brewer, with a J395'000 farewell.

Such 'golden _____ (6)', together with massive pay rises for many bosses keeping their jobs, have made _____ (7) pay a political issue.

Ex. 2. Complete the sentences.

1. Some workers receive a Christmas bonus when _____.
2. When an employee works more than the scheduled hours _____.
3. If you are given luncheon vouchers _____.
4. Tax has to be deducted by an employer _____.
5. It is not easy to obtain job satisfaction _____.
6. When someone stays away from work _____.
7. An ideal job would be one where _____.
8. When you are being interviewed for a job _____.
9. An interview should always _____.
10. A personnel department _____.
11. Work would be more interesting if _____.

TEXT 8. Labour Laws Don't Cover Everyone

Read the article and do the exercises.

New York (CNN news). When Jose Castro helped to organize a trade union campaign at his workplace, Hoffman Plastic Compounds in California, he was fired. His firing was found to be unlawful, but, on March 27th the Supreme Court ruled that he could not receive back pay. The reason: Mr. Castro is a Mexican, who is in the United States illegally and who used a friend's ID to get his job.

His case raised the question of the rights of people who are not lawfully residents. The court, which divided five to four on the ruling, was clearly in some confusion, as is the country at large. Under a Supreme Court ruling, children of illegal aliens may attend public schools. Most states provide illegal aliens with emergency medical care and insist that they get their vaccinations. They may not give them extra social assistance. People working illegally in America must pay taxes, but cannot receive a refund for overpayment; they must contribute to Social Security (the national pension), but cannot receive retirement benefits. Depending on state law, they can vote in local elections (such as those for school boards), but not national ones.

Labour laws used to cover everyone, even those people not legally permitted to work. Trade unions provided strong support, preferring immigrants to swell their ranks rather than provide cheap competition. In 1986, hiring undocumented workers was made illegal. But employers resisted becoming, in effect, immigration agents, and the law was little enforced.

The National Labour Relations Board, which supported Mr. Castro, has continued to allow undocumented workers to get back-pay if they are fired. But the Supreme Court jibbed in Mr. Castro's case, saying he had in any case got his job through a criminal fraud, and should not be paid wages he could not legally have earned. Chief Justice William Rehnquist added that this would only encourage violation of the immigration laws.

Writing for the minority, Justice Stephen Breyer argued that stripping labour-law protection from illegal aliens would not only undermine America's domestic labour law but would lower the cost of illegal labour, drawing more hopefuls in. Whatever happens, it is certain that America's non-citizens are now more vulnerable than they were.

EX. 1. After reading the text write down in two appropriate columns what illegal aliens can/must and cannot/ must not do in the United States.

Illegal aliens can/must do	Illegal aliens cannot/must not do

EX. 2. Sum up the arguments for and against paying Mr. Castro wages.

EX. 3. Divide the class into two groups and make up the speech of:

- a) Attorney;
- b) Prosecutor.

TEXT 10. EMPLOYEE MOTIVATION

Read and translate the following text in written form

A manager who has an understanding of what the employee wants from work will have a better chance of having more satisfied and productive employees. Studies of employee motivation point out that people work for many different reasons. The reason or reasons a person behaves a certain way is called a **motive**. Employee **motivation** is the reason an employee works a certain way on the job. There are many explanations of what motivates employees. One theory was developed by A. Maslow. **Maslow's hierarchy of needs** theory explains that an individual has many different levels of needs.

SELF-ACTUALIZING

Realizing of individual potential, creative talents, personal future fulfillment

ESTEEM

Self-prospect, respect of others, recognition, achievement

SOCIAL

Friendship, affection, acceptance

SAFETY

Security, protection from physical harm, freedom from fear of deprivation

PHYSIOLOGICAL

Food, water, air, rest, sex, shelter (from cold, storm)

This theory suggests that when one level of needs is satisfied, the next level has the greatest influence on a person's behaviour.

Frederik Herzberg developed another **theory of job satisfaction**. It suggests that job satisfaction and job dissatisfaction come from two different sets of factors. One set he referred to as 'motivating' factors, and the other set he called 'hygiene' factors. The motivating factors (recognition, achievement, responsibility, opportunity for advancement, and the job itself) relate to internal satisfaction and influence employees to improve their performance. The set of hygiene factors (salary, company policies, working conditions, and relationships with other employees) are separate from the job itself. He sug-

gests that hygiene factors must be present in order to prevent job dissatisfaction, but it is those motivating factors that influence employees to maximize their performance on the job.

These theories show that employee performance is a complex topic to understand. Developing a work environment where the employee meets the needs of the business and the business meets the needs of the employee is what the most successful managers work at.

Answer the questions to the text

1. Are there other needs which you would add to the hierarchy? Where? Why?

2. Which of the following would motivate you to work harder (higher salary; good team; job security; holidays, opportunities to travel; good working conditions; interesting; creative work; promotion opportunities; threat of redundancy; fringe benefits; hard working boss...). Choose your top five and rank them in order of priority.

3. Scripture maintains that man does not live by bread alone, but the need hierarchy suggests that man lives by bread alone when there is no bread. What does it mean?

UNIT 3. IN THE OFFICE AND BUSINESS ETHICS

TEXT 1. The Office

I. Look the list of words.

discount	скидка
applicant	проситель
turn up	приходить
knowledgeable	хорошо осведомленный
enquiry	запрос
courteously	вежливо, учтиво
receptionist	секретарь в приемной
hub	центр
keyboard	клавиатура, коммутатор
conjure up	изгонять
implication	последствие
diminish	уменьшать

II. Read the text.

One way of describing the function of the office is the administrative back-up for the organisation. Everyone involved in a business operation has to refer to the office from time to time. Even in the first few minutes of the day the office comes alive. The salesperson telephones from a customer's shop to find out some details about prices, or discounts, or delivery dates. A customer telephones to find what has happened to the order he sent in last week. The short-listed applicants for the new Quality Control Manager's job turn up for their interviews with the Personnel Manager. The Company Secretary arrives earlier than usual to ask whether the Agenda for the Board of Directors' Meeting later in the day has been typed yet. And the office junior brings in the morning mail which he has opened and sorted, and which now needs to be distributed to the various managers. There is a great variety of tasks undertaken in the office and the staff engaged in these operations need to know a great deal about the business. For example, when customers visit the office, or telephone, they naturally expect the staff who deal with them to be knowledgeable. They expect their enquiries to be dealt with courteously, promptly and competently. Receptionists may occupy a comparatively lowly position in the organisational hierarchy, but they create the vital first impression which often determines whether we get the order or not.

The importance of the office is obvious. It is the hub of the communications network for the whole organisation. Technology affects the whole of business, not least the office, and the concept of a completely paperless office is beginning to emerge. Already on many executives' desks there are keyboards or other devices to communicate with the computers which control all the electronic devices in the office. Electronic files are replacing con-

ventional filing cabinets, and intelligent facsimile and copying machines are appearing together with a variety of printers able to print anything from letter-quality characters to four-colour diagrams. Telephone systems are now incorporating a host of facilities from an answering service to video-conferencing.

Video-conferencing involves executives separated by hundreds and perhaps thousands of miles, discussing problems face-to-face on television screens. This in turn conjures up the notion of clerical workers performing many of their daily tasks away from the office, so that offices of the future are not only going to be paperless. They are also going to occupy less space, require fewer staff and allow much shorter working weeks.

These changes will affect a large number of people. The introduction of robotic production lines in factories and new technology in offices will change the way men and women work, and the roles they expect to fulfil. There have already been great changes in the traditional patterns of employment due to new technology, and this seems likely to continue, with implications for both sexes.

Whatever happens as a result of the new technologies, the role of the office will be changed rather than diminished. Most office workers of the future will find themselves seated at multi-function work-stations able to exercise control over routine purchases, sales, market research, production runs and accounting procedures. In other words, we can expect a centralisation of decision-making powers, with the office becoming even more emphatically the very hub of the business.

III. Answer the questions in your own words.

1. How would you describe the function of the office?
2. To what extent do you think office work is boring?
3. Why do you think the receptionist has a responsible job?
4. What do you understand by the term a paperless office?
5. What sorts of equipment would you expect to find on the desk of an executive in a modern office?
6. Why do office workers need to know a lot about business operations?
7. What would be the effect if office workers were inefficient or poorly motivated?
8. What is video-conferencing?
9. What social implications do you see resulting from the impending changes?

IV. Translate and learn the phrases.

- The administrative back-up for the organisation
- To refer to the office
- To find out some details about prices, discounts or delivery dates

- To turn up for the interview
- To undertake a great variety of tasks
- To know a great deal about the business
- To deal with the enquiries courteously, promptly and competently
- To occupy a comparatively lowly position in the organizational hierarchy
- To create the vital first impression
- The hub of the communications network
- The concept of a completely paperless office
- To replace conventional filing cabinets
- To incorporate a host of facilities
- To discuss problems face-to-face on television screens
- To affect a large number of people
- To change the way men and women work
- Great changes in the traditional patterns of employment
- With implications for both sexes
- Multi-function work station
- To exercise control over routine purchases, sales, market research and accounting procedures
- A centralisation of decision-making powers
- The very hub of the business

V. Prove the following.

1. The office is the administrative back-up for the organisation.
2. The office is the hub of the communications network for the whole organisation.
3. The changes in the office will affect a large number of people.
4. The role of the office will not be diminished in future.

PRACTICE

Task 1. In what way can office work be more efficient? Read the text and fill each blank with the correct word partnership from the box below. Use each partnership once only.

put off unpleasant tasks	members of staff
delegate routine tasks	have a meeting
unnecessary paperwork	separate folders
time-consuming way	set priorities
lose concentration	skip over
set a time limit	pick out

Here are ten key ways to improve efficiency.

1. Avoid 1) Be ruthless. Are all those statistics and memos really necessary?

2. Essential paperwork should be organised into 2)... so that you and other 3) ... can find what you want quickly.
3. 4) Decide which of your tasks are the most important and deal with them first.
4. Never 5)... . It is best to deal with them as soon as possible or you will keep thinking about them and 6)
5. Know when to stop. If you are too much of a perfectionist, you will concentrate on one task and not leave enough time to do the others.
6. 7) Don't try to do everything yourself. Make sure, however, that the subordinate is competent enough to carry out the task.
7. Cut meetings to a minimum. Ask yourself if a meeting is essential or if the issues could be dealt with in a less 8)... .
8. If you must 9)... , restrict it to those whose presence is essential. Don't waste people's time.
9. At the beginning of a meeting 10) ... and stick to it. This should concentrate everybody's mind and avoid unnecessary anecdotes etc.
10. Learn the art of speed-reading. 11) ... the non-essential text and 12) ... the message, the important facts.

Task 2. Fill in the gaps in the passage about computers in business making use of the words from the boxes. Each word must be used only once.

accurate	input	printer	screen
compo- nents	keyboard	punched	single
continuous	linked	records	supplies
disk	output	retrieve	transactions

Computers are being used more and more in business because they are fast, efficient and 1)

Here are some ways in which computers are used.

Insurance companies use them to store and 2) ... details of clients' policies.

Production departments in companies use them to ensure they have adequate 3) ... of raw materials and 4)

Banks use them for processing details of accounts and 5)... .

Personnel departments use them to keep 6)... of a company's employees.

Can you think of any other ways in which computers are used?

The most common ways in which you can 7) ... information into a computer are:

- by typing it on a 8) ...;

- from a magnetic 9) ...;
- from a 10) ... tape or card;
- from another computer 11) ... to yours.

A computer can 12) ... information:

- on a 13) ... called a VDU (visual display unit);
- to a 14)... which may use 15)... sheets or 16)... stationery;
- to a punch card or tape;
- to a magnetic disk;
- to another computer.

Task 3. Agree or disagree to the statements of some people speaking about the effects that computers have had on their working lives.

1. Without organizing jobs differently, introducing computers doesn't help.
2. Computers create more work.
3. Computers reduce everything to numbers.
4. People begin to feel like computers.
5. Computer systems do not always work.
6. The purpose of computers is not always clear.

TEXT 2. TALKING TO COMPUTERS

Read the text and say what advantages and disadvantages you can see in using speech-recognition systems. If your office is about to be computerized with 'talking' machines will you be for or against?

If you walk into your office one day and your colleagues are all talking to their computers, don't panic. There's nothing wrong with them and there's nothing wrong with you. It's just that they have had enough of traditional keyboards and mice and are moving on to the era of speech-recognition systems. Talking computers are not new. There was a lot of publicity about the early systems twenty years ago, but they never performed well. They had very limited vocabulary – about 1,000 words, and you need 10,000 words to carry out basic tasks. Now many systems deal with 30,000 words.

Everybody is using voice recognition today. If you make a telephone enquiry about a product or a service, or if you make an airline or car rental booking, you may find you are talking to a computer. Soon we'll be able to send faxes vocally and give instructions to our PCs. A computer will store 50 numbers so that, when you want to phone your agent Maria in Costa Rica, you simply pick up the phone and say 'Maria' and Maria answers the phone. Interactive phone systems are also being used for automatic directory enquiries and for directing phone calls straight to the correct extension. Mail order

companies and financial services are interested in developing such systems.

New systems which can recognize 50,000 words are appearing on the market. They are useful for professionals who need to put large amounts of text into PCs but who can't type. These systems will be of assistance to lawyers, doctors, journalists and other professionals.

We all speak differently, so how does the machine cope? It recognizes individual voices after a short training period. Users have to read lists of words slowly into the computer. But isn't it all a bit inhuman? The supporters of the system say that such services are reliable, cost-effective and do not get tired and irritable. Human beings can get on with more important and more interesting tasks.

WRITING A MEMO

A *memorandum* (plural *memoranda*, abbreviation *memo*) is a very common form of business communication which is exchanged between members of the same organisation. Most companies print their own memo stationery, but the layout is more or less the same. There are 4 main headings (To:, From:, Date:, Subject:/Re:). The memo usually focuses on one message or piece of information, and often requests action to be taken. It may be sent to a single person or a group of people. There are many different techniques used in memo writing, but several basic rules should always be applied:

- Since memos are a little less formal than business letters, it is best to use simple language and a neutral tone.
- Keep your memo clear. Use short, simple sentences.
- A memo should not be any longer than one page. Most people do not have to read long memos.
- The opening and closing formula can be more direct, and less formal than in a letter.
- No signature is required at the end. However the person who has written the memo may put his/her initials, but not his/her full name.

Now read the memo below and match the parts of the memo (1–6) with the descriptions (a–f).

BLOGGS & BLOGGS MEMO

- 1.To: All staff
From: Michael McGovern, I.T. Centre
 - 2.Date: 18 August 20
 - 3.Subject: Computer Access
-

4. We will be upgrading the software installed on the network over the week-

end. It is therefore possible that you may have problems accessing your computer on Monday morning.

5. If this is the case, please do one of the following:
 - Press the restart key when the 'access denied' message comes up.
 - Phone extension 2291 for help from a technician.
6. We are doing everything we can to make sure things go smoothly and will be glad to help if you have any problems or queries.

MM

- a. The body of the memo.
- b. A short heading which tells you what the memo is about.
- c. When the memo is sent.
- d. The conclusion of the memo, which often recommends a course of action.
- e. Name of the person to whom the memo is sent.
- f. A brief introduction to the memo giving the most important information.

Task 1. Fill in the gaps with words from the box.

Circular	classify	clarify	essentials	observe
recipient	submit	topic	cover	transmit

1. The purpose of writing letters, memos and reports is usually to _____ information from one person to another.
2. But before you can begin to write a report about anything at all, you need to _____ the purpose for which you are writing it.
3. Before writing a report about a complicated process, you will find it helpful to _____ it first for a period of time.
4. You will also need to _____ all the data you have collected.
5. At the top of a memo or report don't forget to name the _____.
6. You should start a new par. (paragraph) for each new _____.
7. When you finally do write your report, the pieces of information you should never forget are the _____.
8. The deadline is the latest time you can _____ a report.
9. When you are writing a summary of what has happened, you should always try to _____ the main points.
10. A letter that is sent to many different people in a company is called a _____ (letter).

Task 2. Below is a memo on the subject of office re-organisation. Choose the correct linking words.

From: J.A.King
To: M.A.Tolsen

Date: 5 Oct
Re: Staffing

I have several suggestions concerning office re-organisation.

(*First/ As a result/ Nevertheless*) I propose that we move Mrs. Sinclair into the accounts department to help Mr. Banks (*consequently/ since/ although*) there have been a number of complaints from the staff that pay slips have been late and certain payments have not been processed as soon as they should have been. (*In addition/ Secondly/ Despite this*) Mr. Banks has been requesting extra staff for some time.

(*Secondly/ Consequently/ However*) I suggest we take on a temp over the summer period to handle incoming telephone calls and enquiries in the mail order section. (*Owing to/ Moreover/ Although*) the volume of orders has not increased the new computerised system has proved to be more time-consuming than anticipated. (*Consequently/ For example/ Next*) Mrs. Ke-reasky and Mrs. Davies have had more work to do than they cope with.

(*However/ Thirdly/ Thus*) I recommend that we take on a new order clerk in the sales department. A number of errors have been made recently (*owing to/ despite/ while*) a lack of available staff at peak times.

I am aware that these changes will involve extra expenses.

(*Finally/ On the other hand/ Furthermore*) they will, I believe, save money in the long run in terms of increased efficiency.

Task 3. Read the dialogue and write a short memo to Pat telling her of the decision reached.

Alex: I've compared the Nadlov products with Rosario's and have reached a clear decision. I prefer the Nadlov ones. However they are more expensive.

Brad: So, you'll have to convince me of the benefits.

Alex: Nadlov is better – I think by 20 per cent.

Brad: Could you remind me of the price difference?

Alex: \$23 per unit.

Brad: Hmm. We're spending a lot of money on this so the decision is very important. Can you tell me about the benefits of the Nadlov product?

Alex: I think it's a better design – it'll be easier to use.

Brad: Okay, if you prefer Nadlov to the others that's fine. Will you tell Pat about this?

Alex: Sure, I'll send a memo right away.

MEMO

To: Alex
From: Pat

Date:
Re:

Task 4. Fill in the gaps in the dialogue making use of the words from the box (some of them can be used more than once)

Final	least	able	right	lower	modern
high	true	latest	attractive	small	

- Mr. Aldin, I'm very sorry to say we cannot sign a contract with your company at this price. It is unreasonably 1) We are in close touch with the world market and our information is that your competitors are quoting 2) ... prices.
- You are partly 3) It's 4)... , the price is 5) ... , but you should take into consideration the fact that this model is the 6) ... word in electric industry. It is designed on the most 7) ... lines and we can guarantee the 8) ... reliability of the computers.
- We know all that. But nevertheless the price doesn't seem 9) Will the 10) ... price depend on the number of computers we'll buy from you, Mr. Aldin?
- 11) If you increase your order to five computers we'll be 12) ... to give you a 2% discount on the price.
- I'm afraid the discount is too 13) I expect at 14) ... a discount of 4%.
- Let me make some calculations. Well, Mr. Borisov, 3% and not more as this concession leaves only a very 15) ... profit for ourselves.
- In this case I'd like to discuss the matter again with my people and after that I'll be 16)... to give you my 17)... reply.

Task 5. Read the dialogue and answer the questions.

- Good morning. My name is Vladimir Petrov. I've got an appointment with Mr. Nickles.
- Good morning. That's right. Mr. Nickles is expecting you. Would you, please, sit down? I'm sorry, Mr. Nickles is at the meeting now but it'll be over in a couple of minutes. If you'd just like to wait over there, I'll make a cup of coffee. There are some journals and reference materials on the table to get a better idea of our firm.
- Thank you so much. We've carefully studied your exhibition at the fair, I have no doubt that your equipment is of high quality, reliable and efficient.
(a buzzer sounds)
- You can go in, Mr. Petrov.
(Mr. Petrov enters the office, Mr. Nickles is on the phone)

- Well, let me tell you, my secretary being a lady would not write what I think of you and I being a gentleman cannot even think it. And you, being neither, can easily imagine it.

(hangs up)

- Sorry. One has to be rude sometimes. Mr. Petrov, no? I'm sorry to have kept you waiting.
- I'm a bit early, actually.
- Did you have a good trip?
- Yes, it was pretty comfortable, thanks.
- Please, sit down. Would you like something to drink?
- No, thanks. I like the poster on the office door: "If You Haven't Anything To Do, Don't Do It Here". Is it your own idea or a modern trend in management?
- Oh, both, I think. I'm glad you like it. Last year I bought a number of posters running: "Do It Now!" and had them hung around the office.
- Did you inspire your subordinates with enthusiasm?
- Well, the slogan affected the staff but not in the way I expected: the cashier skipped out with \$30,000; the head book-keeper eloped with the private secretary; three clerks asked for a rise in salary and the office boy became a crook.
- Ha-ha-ha...
- Now, I expect, you'll want to hear all about our new model. You'll be pleased to find that it incorporates 2 unique features although it costs slightly more. And we are confident that it will be cheaper to run. We've put it through a number of very extensive tests. I don't think you'll be disappointed. Well, I think that covers it for the present, er..., unless you can think of anything else.
- We are very interested in maintenance, yes, and there's the question of delivery dates, and finally, we'd like to know whether it's possible to adapt your equipment to our uses.
- As for the delivery dates, I'm happy to say we're now able to guarantee two months, maybe less. And there's very little routine maintenance for you to worry about. As part of the contract one of our men will call every six months to make any necessary adjustments. That should be sufficient. In the unlikely event of a breakdown we've always got a duty mechanic who would be there as soon as you call.
- That'll do. Well, I think if you agree, I'd like to see your factory and then to see how you suggest going about adapting the equipment to our needs.
- Yes, good idea. I'll arrange that with the manager now.
- That'll be marvellous.
- We'll get a complete set of documents so that you could study the requirements. The expenses involved will be charged to your account though.

- No problem.
- Fine. In that case we'll tell our experts and lawyers to prepare the contract for signing. I was hoping we'd get it all worked out today. You've got everything organized, haven't you?
- Sorry, but I have no right to discuss the general principles of the contract. My mission is far too modest. I'll have to discuss it with my boss first.
- Right, let's leave it there, shall we?

Questions:

1. Does Mr. Nickles' secretary behave right with the client, Mr. Petrov? What would you do the same way and what would you do differently?
2. Mr. Nickles is very rude on the phone with his party. Does it mean that the former isn't afraid of losing the latter as his business partner? How would Mr. Nickles express the same idea if he were afraid of that? Imagine you become a boss. How will you inspire your subordinates with enthusiasm? Will you use the same kind of posters used by Mr. Nickles or any other ones? Will you use any other means? What will they be?
4. What are the terms of equipment maintenance and delivery suggested? Do they suit Mr. Petrov?
5. Why does Mr. Petrov want to see the factory before signing a contract?
6. To your mind, does Mr. Petrov really have no right to discuss the general principles of the contract? Can it simply be a move of the knight? If yes, what for then?

Task 6. Find English equivalents for the phrases in the dialogue Task 5:

у меня назначена встреча с; мистер Н. ожидает вас; можете войти; вешать трубку; современное течение в менеджменте; кассир удрал, похитив \$ 30 000; прибавка к зарплате; посыльный стал жуликом; в нее включены; дешевле в эксплуатации; приспособить ваше оборудование к нашим условиям; контракт предусматривает; производить всю необходимую регулировку; в случае поломки, что маловероятно; дежурный механик; полный пакет документации; расходы по этому вопросу вы берете на себя; у меня нет полномочий обсуждать.

TEXT 3. THE LANGUAGE OF SPACE

Read and translate the text into Russian in written form.

The way to get rich is clear for an increasing number of businesses. It is to use Feng Shui, an Eastern philosophy. Many well-known companies are introducing Feng Shui principles into the workplace, such as putting in fish tanks full of goldfish or carp. Fish mean money and that employees will

prosper. Flowing water also attracts energy and the sound is relaxing. Companies also advise their employees to wear lucky colours which are associated with wealth, such as red, green and black. Mats and carpets are in the same colours. Plants are essential to bring in energy and fight against the negative effects of office equipment. However the leaves are rounded to produce good atmosphere. Doorways should be kept clear so that energy can flow through the building and there should be pictures on the walls so that people focus better when they enter the building and feel more comfortable and relaxed. Desks should face the door and you should sit with a solid wall behind you.

Some companies go further. Any clocks in the building should have three hands, as three is a lucky number. No cars are allowed to park in front of the building, as cars represent dangerous tigers. Furniture is positioned so that it does not block energy lines. Company cars are given lucky numbers. Critics say that all this is just trendy nonsense. But the businesses using these principles say that they are simply making better environment for their employees. They claim the critics just don't understand.

VOCABULARY

administrative back-up	memorandum/ memo
a photocopier	access denied
an open plan office	separate folders
a paperless office	punch(ed) card/ tape
a clerical worker	keyboard
an office junior	screen/ monitor
a receptionist	input/ output
the hub of the business	to store/ retrieve/ process data
filing cabinet/files	disk/ hard disk
diary	disk drive
directory	stationery
note pad	software/ hardware
paper clips	Modem
pencil sharpener	RAM (Random Access Memory)
ruler	ROM (Read Only Memory)
eraser/ rubber	to put off unpleasant tasks
tray/ in-tray	to delegate routine tasks
staples/ stapler	to set a time limit/ priorities
wastepaper bin	time-consuming way
VDU (Visual Display Unit)	to skip over/ out
video-conferencing	to pick out
multi-function work-stations	to transmit information
to exercise control over	to submit a report
to diminish the role of the office	circular
to talk shop	recipient
to deal with enquiries/ queries	essentials
to conjure up	to make necessary adjustments

pay slips
larceny
tax evasion
to allow for
to amount to

to take on a temp
to inspire subordinates
to be bound to
to ferret out incompetence

EX. 1. Translate into English using the vocabulary.

1)

- Доброе утро, господа. Как поживаете?
- Спасибо, хорошо. А Вы?
- Нормально, благодарю Вас. Вы читали всю нашу корреспонденцию с Вашим директором?
- Да. Мы тщательно изучили Ваше деловое предложение и думаем, что мы составим проект контракта к концу этой недели, а окончательно заключим контракт с Вами после его обсуждения по телефону с нашим директором.
- Хорошо. Давайте перейдем к делу. Сегодня и завтра мы обсудим условия оплаты и доставки.
- Договорились. А послезавтра поговорим об упаковке и транспортировке.
- Затем я планирую поехать в Бирмингем на 3 дня. Как Вам известно, там будет выставка. Вы присоединитесь ко мне?
- Да, с удовольствием. Это как раз соответствует цели моего визита.
- Надеюсь, что так. А после этого у Вас будет достаточно времени для посещения нашего завода-производителя и осмотра достопримечательностей.
- Меня это устраивает. И я надеюсь передать проект контракта моему директору по факсу не позже следующей среды.

2)

- Могу ли я сегодня увидеть менеджера по рекламе? Это говорит м-р Симонов.
- К сожалению, мисс Блейк нет на месте. Она обедает с дизайнером. Оставьте для нее сообщение?
- Да, пожалуйста. Я хотел бы пригласить ее на ужин и обсудить с ней вопрос обучения наших рекламных агентов. Когда она вернется с обеда?
- Предположительно в 2.30.
- Когда можно перезвонить?
- Только после 5. С 5 до 6.
- Ее трудно застать на месте, не так ли?
- Да, сэр, но это ее работа... О, Вам сегодня повезло. Здесь находится один из руководителей рекламного агенства, Эндрю. Он тоже ждет мисс Блейк и мог бы рассказать Вам о своей работе, если это Вас действительно интересует.

TEXT 4. Business Meetings

I. Look through the list of words.

comprise	состоять из
inappropriate	недостаточный
hierarchy	иерархия
confer	обсуждать, совещаться
apex	вершина, верхушка
transact business	вести дела, заключать сделки
agenda	повестка дня
resigning	отставка
subordinate	подчиненный
shop steward	управляющий цеха
coincide	совпадать
socialise	общаться
vehicle	средство
grievance	жалоба

II. Read the text.

A committee normally comprises between three and twenty I members. It is headed by a chairperson who has the power to control the discussion. The abilities of the chairperson are likely to be reflected in the effectiveness of the committee. He (or she) will be expected to identify the problem for the committee members, consider the available facts with them, and encourage them to express their views.

The use of a committee in business can be advocated whenever the normal chain of command is inappropriate. The committee allows people from different departments and specialisms to come together to deal 1 with problems of common concern. They also allow people from different levels in the organisational hierarchy to meet and confer, for example in a joint consultation committee where representatives from the management side can consult directly with worker representatives.

The committee is essentially a communication device. The problem in a large organisation is to ensure a two-way flow of instructions (downwards) and feedback (upwards). It is often possible for a management to delegate the responsibility for making decisions in non-critical areas to committees, though it is important to remember that the Board of Directors (at the apex of the organisational hierarchy) is also a committee and functions accordingly. Minutes are required to be kept of the decisions taken at the meetings which become a record of the business transacted and the decisions reached. The proceedings are required to follow the order set out in the agenda which is distributed to the members before the meeting.

Under no circumstances can voting take place unless a quorum (a minimum number of members) is present. The quorum will be laid down in the committee's terms of reference. A motion (or resolution) is the term used to describe the point in the meeting when a decision is being considered. One of the members will normally make the proposition and will then need to find a seconder – someone who supports it. The wording of the resolution is very important as the committee will be bound by it if more than a half of the members present vote in favour. The only way a member can avoid the collective responsibility for the decision is by resigning.

Another form of meeting used in business is what is sometimes described as a «command meeting». In this case the manager calls his subordinates together and uses the occasion either to tell them what he wants from them or to listen and exchange ideas with them. It is a very effective way of ensuring that the team is kept fully informed. Some managers have these meetings on a regular basis, say every Friday afternoon at three o'clock, so that the coming week's programme can be discussed. The meeting can coincide with a tea break and this gives the group an opportunity to socialise before getting down to the serious business. These meetings are in no way comparable with the committee meetings since they are very much a vehicle for the individual manager. He can use the time to sell ideas to this team, seek their aid in finding solutions to problems, or simply inform and instruct them.

From the workers' point of view perhaps the most important meetings are those conducted by their trade unions. As well as the local branch meetings there are regional and national executive committee meetings which are all conducted on a formal basis. Shop stewards committees operate at factory level and play an important role in communicating workers' grievances to management.

III. Answer the questions in your own words.

1. Why does the chairperson of a committee need to be chosen carefully?
2. When is the formation of a committee justified?
3. Who would you expect to find in a Joint Consultation Committee?
4. In what sense is the Board of Directors a Committee?
5. How does the committee reach a decision?
6. How is the decision recorded?
7. What is a command meeting? How does it differ from a committee?
8. What options are available to the member of a committee who strongly disagrees with a resolution passed by the majority of the committee's members?

IV. Translate and learn the phrases.

- To have the power to control
- To be reflected in the effectiveness of the committee

- To identify the problem
- To consider the available facts
- To encourage to express one's views
- The normal chain of command
- To deal with the problems of common concern
- To ensure a two-way flow of instruction
- To delegate the responsibility for making decisions
- A record of the business transacted and the decisions reached
- To follow the order set out in the agenda
- The committee's terms of reference
- To consider a decision
- To be bound by to vote in favour
- To avoid the collective responsibility
- To exchange ideas
- To keep the team fully informed
- On a regular basis
- A vehicle for the individual manager
- To seek one's aid in finding solutions to problems
- Local branch meetings
- Regional and national executive committee meetings
- To be conducted on a formal basis
- To communicate workers' grievances to management

V. Prove the following.

1. The abilities of the chairperson are likely to be reflected in the effectiveness of the committee.
2. The committee is essentially a communication device.
3. The only way a member can avoid the collective responsibility for the decision is by resigning.
4. A «command meeting» is a vehicle for the individual manager to sell ideas to his team, seek their aid in finding solutions to problems, inform and instruct them.
5. From the workers point of view the most important meetings are those conducted by their trade unions.

VI. Speak on the problem of business meetings using the phrases given above (Task IV)

VOCABULARY

AOB	to call/convene a meeting
an agenda	to hold/attend a meeting
an item on the agenda	to chair a meeting
a chairperson	to adjourn/interrupt a meeting
a vote	to postpone/cancel a meeting

vote/voting
 voting by ballot
 voting by a show of hands
 an affirmative vote
 a negative vote
 a casting vote
 a proxy vote
 an abstainer
 an abstention/abstention
 consensus
 a contrary opinion
 a deadlock
 minutes(pl)
 a motion/resolution
 a proposition/proposal
 a proxy
 a power of attorney
 an action
 a proposer
 a supporter/seconded
 a one-to-one meeting
 a 'command meeting'
 a quorum is present

to carry on with talks
 to suit oneself
 to circulate the agenda/minutes to
 to put into the minutes
 to approve of/sign the minutes
 to make/propose/table a motion
 to reject a motion
 to adopt/carry/pass a motion
 by a large majority
 by a majority of ... votes
 unanimously
 by acclamation
 to have an equal say/stake
 to put a question to the vote/to
 voting
 to hold the vote/voting
 to vote on/upon an issue
 to vote for/pro/in favour
 to vote against/con
 to vote by proxy
 to abstain from voting
 to reach consensus/a consensus view
 to have/reach a quorum
 to go over/recap

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

- | | |
|--|--|
| <p>1. AOB (any other business)</p> <p>2. to adjourn</p> <p>3. agenda</p> <p>4. casting vote</p> <p>5. consensus</p> <p>6. to convene</p> <p>7. minutes</p> <p>8. motion</p> <p>9. proxy</p> <p>10. power of attorney</p> | <p>a. a proxy vote is made on behalf of someone else (if permission has been obtained)</p> <p>b. the written record of a meeting</p> <p>c. permission to act on someone else's behalf</p> <p>d. a list of points or items for discussion</p> <p>e. items not originally included on the agenda</p> <p>f. if there is a deadlock, e.g. three for and three against a motion, the chairperson may vote to ensure that a decision is made</p> <p>g. to call a meeting</p> <p>h. general agreement on a subject</p> <p>i. a proposal to be discussed and voted on</p> <p>j. to stop a meeting for a short period of time</p> |
|--|--|

Task 2. Complete the paragraph below using the words and phrases from Task 1.

Before the chairperson 1)_____ a meeting he/ she should circulate an 2)_____ so that everyone knows what items are to be discussed. At the beginning of the meeting the 3)_____ of the previous meeting are confirmed. Then those present discuss each 4)_____ on the 5)_____ and try to reach a 6)_____ view. If an issue is important a vote may be taken; those absent may have given 7)_____ to someone present and can therefore vote by 8)_____. In the event of a 9)_____ the chairperson may record a 10)_____ so that a decision is made.

Task 3. Match the words listed above with the dictionary definitions which follow.

proposer	referees	relevant	adjournment	resolution
grievances	interview	neutral	quorum	command
co-option	adequate	audience	agenda	casting
amendment	seconder	minutes	liaison	procedures
apologies	motion	auditors	convene	report

1. The company chairperson will be expected to give this at the Annual General Meeting.
2. The breaking-off of a meeting. The postponement of further discussion.
3. A detailed list of items to be discussed.
4. Notices of meetings must always be this.
5. The sort of meeting which might lead to the offer of a job.
6. Those whom you would be concentrating on when making a speech.
7. A firm considering employing you would contact them before inviting you for an interview.
8. Might be reduced if people are allowed to participate in the making of decisions.
9. An abbreviated record of what was said during a meeting.
10. A proposition to be voted upon.
11. Someone who makes a formal recommendation at a meeting.
12. What the chairperson of a committee meeting should strive to be.
13. A formal decision reached at a meeting.
14. The minimum number of members needing to be present to make a committee meeting legal.
15. The sort of meeting called by a manager who wishes to face his subordinates.
16. Discussion in a meeting should always be this.
17. A suggestion to alter the wording of a motion.
18. Will need to be appointed at a company's Annual General Meeting.

19. Someone who supports a formal proposal in the meeting.
20. To call an Annual General Meeting.
21. This will be necessary between the secretary and chairperson in a committee meeting.
22. Should be conveyed to the chairperson if you cannot attend a meeting.
23. The power available to a committee to ask other to attend or serve on the committee.
24. The chairperson's vote when the committee is undecided.
25. The rules governing the conduct of a meeting.

Task 4. Read the transcript of the talks at which the terms of payment and the date of delivery are discussed and answer the questions that follow.

Those present at the talks:

1. Mr. James Cramer (Mr. C), Import Department Manager. (*Canadian side*)
2. Mr. Andrew Drown (Mr. D), Import Department Deputy Manager. (*C. side*)
3. Mr. Simon Garrington (Mr. G), Senior engineer. (*C. side*)
4. Mr. Mikhail Balashov (Mr. B), Sales Manager. (*Belarusian side*)
5. Mr. Semen Antonov (Mr. A), Sales Manager Deputy. (*B. side*)
6. Mr. Leonid Petrov (Mr. P), Senior engineer. (*B. side*)

Mr. C: Good morning, everybody.

All those present: Good morning.

Mr. C: Take your seats, please. Are all of you all right?

Mr. B: Yes, quite. What about you, Mr. Cramer?

Mr. C: I'm fine, thank you. Shall we carry on with our talks?

Mr. A: Yes. I suppose the terms of payment come next, or the date of delivery.

Mr. C: Shall we start with the date of delivery?

Mr. B: Suit yourself. When do you require the equipment?

Mr. C: The sooner, the better. To be more exact – in the first quarter of the year

Mr. A: That will be a bit difficult. Will you take part deliveries?

Mr. D: Yes, it's all right with us. **Mr. A:** What do you say to 4 shipments at the rate of 25 items each?

Mr. G: When could we expect the 1st consignment then?

Mr. B: Would you be satisfied to have it within the 2nd half of January?

Mr. G: What about the balance of the order?

Mr. B: We could ship the rest at the rate of one consignment per month.

Mr. C: Do you mean we'll get the last consignment in April?

Mr. B: Exactly.

Mr. C: It's a bit too late. We need the lot by the end of March at the latest. We have obligations to our regular customers, you know.

Mr. B: Let's leave the matter open until tomorrow. I'll be in touch with the plant tonight. Perhaps we'll manage to complete deliveries in March.

Mr. C: That suits us. Shall we pass on to the terms of payment or would you like to have coffee or tea first?

Mr. B: Oh, that's a good idea. Let's have a break, shall we?

Mr. C: OK, let's, (after a half an hour's interval)

Mr. C: Here we are again. Shall we continue then?

Mr. A: Yes, let us not beat about the bush and take the bull by the horns. We want you to pay for the 1st shipment in advance and for the balance of the order...

Mr. C: Just a minute, Mr. Antonov, not so fast, not so fast.

Mr. A: Are you against advance payment?

Mr. D: I didn't say that. Are you going to grant us credit?

Mr. B: If you mean effecting payment by drafts, yes.

Mr. D: When will they fall due? I mean what kind of drafts will you draw on us?

Mr. B: We'll draw on you two or three months' drafts. Does that suit you?

Mr. C: We'd prefer drafts at 90 or more days.

Mr. B: You're welcome. But you didn't say anything about advance payment.

Mr. C: Argument is not worthwhile, is it?

Mr. B: Yes, it is not. But you are not going to lose anything, Mr. Cramer. The advance is only 10% of the total value and we'll be giving you a Letter of Guarantee issued by the Bank for Foreign Economic Affairs to the effect that the advance money will be refunded in case of any failure on our part.

Mr. G: Will that be a separate document apart from the contract itself?

Mr. A: No, it'll be an integral part of the contract in the form of its appendix.

Mr. G: That's good.

Mr. B: Shall we consider the terms of payment settled then?

Mr. C: I think so. That was the last but not the least point for today's discussion, wasn't it? And it is lunch time already. Could I invite you all to our canteen? It's not bad at all, I can assure you...

Questions:

1. Why do you think Mr. Cramer prefers to start the talks with the time of delivery?
2. Why doesn't April delivery suit the Canadian side?
3. What terms of payment are being discussed?
4. What kind of drafts do the Canadian businessmen expect their Belarusian counterparts to draw on them and why?
5. Why will a Letter of Guarantee be given to them?

Task 5. Find English equivalents for the phrases in **T. 4.**

Остальная часть заказа; пожалуйста (поступайте, как считаете нужным); поставить первую партию товара; нам нужна вся партия (объем, количество) не позднее конца марта; обязательства по отношению к постоянным клиентам; отложить решение вопроса до; частичная поставка; ходить вокруг да около; брать быка за рога; авансовый платеж; подлежать оплате; тратты со сроком платежа в 90 дней; спорить ведь не имеет смысла; о том, что; составная часть контракта; несоблюдение условий контракта с нашей стороны.

Task 6. A group of three editors working for a publishing company has a meeting. They are discussing two possible designs for the cover of an economics textbook. The discussion is as follows. Step 1 and Step 2 are described in detail with the examples of what Chris and Karin say. You should produce Steps 3-5.

1. Chris asks Karin for her opinion.

Chris: Am I right in thinking that you prefer the second design, Karin?

2. Karin answers explaining that she strongly prefers the second version.

Karin: I really do think that, yes. It's much clearer – I strongly prefer the more minimalist design. I really believe that the title is clearer and I have absolutely no doubts that the author's name doesn't need to be so big. I definitely think that the illustrations look better than all these formulae and graphs. I'm positive that the tints are better too – you can read the title easily, the printing is very good.

3. Chris asks for Jean's opinion.

4. Jean argues (neutrally and weakly) for the first design mentioning the following points:

- it is stronger
- the title is clearer
- the author's name is very important
- the formulae and graphs say more about what is in the book
- the tints are better

5. Finally Chris argues (neutrally and weakly) for the second design claiming:

- agrees with Karin
- the author's name is not so important
- the illustrations are clearer than the formulae and graphs
- he prefers the tints in the second design and the characters in the title are clear enough
- easier to read

DISCUSSION

Task 1. Look at these problems and decide the best way of dealing with each problem. Which would be best:

- a one-to-one meeting of two of the people involved;
- a meeting of four or five of the people involved;
- a meeting of about ten of the people involved;
- or should just one person decide what to do and then inform everyone by phoning or sending a memo?

1. A large, influential customer continually pays late. Your sales manager and credit controller have politely and repeatedly complained but this hasn't made any difference. The time has come to decide what to do about this.
2. In a small factory the older workers are ignoring safety rules and encouraging the younger ones to do the same. Some of these rules may be excessively cautious and the older workers' production rates are very good.
3. In a medium-size factory groups of workers operate as teams. One group has been getting poorer results than the other teams and verbal warnings have had no effect.
4. The firm is having a bad year and it will probably be necessary to make five members of the office staff redundant. The normal policy is 'last in – first out'.
5. Someone has been leaking information about your firm's products to your competitor. It may be a member of your staff or one of your preferred suppliers.
6. The board requires a report on your department's longterm plans over the next ten years.
7. The territories covered by your sales force have been unchanged for ten years. A revision of the boundaries might make the team more efficient.
8. There is to be a company picnic next month and everything has to be planned and organized.

Discuss the alternatives like this:

If you had a meeting of four people, the others might feel that.... If the manager sent everyone a letter, everyone might

Task 2. Translate into English.

1. Перед тем, как созвать собрание, председатель должен раздать участникам повестку дня, чтобы все знали, какие вопросы будут обсуждаться.
2. В начале собрания утверждается протокол предыдущего собрания.
3. Затем присутствующие обсуждают каждый пункт повестки дня.
4. Если вопрос важный, он может быть поставлен на голосование.
5. Перед проведением голосования необходимо внести предложения и обсудить их.

6. Председатель должен быть уверен, что присутствующие точно знают, за что они голосуют. Он обязан всегда зачитывать предложение, прежде чем ставить его на голосование.
7. Термин "предложение" применяется по отношению к идее, выдвинутой на рассмотрение собрания.
8. Голос председателя является решающим, когда количество голосов, поданных за и против резолюции, одинаково.
9. Резолюция была принята единогласно. Принятие данной резолюции повлечет за собой снижение количества прогулов и опозданий.
10. Следующим пунктом повестки дня является покупка участка земли для постройки склада.

TEXT 5. THE ART OF NEGOTIATION

Read and translate the text into Russian in written form

There has been a great deal of research into the art of negotiation, and, in particular into what makes a good negotiator.

One point most researchers seem to agree on is that good negotiators try to create a harmonious atmosphere at the start of a negotiation. They make an effort to establish a good rapport with their opposite number. So that there will be a willingness – on both sides – to make concessions, if this should prove necessary.

Good negotiators generally wish to reach an agreement which meets the interests of both sides. They therefore tend to take a long-term view, ensuring that the agreement will improve, or at least not harm, their relationship with the other party. On the other hand, a poor negotiator tends to look for immediate gains, forgetting that the real benefits of a deal may come much later.

Skilful negotiators are flexible. They do not "lock themselves" into a position so that they will lose face if they have to compromise. They have a range of objectives, thus allowing themselves to make concessions, for example, "I aim to buy this machine for 2000\$" and not "I must buy for 2000\$". Poor negotiators have limited objectives, and may not even work out a "fall-back" position.

Successful negotiators do not want a negotiation to break down. If problems arise, they suggest ways of resolving them. The best negotiators are persuasive, articulate people, who select a few key arguments and repeat them. This suggests that tenacity is an important quality. Finally, it is essential to be a good listener and to check frequently that everything has been understood by both parties.

VOCABULARY PRACTICE

Ex. 1. *First read the passage below. Then explain the meanings of the words and phrases which have been underlined.*

The effectiveness of any committee is inevitably determined by the actions of its chairperson. The chairperson is responsible for compliance with the technicalities. For example, the meeting must be properly convened and a quorum of members must be present. Furthermore proper notice of the meeting must have been given. The charisma and skill of the chairperson will decide to a large extent how much the committee does and whether relationships are harmonious or strained. A good chairperson will insist that when any members speak their remarks are addressed to the chair. This is not simply a matter of extending courtesy to the chairperson. The chairperson is deemed impartial and should not take sides in any dispute other than with regard to a matter of procedure. Disagreements will be less personal when the arguments have to go through an intermediary and there will be less chance of personality clashes.

In any meeting there will be some members who find it easy to interpose their arguments. Others will find it more difficult. It may be a matter of experience in committees, strength of character, age and status compared to other members. The good chairperson will spot the difficulties being encountered and bring these members into the discussion at an appropriate moment. «Yes», the chairperson might say, «I can see you feel very strongly about that particular matter, Mr. Hughes. Does anyone have a contrary opinion? What about you Miss Latimer?»

The ball is in Miss Latimer's court. The chairperson has ensured that everyone will listen to what she has to say.

Ex. 2. *Complete the following sentences using your own words*

1. The purpose of a committee meeting is to ...
2. The chairperson of a committee ...
3. When two members of a committee disagree ...
4. Sometimes a manager calls a meeting of his subordinates ...
5. ... because it is necessary to conclude the meeting.
6. ... when a personality clash is looming.
7. Communication involves the transmission of...
8. One can see the committee as an instrument of...
9. A motion becomes a resolution when ...
10. ... elected by the shareholders.

Ex. 3. *Choose the phrase A, B or C, which best completes each sentence.*

1. Of course the costs incurred in staff meetings may be justified
A. but that is no excuse for wasting the staff's time.

- B. but at least management should be aware of them.
 C. but that is no excuse for wasting management time.
2. Decisions reached in committees may sometimes be compromises
 A. which is another way of saying they are useless.
 B. and that is always a good thing.
 C. or, as it is sometimes said, a camel was a horse designed by committee.
3. The careful recording of decisions and the writing of minutes involve time and expense
 A. even after the formal meeting has ended.
 B. only before the meeting has started.
 C. and a great deal of effort by everyone.
4. A number of different ideas can be put forward in a meeting
 A. but too many cooks can spoil the broth.
 B. and everyone will be satisfied with that.
 C. but that will satisfy no one.
5. The interaction between members from different sections of the organisation
 A. will ensure that people understand each others' problems.
 B. should help people to understand each others' problems.
 C. will lead to frictions and discontent.
6. While each member has an equal say in committee proceedings
 A. none of them want to contribute.
 B. they will all want to say more than their share.
 C. they do not necessarily have an equal stake in the outcome.
7. In a business setting the committee is often used to
 A. bridge the gap between departments.
 B. encourage people to get to know each other.
 C. communicate with people outside the organisation.
8. Since committee decisions are collective
 A. there is no need to record them.
 B. they can be reached quickly.
 C. no single individual can be held responsible for them.
9. The board of directors constitutes a committee
 A. elected by management.
 B. elected by shareholders.
 C. chosen by management and workers.
10. Everywhere in life it is to be seen that progress depends on
 A. the exchange of ideas.
 B. the demolition of one group by another.
 C. bitter conflicts between those with opposing ideals.

WRITING MINUTES

The careful recording of a meeting, i.e. the writing of minutes, is an essential part of a meeting though it involves time and expense even after the meeting has ended. There are no strict rules in writing minutes. Minutes may be written in detail or in brief depending on the anticipated readership. But the main elements are always the same (sometimes some of them are omitted):

1. Where and when a meeting took place.
2. Present, i.e. the names of the participants.
3. Apologies, i.e. the names of those absent.
4. Subject.
5. Minutes of the previous meeting.
6. Items on the agenda: the discussion held, the motions made, the resolutions carried (Proposer; Seconder; the results of the vote).
7. Any Other Business (AOB).
8. Date of the next meeting.

When writing the minutes of a meeting it is good practice to use a variety of verbs of speaking.

Minutes of the meeting held at the Head Office of **Architech Consult** on
7/2/03.

Present: Richard Harris (Chairperson) – RH Amanda Bell (Chief Designer) – AB Donald McGregor (Human Relations) – DM Jonathan Coe (Accountant) – JC Wendy Adam (Designer) – WA

Apologies: Peter Thornborough

Subject: Abidjan design project

The minutes of the last meeting were confirmed.

1. RH opened the meeting and *underlined* the importance of reaching a decision on the project.
2. Each person in attendance was invited to state his/her position concerning the feasibility of the work in Abidjan.
3. AB (the initiator of the project) *pointed out* that it would be a major contract and *explained* that it should be accepted for the following reasons:
 - ◆ the company would be able to expand into new areas;
 - ◆ it would enhance the company's reputation;
 - ◆ it would broaden the expertise of the company's specialists;
 - ◆ it would open up new international markets.
4. JC *agreed* that the project was viable for the following reasons:
 - ◆ the bankers were favourable and ready to provide finance;
 - ◆ raw materials were cheap and plentiful;
 - ◆ local labour was inexpensive;
 - ◆ the level of risk was within acceptable limits.

He *claimed* that estimates from local sub-contractors indicated that profit margins would be high.

5. DM *stated* that there would be difficulties in controlling the project from a distance. Staff would have to spend considerable time abroad supervising progress on site. He also *mentioned* the problems they had encountered with a similar venture in Togo.
6. WA *outlined* her reasons for opposing the scheme. In her view it had not been thought through sufficiently by the client. She *emphasized* that further research was needed before going ahead.
7. RH closed the meeting and *announced* that he would make the final decision himself after due consideration of the issues.

Task 1. Look at the internal memo concerning the discussions before the negotiations to fix an advertising contract. Use the verbs from the box to complete the spaces in the text.

take on	clarify	reach	resolve	tell	agree	discuss	want	be
---------	---------	-------	---------	------	-------	---------	------	----

MEMO

To: TR Date: 14 May
 From: SA Re: Advertising contract negotiations

It is going 1) ... difficult 2) ... an agreement with Emmy over the advertising material. Their principal negotiator, Stella Ragione, appears 3) ... a large downpayment on the signature of a contract – probably near 50 per cent. We plan 4)... her that this is impossible. We are happy 5) ... the possibility of an advance but personally I believe it would be a mistake 6) ... to anything above 20 per cent. 7) ... our position immediately could save our time. I suggest we inform Miss Ragione of our views on the matter. We should also make it clear that Morreille Partnership (Marseilles) are happy 8)... the project and their reputation for high standards is as good as Emmy's. We need 9)... this very soon as time is short.

Task 2. These are the **minutes** of a meeting. Some parts have been left out. Choosing from the words in the box complete the minutes.

Minutes of the last meeting	Present	subcommittee	Any
Other Business	Secunder	chairperson	
Proposer	Action	Members	
Date of the next meeting	Apologies	chaired	

(1)...: Mr. Jones (chairperson)	Ms Perkins	Ms Carson
Mr. Smith	Ms Trueman (secretary)	
(2)... : Ms Green and Mr. Brown were unable to attend and sent their		

apologies

(3)... : No business remained from the last meeting

Membership of the Committee

It was agreed that the Production Manager should be invited to become a member of this Committee.

Proposer: Ms Perkins

(4) ... : Mr. Smith

Carried unanimously

2004: Development of European markets

A (5) ... is to be set up to consider the ways in which the company can meet the challenge. (6) ... should be drawn from the Sales, Publicity and Marketing departments; Mr. Jones will be the (7) ... of this.

Other developments

After some discussion it was agreed that Ms Perkins should look into the possibilities of moving some manufacturing operations to Kenya.

(8) ... : Mr. Jones

Seconder: Ms Carson

Carried unanimously

Next year's promotional budget

The heads of the Design, Promotion, Sales and Marketing departments are to form a committee to work on this. The committee will be (9) a by Mr. Jones and he will notify the people concerned.

(10) ... : Mr. Jones

(11) ... : Since there was nothing further, the meeting was adjourned.

(12) ... : The next meeting will be held on 6 March.

Task 3. This is the transcript of the meeting held to discuss the possible purchase of a piece of land on which to build a warehouse. Write suitable **minutes** for circulation to all concerned.

Mr. Todd: Well, thank you ladies and gentlemen for being able to attend this meeting at such short notice. Unfortunately, Alison Moore couldn't make it because she is still in Taiwan. I'm sure we all appreciate that we need to come to an agreement on this matter as soon as possible. Perhaps you could start, Charles, by reminding us of the options open to us.

Mr. Green: Yes, we've investigated four sites in all and the position now is that we've narrowed down the number of suitable sites to two, one near Burnsley, the other near Whitly. The others were either too small or too expensive. Both the Burnsley and the Whitly sites are very similar in surface area though the price of the Whitly site is considerably lower.

Mr. Marsh: Well, that is probably because the Whitly site is not so advantageous as far as communications are concerned. In my opinion, access to rail

and road routes is too restricted to make it a viable choice.

Mrs. Grant: I'm sorry, but I think that the Burnsley site is out of the question. I've actually visited the place myself and the amount of work that would be needed before construction would make it even more expensive. It needs levelling and compacting, it's not enclosed and the surface is unstable.

Mr. Green: Are you sure? I thought it could be resurfaced quite easily.

Mrs. Grant: Not according to the advice I've been given. And there's another thing. There are plans to build a motorway extension to Whitly within the next five years so in fact there won't be a problem in terms of road transport. Quite the opposite.

Mr. Marsh: Except that it's much farther north. And that would mean extra transportation costs.

Mr. Todd: Well, look, I think the next thing is for us to commission a proper survey of the sites and particularly check Sheila's impressions of the Burnsley site. Then the next stage will be to contact a number of contractors and get tenders from them...

TEXT 6. PROBLEM SOLVING

Problems can be located in only two places - in the work situation and in people. Problems in the work situation can be further subdivided into those located in plant, machinery and equipment, and problems located in procedures, methods and ways of working. Problems with people can be subdivided into those located in individuals and those in groups.

Locating the source of a problem is not a simple task because different people see the same problem caused by different reasons. Nevertheless, your first task in a problem-solving meeting is to agree on the source of the problem.

When the source of the problem has been located, a decision has to be made. Decisions are of two types: quality decisions, and acceptance decisions. Quality decisions are those which may be regarded as good decisions and will solve the problem. However, the word "good" is open to argument here. Decisions can only be judged retrospectively. You cannot say "This is a good decision", only, "That was a good decision". For this reason the word "quality", rather than good, is used to describe a decision which, when implemented will be efficient. Acceptance decisions are those which will be accepted by the people involved in the problem.

The majority of decisions tend to fall in the middle, where quality and acceptance are of equal importance. Who takes the decision then? The majority of problems are being solved during meetings. Here are seven sections to guide you in the conduct of such meetings.

1. *Understand the language.* Problems cannot be solved if the language is not thoroughly understood. And not simply the language of the country, but the language of the particular subject, trade, industry.

2. *Get the facts.* The difficulty in getting all the facts is that, often, we do not know how many facts there are. When we meet to solve problems, we are considering symptoms.

3. *Locate the cause of the problem.* If opinions in the meetings are strongly divided as to the cause, then you must develop possible courses of action for each.

4. *State in objective terms.* This is stating the problem without subjective opinion, without adjectives that indicate what someone thinks about the statement. Where possible, the problem should be stated in quantitative rather than qualitative terms.

5. *Consider possible solutions.* Possible solutions are not probable solutions; they are possible. Make sure that all possible solutions are recorded for consideration.

6. *Screen solutions.* When a meeting makes a lot of progress, ideas flow, much discussion takes place, and solutions are sometimes tabled more in enthusiasm than in cold, logical deliberation. Screen the possible solutions. Be very careful of solutions that have been transferred from other situations. This is not a good basis for accepting the solution. What happened in another place, in another time, is unlikely to be the same in the current climate.

7. *Select decisions.* Some solutions are incompatible and therefore mutually exclusive. Some solutions can be combined. Determine the cost of all solutions; establish how practical they are; how many can be combined; the likely outcome of implementing them; the degree of acceptability by those who have to carry them.

1. Define your own problem (your neighbour's, your friend's, your relative's) and try to find the solution to it using your own recommendation (instruction). Refer to additional literature if necessary.

Ex. 1. *On the left is a list of some of the idioms used at the meeting. Look at the expressions on the right and try to find the expression which is closest in meaning to the idiom.*

- a. in future
- b. it's a matter of fact
- c. make our minds up
- d. so far
- e. in reality
- f. above all
- g. get to the bottom of
- h. in the near future

- 1. decide
- 2. in the way described
- 3. always after today
- 4. to find the explanation or cause
- 5. some time soon
- 6. it depends on
- 7. earlier than originally planned
- 8. one way of achieving some objective

- i. in that respect
- j. a means to an end
- k. in the course of
- l. ahead of schedule

- 9. until now
- 10. during
- 11. this is the most important thing
- 12. this is truth, not imagination

Ex. 2. *Fill in the blanks.*

Boundless, adequate, talk, vigorous, amalgam, succeed, sustained, employee, dimensions, knowledge, operations, sheep, lion, beaver, tortoise.

Knowledge vs implementation

We can consider company's ... in terms of their knowing what to do, and their doing it. Of the two ..., the more important is implementation, i.e. it isn't what you know, it is what you do about what you know. Many people with limited knowledge ... because they do a lot about what they know; they make every little bit of ... they possess work for them. If you have ... energy and work hard, you will be successful simply because you are doing something - even if your knowledge is limited. A company that possesses ... knowledge but does little about it can be linked to someone who is "all ... and no do". Real success stems from an ... of the two. Knowledge is combined with ... and ... action to implement decision. There are four main types of an ...:

- ... Energetic and possessing high knowledge.
- ... Energetic but possessing low knowledge.
- ... Lethargic but possessing high knowledge.
- ... Lethargic and possessing low knowledge.

What type do you belong to?

Ex. 3. *Join the halves.*

1. A major part of the manager's job will be
2. The modern manager must now consider the environment in which
3. One difficulty facing the manager, however is determining
4. Each person in business looks to his or her personal
5. Managers outline the steps to be taken
6. At the turn of the century the manager's objective
7. The authority you grant must be adequate to accomplish the task
8. The degree of centralization that makes best
9. The quality of management's decision will be
10. But it remains for the field of management to develop a position that is
11. The science portion of management is expanding, more and more
12. When you are building a team to take your company on to bigger and better things

13. First you make your decision, based on facts wherever possible
14. The basic question is not are we doing better than last year
15. Innovation should always be customer-driven
16. A decision will usually have to be carried out by subordinates
17. A golden rule is to be objective
18. The personnel manager may face a difficult task
19. You need to know what models are available
20. Make a wrong appointment to a key post
21. An office manager would benefit from an early feedback
22. Typing pool supervisors should know which members of their staffs are working well
23. A variety of data usually needs to be analysed

- a) decisions can be analyzed and programmed.
- b) what is meant by the "interest of society".
- c) consistent with the professional, ethical status of its members.
- d) in moving organization toward the objectives.
- e) to predict what the environment needs and what changes will occur in the future.
- f) was to keep his company running and to make a profit.
- g) you have delegated, but must not exceed your own authority, h) code of ethics to determine acceptable behavior.
- i) a reflection of the quality of the information it receives.
- j) the organization operates and be prepared to adopt a wider perspective.
- k) a use of the abilities of employees is the goal.
- l) and your company's performance will suffer.
- m) but are we doing better than our competitors.
- n) so a manager would be wise to take their views into account.
- o) when a new work flow has been introduced
- p) you have to be certain you are choosing the right people
- q) and then you put the ideas into practice.
- r) and that means finding what the customers need.
- s) before a decision can be made rationally.
- t) so they can be recommended for pay increases and/ or promotions.
- u) and so a manager must avoid being swayed by emotions.
- v) before you can make up your mind which word processor to buy.
- w) when a number of first-class candidates are short-listed for a job.

Ex. 4. *Verbs and adjectives. Add an appropriate verb or adjective from the list below to each of the following sentences where indicated.*

1. If subordinates are ... in the decision-making process they will show ... interest in their work.
2. The ... work can all too easily become a battle to ... piles of paperwork be-

fore the time runs out.

3. Like a good car driver the ... manager looks as far ahead as he can so as to spot hazards and then ... them.
4. The whole business organisation from the board of directors down to the ... pool, is a network of teams each trying to ... its own goals.
5. Each team in the business will ... its target more easily and effectively if everyone is pulling in the ... direction.
6. Before you decide on a course of action it is wise to ... the consequences.
7. Most firms are aware of the need to ... good public relations.
8. When a ... plan is being ... it is necessary to bring into account its effect on the environment.

Verbs: achieve, consider, maintain, avoid, deal, reach, evaluated, involved.

Adjectives: same, day's, astute, typing, greater, likely, development.

Ex. 5. Complete the following sentences using your own words.

1. Businesses will flourish _____.
2. An aspiring manager should learn _____.
3. Businesses are often affected by situations _____.
4. By anticipating problems _____.
5. The decision-making process _____.
6. If we can minimise our costs _____.
7. The good manager is one who _____.
8. The most valuable subordinate is the one who _____.
9. When a business is faced with falling sales it can either _____.
10. If only one member of staff can be promoted _____.
11. If a member of staff is consistently late _____.

Ex. 6. Translate the definitions into English. Match them with the words given below.

Delegation, fringe benefits, mediation, termination, authority, layoff, efficiency, recruitment, retirement, staffing, responsibility
--

1. Достижение поставленных целей с наименьшими издержками.
2. Отбор и обучение людей, обладающих способностями, для пополнения структуры организации.
3. Власть для действий, необходимых для осуществления решений или разрешения проблем.
4. Передача части какой-либо работы подчиненным.
5. Обязанность принимать решения или разрешать проблемы.
6. Выплаты, которые рабочий получает независимо от заработной платы.
7. Временное расторжение договора с работником, сделанное организацией с обещанием возобновления договора в будущем.
8. Помощь третьей стороны, не связанной официальными обязательствами,

- в разрешении конфликта.
9. Процесс привлечения кандидатов, которые могли бы выполнять необходимую работу.
 10. Добровольное расторжение договора работником.
 11. Расторжение организацией договора с работником без обещания принять его на работу.

TEXT 7. Business Ethics

A. Preliminary discussion

1. How do companies educate employees about ethics?
2. Where do employees get information when they face a conflict between keeping a competitive edge and maintaining ethical standards?
3. How do employees learn to do a better job and to do it ethically?
4. Do you know what ethical crime is?
5. Why do ethical problems occur in Russian business?

B. Pre-reading exercises

B.I. Skim the text and give its key idea.

B.2. Scan the text to define if the statements are true (T) or false (F).

1. TG&Y Stores is a wholesaling company.
2. Problems of business ethics are personal and human.
3. Ethics does not define conduct.
4. Ethical rules are the same in every society.
5. Employees prefer working for an ethical company.

C. Reading

C.I. Read the text and answer the questions.

1. What is a national retailing corporation?
2. What ethical problems can arise in business? What are their reasons?
3. What is the meaning of ethics? What is the difference between ethics and business ethics?
4. Is it necessary to encourage business firms to act ethically? Give your reasons.
5. What is the process of selecting employees for the companies? How can the administration weed out ethically undesirable employees?

Business Ethics

W. C Frederick, K. Davis, J. E. Post

TG&Y Stores, a national retailing corporation with headquarters in Oklahoma City, sued seven of its buyers, charging them with accepting \$ 735,000 in cash and other gifts from the company's vendors. One of the buyers who purchased shoes for the retailing chain allegedly built a nest egg of \$ 525,000 from these kickbacks. TG&Y also sued twelve of the stores that allegedly had paid these bribes to TG&Y's buyers.

"Money laundering" provides another example. The Bank of Boston Corporation shipped over \$ 1 billion in cash to banks in Switzerland and other European nations without reporting these transactions to United States bank regulators. Twenty-one other banks also failed to file the required forms for big cash transactions. Drug-enforcement officials fear that such large cash flows may possibly cloak secret drug sales, gambling earnings, or other illicit chains that are hidden in banks and "cleaned up" or "laundered" so as to appear they were made honestly.

Ethical problems in business can arise also in a very personal, human way. When orders dropped in one-small manufacturing company, the supervisor knew she would have to lay off a loyal, hard-working employee in two months.

Company rules did not allow her to tell the employee in advance, for fear he would quit while still needed or not work as hard as he usually did after being told. The supervisor believed that it was unfair to the employee, but she had to enforce all company rules and policies. For her, the ethical dilemma had both personal and professional dimensions.

Episodes like these raise ethical questions for a number of reasons. Sometimes, society is harmed. At other times, an individual profits unfairly at the expense of others. Frequently, a business firm suffers higher costs when money is embezzled or when the firm has to pay hidden costs for its supplies. Money laundering cloaks illegal activities and protects lawbreakers. However, business frequently demonstrates a high level of ethical performance. Twice within a five-year period, Johnson & Johnson protected its customers by recalling stocks of Tylenol capsules when poison was found in some Tylenol bottles on store shelves. In a similar case, Parker brothers voluntarily withdrew its all-time best-selling toy when two children choked to death after swallowing some of its parts. Both companies spent millions of dollars on the recalls.

One of the major social challenges faced by business is to balance ethics and economics. Society wants business to be ethical and economically profitable at the same time.

The Meaning of Ethics

When one is dealing with ethics, clear thinking is extremely important, because most ethical issues and problems are controversial, involving emotional questions of right and wrong behavior. A good first step is to have a clear definition of ethics.

What Is Ethics?

Ethics is a set of rules that define right and wrong conduct. These ethical rules tell us when our behavior is acceptable and when it is disapproved and considered to be wrong. Ethics deals with fundamental human relationships. Ethical rules are guides to moral behavior. For example, all societies have ethical rules forbidding lying, stealing, deceiving, and harming others, just as they

also have ethical rules that approve of honesty, keeping promises, helping others, and respecting the rights of others. Such basic rules of behavior are thought to be essential for the preservation and continuation of organized life.

For many people, religious beliefs and organizations are a major source of ethical guidance and moral meaning. The family institution also imparts a sense of right and wrong to children as they grow up, as do schools and other similar influences such as television. The totality of these learning experiences creates in each person a concept of ethics, morality, and socially desirable behavior.

Ethical rules are present in all societies, all organizations, and all individual persons, although they may vary greatly from one to another. Your ethics may not be the same as your neighbor's; or one particular religion's notion of morality may not be identical to another's; or what is considered ethical in one society may be forbidden in another society. In spite of this diversity, ethics is a universal human trait. All people everywhere need rules to govern their conduct, rules that tell them whether their actions are right or wrong, moral or immoral, approved or disapproved.

What Is Business Ethics?

Business ethics is not a special set of ethical rules different from ethics in general and applicable only to business. Business ethics is the application of general ethical rules to business behavior. If a society's ethical rules say that dishonesty is unethical and immoral, then anyone in business who is dishonest with employees, customers, creditors, stockholders, or competitors is acting unethically and immorally. If protecting others from harm is considered to be ethical, then a business firm that recalls a defective and dangerous product is acting in an ethical way.

In the TG&Y episode, both the buyers who took the bribes and the bribers acted unethically because they deceived others, took unfair advantage of them, and then concealed their own selfish actions. They broke the rules of fair play. Likewise, the banks that allowed laundered money to flow through their accounts not only broke the law but protected criminals who harmed society and who brought tragedy into the lives of drug users and addicts. The supervisor who failed to give an employee advance notice of being fired was not breaking the law, but she felt unethical in not telling the whole truth. When business firms or people in business violate the rules that define right and wrong behavior, they are acting unethically, and they also may be acting illegally.

Why Is Business Ethics Important?

Why should business pay attention at all to ethics? What prevents a business firm from piling up as many profits as it can, in any way it can, regardless of ethical rules? In most cases, the general public expects business to exhibit high levels of ethical performance and social responsibility. Parker Brothers spent \$ 10 million in recalling the toy that was involved in the

death of two children because company executives knew that its customers and the general public would approve its attempts to protect children's lives, even though the likelihood of further accidents was remote.

A second factor encouraging business firms and their employees to act ethically is to prevent harm to society. One of the strongest-ethical principles is stated very simply: "Do no harm." A company that is careless in disposing of toxic chemical by-products that may cause disease and death is breaking this ethical injunction. Many ethical rules operate to protect society against various types of harm, and business is expected to observe these commonsense ethical principles.

A third reason for promoting ethical behavior is to protect business firms from abuse by unethical employees or unethical competitors. Bribery and kickback schemes penalize honest business firms: "One New York apparel vendor says he lost a \$ 4 million account with one of the nation's largest retailers because he, unlike one competitor, didn't bribe the buyer with \$ 20,000 cars and pricey stereo systems."

High ethical performance also protects the individuals who work in business. Employees resent invasions of privacy (such as unjustified polygraph tests) or being ordered to do something against their personal convictions (such as "midnight dumping" of toxic wastes) or working under hazardous conditions (such as entering unventilated coal mines). Businesses that treat their employees with dignity and integrity reap many rewards in the form of high morale and improved productivity.

People feel good about working for an ethical company because they know they are protected along with the general public.

In spite of the positive benefits of good ethical practices, ethical problems do occur in business. One of the main reasons is:

Personal Gain

Personal gain, or even greed, causes some ethical problems. Business sometimes employs people whose personal values are less than desirable. They will put their own welfare ahead of all others, regardless of the harm done to fellow employees, the company, or society. In the process of selecting employees there is an effort to weed out ethically undesirable applicants, but ethical qualities are difficult to anticipate and measure. The embezzler, the chronic sick leaver, and the bribe taker slip through. Lacking a perfect screening system, business is not likely to eliminate this kind of unethical behavior entirely. Moreover, business has to proceed carefully in screening applicants, taking care not to trample on individuals' rights in the search for potentially unethical employees. Contrary to popular opinion, personal gain is not the most important reason why unethical practices occur in business.

D. Vocabulary

D.I. Read and learn new words.

sue (smb for smth) (v) – to make a legal claim, especially for an amount of money, because of some loss or damage that one has suffered

charge (with) (v) – to bring an especially criminal charge against; accuse

kickback (n) – (slang) money paid, usually secretly or dishonestly, to someone in return for doing something

bribe (n) – something especially money, offered or given in bribing

illicit (adj) – (done) against a law or a rule

embezzle (v) – to steal (money that is placed in one's care)

forbid (v) – to refuse to allow; command against, especially officially or with the right to be obeyed

govern (v) – to control and direct the affairs

conceal (v) – to hide; keep from being seen or known

penalize (v) – to punish for breaking a law or rule

hazardous (adj) – (especially of an activity) which contains risks or danger

weed smb/smth out (phr v) - to get rid of (people or things of unacceptable quality) in order to improve smth

D.2. Complete the sentences using the active vocabulary.

1. She was to be included in the investigation for accepting
2. The new tax laws ... people who earn less than & 7,000 a year.
3. The manager ... \$ 1,000 from the bank where he worked.
4. He was .. the robbery.
5. If you do not return our property we will....
6. The country was ... by a small elite of military officers.
7. They were convicted of racketeering and were ordered to repay \$ 100 million in... profits.
8. It was a ... occupation for him.

D.3. Give synonyms to the following words and word combinations:

in cash, vendor, transaction, lay off, enforcement, lawbreakers, to govern their conduct, ethical performance, abuse, remote, pricey, ethical injunction.

E. Speak up

E.1. Work in groups and discuss the problem of major ethical principles that can be violated by the employees and employers.

E.2. Make a summary of the text.

TASK 1. Read the Russian article, find key sentences and translate them into English.

Деловая этика американских миллионеров

Я никогда не говорю: «Мне нужно, чтобы вы это сделали».

Я говорю: «Мне интересно, сумеете ли вы это сделать».

Генри Форд

Генри Форд развил идеи Рокфеллера и Карнеги об исключительно важной роли бизнеса и бизнесменов в Штатах. Поскольку решающую роль в жизни общества играет экономика, то не политикам, не школам, не духовенству, а предпринимателям принадлежит роль социальных лидеров, наставников, воспитателей народа. Они больше всего на виду у американской публики и дают ей примеры для подражания, которые могут быть либо хорошими, либо дурными. От морально-этических установок бизнесменов, подчеркивал Форд, в первую очередь, зависит благосостояние общества.

Получение прибылей за счет повышения цен и снижения заработной платы «автомобильный король» резко порицал, называя это спекуляцией и грабежом. Высокие цены, подчеркивал он, одинаково невыгодны и предприятию, рынок сбыта которого сужается, и народу, для которого дороговизна хуже самого высокого налога. В Америке, доказывал Форд, имеются предприятия, создаваемые исключительно ради обогащения их владельцев, но их деятельность теряет всякий практический смысл, когда эта цель достигнута, а погоня за личным обогащением вместо служения обществу неизбежно приводит к росту цен на товары и услуги и ухудшению их качества.

Форд наиболее полно сформулировал идею полезности крупных компаний, ибо они, доказывал он, вносят самый большой вклад в служение обществу. Без этого служения, т. е. возврата потребителю части

прибылей в виде снижения цен, предприятие не могло бы расти. «Производите вещи так, чтобы малообеспеченные люди легко могли покупать их». Когда промышленнику удастся понизить издержки и цены, и люди оказываются в состоянии больше покупать, это дает возможность наращивать производство, а более крупное производство еще больше снижает издержки. Это, в свою очередь, приводит к дальнейшему росту предприятия, увеличению числа рабочих мест, объема выплачиваемой заработной платы и к получению прибылей, необходимых для расширения производства.

Подобно Рокфеллеру и Карнеги, «автомобильный король» противопоставлял общественно-полезный бизнес спекуляции, но к спекулянтам относил не только играющих на повышении или понижении курса ценных бумаг, а вообще всех, кто ничего не производит и лишь манипулирует деньгами. Бизнесменов, имевших

дело с капиталом в форме денег, он презрительно называл «капиталистами» и относил к ним также получателей дивидендов и процентов по вкладам и займам. Любой труд требует вознаграждения в форме денег, но «капиталист» вознаграждения не заслуживает, раз за него «трудятся» его деньги. По мнению Форда, источником капиталов для промышленности должна быть реинвестиция прибылей, а банкам следует играть роль только сберегательных и кредитных учреждений. Занимать деньги можно для того, чтобы начать дело, но далее следует получать прибыль за счет расширения производства и, соответственно, снижения цен. Жажда денег толкает людей на преступления, а промышленников – на повышение цен вместо повышения эффективности производства. Форд осуждал и тех автомобилестроителей, которые часто меняют модели, вводят «излишние» украшения, увлекаются дизайном, – все это лишь способ почаще залезать в карман покупателя.

Чтобы расширить или улучшить дело, промышленник не должен обращаться к внешним займам или продавать акции, его задача – как можно лучше использовать имеющиеся ресурсы. «Затыкать дыры деньгами» – только покрывать ошибки и недостатки, а не устранять их. Форд осуждал «прокручивание» прибылей в банках вместо вкладывания их в производство, как и вхождение банкиров в директораты промышленных компаний.

Приобретать акции, по его представлению, вправе только люди, непосредственно занятые производством, а не те, которые выкачивают из него деньги. (Сохранив устав закрытой компании, Генри Форд выкупил паи компаньонов, которых называл не иначе, как паразитами, а с 1919г. они его семья стали ее полными собственниками.) Когда производителю приходится делиться доходами не с рабочими и покупателями, а с банкирами и акционерами, он перестает служить обществу. По мнению Форда, банкиры, входящие в правление фирмы, думают только о своей выгоде и обычно выступают против снижения цен и повышения заработной платы. Основой социального благополучия должны быть не дивиденды и проценты по вкладам, а низкие цены и высокие зарплаты.

Генри Форд был, пожалуй, единственным из «некоронованных королей» Америки, который пытался «своим умом» постичь многие явления американской и мировой цивилизации, хотя закончил только среднюю школу. С прямолинейностью технократа он порицал как финансистов, так и левых радикалов и профсоюзы, считая, что они сговорились друг с другом, чтобы подчинить производителя. Финансисты и коррумпированные политики своим эгоизмом разжигают недовольство народа, а «красные» его используют, чтобы столкнуть лбами промышленников и рабочих. Но поскольку уровень жизни

народа зависит от материального производства, успех немислим без партнерства между рабочими и предпринимателями.

Высокую заработную плату Форд считал не благотворительностью, а экономической необходимостью. Высокие заработки при рациональном их расходовании должны привести к развитию массового потребления. Рост производства ограничивается покупательной способностью населения, и задача бизнеса – стимулировать потребление, поддерживать платежеспособный спрос. Рычагом стимулирования спроса Форд считал возврат части прибылей рабочим и покупателям: первым – в форме надбавок к заработной плате при сокращении рабочего дня (если у человека больше свободного времени, то он больше покупает и больше пользуется автомобилем), вторым – в виде ежегодного снижения цен и неограниченного продления срока службы автомобиля за счет массового производства запчастей.

Форд практически устранил дискриминацию в трудоустройстве. Двери моих заводов, с гордостью говорил он, открыты для всех, кто желает трудиться. В 1916-1917 гг. там работали представители около 60 этнонациональных групп (включая американских негров и индейцев) практически из всех стран мира.

1. Translate from Russian into English (Получение прибылей ... Увеличила свой доход).

2. Read the Russian article again and make up an outline of the rendering.

3. Render the Russian article.

UNIT 4. MARKETING AND PROMOTION

May both seller and buyer see the benefit

Your vocabulary

Market – a place where goods and services are bought and sold.

Black market – the system by which people illegally buy and sell goods, or foreign currency.

Buyer's market – when there are more goods for sale than there are people wanting to buy them.

Seller's market – a market characterized by excess demand in which buyers consequently experience difficulty in buying.

Marketable – able or fit to be sold.

Marketing – the part of business which is concerned with the way in which a product is sold.

Market-driven, market-led, market-oriented – companies quick to respond to the needs of a market.

Market growth – the rate at which the overall market is growing (or not, as the case may be).

Market leader – the company or product with the biggest share.

Market sector/ segment – a part of a larger market, for example the market for trucks seen as part of the overall market for vehicles. Segment is also used to refer to a particular category of customers.

Segment a market – when companies try to identify or appeal to these specific groups of customers in a process of segmentation.

Market share – the proportion of sales that a company or a product has in a particular market.

Ex. 1. *Translate the sentences given below. Pay attention to the words in italics.*

1. Chesterham is a small *market* town with a population of 2000.
2. Access to new foreign *markets* was assured.
3. This device *was* first *marketed* by a Japanese firm.
4. They have never had to operate in a *market* economy.
5. It's a *seller's market* at the moment.
6. A talking watch will shortly *be on the market*.
7. Many labour-saving devices have come *onto the market*.
8. You'll never get a picture as good as this one *on the open market*.
9. Exxon might well *be in the market* to buy up a competitor too.
10. They *took* the mineral water *off the market* while tests were being made.

Ex 2. Market partners. Read the examples and complete the commentary.

... the long and difficult task of building a market economy from the wreckage of central planning.

From now on, factories that work without getting paid will go bust. Making that happen is the single most important step the government can take to push Ukraine into a real market economy.

It is sometimes argued that corruption oils the wheels of a hugely over-regulated economy such as India's, which would otherwise grind to a halt. There is something in this. A black market price, is, after all a market price.

Daniel Ward, director of consumer affairs for Nissan Europe said, 'It is a difficult market place for everyone. We do not see any great signs of growth in the last part of the year and it will be a slow struggle upwards.'

The newspaper made much of the fact that the Asterix Park did not sell hamburgers. Mr de Schonen said market research showed that customers preferred not to sit down for meals.

market economy

market price

market forces

market place

market research

A _____ is one where things are bought and sold freely and not under government control. In a market economy, prices are decided by _____, _____ the factors that influence the demand for things, their availability and consequently their price _____. _____ is used to indicate that a price has been 'decided' by the market, and not in some other way, for example by the government. _____ means the same as market. _____ is the gathering of information on markets, products and consumers: on what people need, want, and buy; how and when they buy; and why they buy one thing rather than another.

TEXT 1. Evolution of Modern Marketing

A. Preliminary discussion

1. Do you know what marketing is?

2. How did marketing change in the 20th century?
3. What methods of merchandising do you know?

B. Pre-reading exercises

B.I. Skim the text and give its key idea.

B.2. Scan the text for the following information.

1. Why did marketing specialists – including middlemen and facilitators develop?
2. What are marketing functions and who performs them?
3. When were chain stores organized?
4. How have methods of merchandising been changed?

C. Reading

C.I. Read the text and answer the questions.

1. What did the typical marketing setup use to be in America in the 19th century?
2. Why is there a little need for exchange goods in a subsistence-level economy?
3. What supersedes market places in England?
4. What should marketing begin with?

Marketing, in economics, is that part of the process of production and exchange that is concerned with the flow of goods and services from producer to consumer. In popular usage it is defined as the distribution and sale of goods, distribution being understood in a broader sense than the technical economic one. Marketing includes the activities of all those engaged in the transfer of goods from producer to consumer – not only those who buy and sell directly, wholesale and retail, but also those who develop, warehouse, transport, insure, finance, or promote the product, or otherwise have a hand in the process of transfer. In a modern capitalist economy, where nearly all production is intended for a market, such activities are just as important as the manufacture of the goods. It is estimated in the United States that approximately 50 % of the retail price paid for a commodity is made up of the cost of marketing.

In a subsistence-level economy there is little need for exchange of goods because the division of labor is at a rudimentary level: most people produce the same or similar goods. Interregional exchange between disparate geographic areas depends on adequate means of transportation. Thus, before the development of caravan travel and navigation, the exchange of the products of one region for those of another was limited. The village market or fair, the itinerant merchant or peddler, and the shop where customers could have such goods as shoes and furniture made to order were features of marketing in rural Europe. The general store superseded the public market in England and was an institution of the American country town.

In the United States in the 19th century the typical marketing setup was one in which wholesalers assembled the products of various manufacturers or

producers and sold them to jobbers and retailers. The independent store, operated by its owner, was the chief retail marketing agency. In the 20th century that system met stiff competition from chain stores, which were organized for the mass distribution of goods and enjoyed the advantages of large-scale operation. Today large chain stores dominate the field of retail trade. The concurrent advent of the motor truck and paved highway, making possible the prompt delivery of a variety of goods in large quantities, still further modified marketing arrangement, and the proliferation of the automobile has expanded the geographic area in which a consumer can make retail purchases.

At all points of the modern marketing system people have formed associations and eliminated various middlemen in order to achieve more efficient marketing. Manufacturers often maintain their own wholesale departments and deal directly with retailers. Independent stores may operate their own wholesale agencies to supply them with goods. Wholesale houses operate outlets for their wares, and farmers sell their products through their own wholesale cooperatives. Recent years have seen the development of wholesale clubs, which sell retail items to consumers who purchase memberships that give them the privilege of shopping at wholesale prices. Commodity exchanges, such as those of grain and cotton, enable businesses to buy and sell commodities for both immediate and future delivery.

Methods of merchandising have also been changed to attract customers. The one-price system, probably introduced (in 1841) by A. T. Stewart in New York, saves sales clerks from haggling and promotes faith in the integrity of the merchant. Advertising has created an international market for many items, especially trademarked and labeled goods. In 1999 more than \$ 308 billion was spent on advertising in the United States alone. The number of customers, especially for durable goods, has been greatly increased by the practice of extending credit, particularly in the form of installment buying and selling. Customers also buy through mail-order catalogs (much expanded from the original catalog sales business of the late 1800s), by placing orders to specialized "home-shopping" television channels, and through on-line transactions ("e-commerce") on the Internet.

There are many possible ways to satisfy the needs of target customers. A product can have many different features and quality levels. Service levels can be adjusted. The package can be of various sizes, colors, or materials. The brand name and warranty can be changed. Various advertising media – newspapers, magazines, radio, television, billboards – may be used. A company's own sales force or other sales specialists can be used. Different prices can be charged. Price discount can be given, and so on.

Marketing should begin with potential customer needs – not with the production process. Marketing should try to anticipate these needs. And then marketing, rather than production, should determine what goods and services are to be developed – including decisions about product design and packag-

ing; prices or fees; credit and collection policies; use of middlemen; transporting and storing policies; advertising and sales policies; and, after the sale, installation, warranty, and perhaps even disposal policies.

This does not mean that marketing should try to take over production, accounting, and financial activities. Rather, it means that marketing – by interpreting customers' needs – should provide direction for these activities and try to coordinate them. After all, the purpose of a business or nonprofit organization is to satisfy customer or client needs. It is not to supply goods and services that are convenient to produce and might sell or be accepted free.

C.2. Decide whether these statements are True (T) or False (F).

1. Marketing includes the activities of all those engaged in the transfer of goods from producer to consumer.
2. Interregional exchange between disparate geographic areas depends on sufficient demand for goods.
3. In the 20th century independent stores could hardly compete with chain stores, which were organized for the mass distribution of goods.
4. The simultaneous advent of the motor truck and paved highway, making possible the prompt delivery of a variety of goods in large quantities, still further modified marketing arrangement, and increase in number of the automobiles has expanded the geographic area in which a consumer can make retail buying.
5. Marketing should begin with potential manufactures' possibility and production process. At the same time marketing should try to anticipate consumers' needs.

D. Vocabulary

D.I. Read and learn new words.

subsistence (*n*) – a small amount of money or food that is just enough to survive

rudimentary (*adj*) – at the simplest level

interregional (*adj*) – having connection among regions

itinerant merchant – a merchant habitually traveling from place to place

peddler (*n*) – a person who tries to sell (esp. dangerous or illegal drugs) by going from place to place

supersede (*v*) – to take the place of something (usually something older)

wholesaler (*n*) – a businessman who sells goods in large quantities, (esp. to shopkeepers)

jobber (*n*) – a dealer buying stocks and shares

retailer (*n*) – someone who sells things to the public in small quantities

concurrent (*adj*) – existing or happening at the same time

advent (*n*) – the arrival or coming of an important event, period, invention, etc.

proliferation (*n*) – a rapid increase or spreading
middleman (*n*) – a person who buys goods from producer, and sells to shopkeeper or directly to user
ware (*n*) – a small article for sale
cooperative (*n*) – a firm, farm, shop, etc. that is owned and run by all the people who work in it
enable (*v*) – to make able, give the power, means, or right to do something
merchandising (*n*) – the way in which goods are arranged and placed in a store
haggling (*adj*) – arguing, esp. in an attempt to fix a price
trademark (*n*) – a name, sign, or design used on a product to show it is made by a particular company
durable goods – expensive products that consumers do not regularly or often buy, for example refrigerators, televisions, etc.
integrity (*n*) – strength and firmness of character or principle; honesty
installment buying – a way of buying something by making small, regular payments over an agreed period of time
on-line transaction – a payment or a business deal over the Internet
warranty (*n*) – a written promise that a company gives to a customer, stating that it will repair or replace a product they have bought if it breaks during a certain period of time

D.2. Give English equivalents to the following words and expressions:

- ◆ покупка в кредит;
- ◆ товары длительного пользования;
- ◆ торговаться из-за цены;
- ◆ вытеснять;
- ◆ возникновение, изобретение;
- ◆ розничный торговец;
- ◆ распространение;
- ◆ совпадающий;
- ◆ средства к существованию;
- ◆ элементарный, примитивный;
- ◆ уличный торговец.

D.3. Choose an appropriate word or expression from the box to complete the following sentences.

subsistence	rudiment	advent	concurrent
cooperative	enable	merchandizing	haggle
trademarks	durable goods	warranty	peddling

1. Ford offers a 12-month basic ... on all car parts.
2. Their road-building equipment is fairly

3. She was sent to prison for
4. They do not have access to sufficient land for
5. He is serving two ... prison sentences.
6. We decided to set up a
7. For the third year in a row, analysts say that Morgans is the best in the industry for creative
8. The company used names similar to well-known ... to sell cheap imitations.
9. People are much better informed since the ... of television.
10. The fall in the value of the pound will... us to export more goods.
11. It is the custom to ... in British and American shops.
12. Orders to factories for which include machinery, household appliances, cars and other items designed to last at least three years, fell to \$ 123.27 billion last month.

D.4. Give synonyms for the italicized words in each sentence below, or briefly explain their meaning.

1. The one-price system, probably introduced (in 1841) by A. T. Stewart in New York, saves sales clerks from haggling and promotes faith in the integrity of the *merchant*.
2. Customers also buy through mail-order catalogs (much expanded from the original catalog sales business of the late 1800s), by placing orders to specialized "home-shopping" television channels, and through *on-line transactions* ("e-commerce") on the Internet.
3. Wholesale houses operate outlets for their *wares*, and farmers sell their products through their own *wholesale* cooperatives.
4. At all points of the modern marketing system people have formed associations and eliminated various *middlemen* in order to achieve more efficient marketing.

E. Make up a summary of the text. Use the active vocabulary.

Word Study

Customers, consumers, and clients

customer There are a number of ways to talk about people who buy things.
consumer
client

Customers are individuals or organizations who buy things from shops or other organizations,

customer base
client base

Consumers are individuals who buy things, especially when considered as members of large groups of such people.

Clients are individuals or organizations who pay for services provided by a professional person or organization such as a lawyer or advertising agency.

A business may refer to its customers as its **customer base** or **client base**.

Competition and keyplayers

<p>competitor</p> <p>player key player</p> <p>compete</p> <p>competitive competitive advantage competitive edge</p> <p>competition</p> <p>monopoly</p>	<p>Competitors are organizations selling products or services in the same market, and they can also be the products or services themselves. Competitors in a market are players, and the most important ones are key players.</p> <p>Competitors compete with each other. The related adjective is competitive: commentators talk about the things that give one company or product its competitive advantage or competitive edge over others.</p> <p>Competition is characterized in many ways: some of them are in the exercise. Companies without competitors are monopolies.</p>
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Ex. 1. Consumer combinations. Find combinations in the box that refer to:

- 1 things that people buy that last a long time, like refrigerators or televisions.
- 2 a period when consumers are spending a lot.
- 3 refusal by consumers to buy things from a country or company that they disapprove of.
- 4 the feeling that people have about economic prospects.
- 5 the amount consumers spend, often referred to when discussing the economy as a whole.
- 6 the study of how, why, where, and when people buy things.
- 7 the resistance of consumers to things or organizations that they disapprove of.

	durables	
boycott		behaviour
backlash	consumer	confidence
boom		spending

Ex. 2. Competitive expressions. Complete these adjectives used to describe competition. They all mean “strong” or “very strong”.

	f _ r m _ d _ b l _	f _ _ r c _
Competition	_ n t _ n s _	c _ t – t h r _ _ t
	s _ g n _ f _ c _ n t	s t _ f f
	t _ _ g h	

Ex. 3. Match the words given below with their definitions.

Consumer, buyer, customer, client, clientele, purchaser
--

1. A person who buys something (a formal word).
 2. The people, especially rich people, who regularly use a shop or restaurant or the services of a professional person.
 3. Someone who buys goods from a particular shop, restaurant, or company.
 4. Someone who is buying something expensive such as a house, company, or painting, usually from another person.
 5. Someone who pays for services or advice from a professional person or organization.
1. A person who buys and uses goods and services.

Ex.4. To show that you know the words from ex.3 fill them into spaces.

1. Madam Vickor caters for a very select....
2. Ford has launched a big new sales campaign in an effort to bring in new....
3. We couldn't find a... for our house, so we weren't able to move after all.
4. The firm is one of our oldest ... - we don't want to lose them.
5. We may have to pass increase in the price of raw materials on the

Ex.5. Open the brackets.

Key marketing decisions (to be) made within limits (to set) by the organization. The strategic management process (to involve) the steps (to take) at an organization's corporate and divisional levels (to develop) long-run master approaches for survival and growth. In contrast, the strategic marketing process (to involve) the steps (to take) at the product and market levels (to allocate) marketing resources to viable marketing positions and programs.

Focusing the Business with the **three Cs** business theorists (to point out) that three Cs—**customers, competitors, and the company** itself— (to interrelate) (to establish) the basic character of an organization's business. An organization's business (mission) (to be) a statement about the type of customer it (to wish) (to serve), the specific needs of these customers, and the means or technology by which it (to serve) these needs. This definition (to affect) the company's growth prospects by establishing guidelines for selecting opportunities in light of customer needs, competitors' actions, the organization's resources, and changes in environmental factors.

Read the text once again and explain, in your own words, what stands behind the three Cs.

VOCABULARY STUDY

Word List

Nouns and noun phrases

conception – концепция, понятие
consumer – потребитель
customer – покупатель, заказчик, клиент
distribution – распределение, раздача
exchange – обмен
household – дом, домашний круг
marketer – продающий, продавец,
торговец на базаре
marketing – торговля, продажа, сбыт,
маркетинг, система сбыта
marketing mix – комплекс маркетинга
means – способ, средства
merchant – купец, торговец
merchandise – товары
possession – владение, имущество,
собственность resale – перепродажа

retailer – розничный торговец
utility – полезность, эффективность
wholesaler – оптовый торговец, оптовое
предприятие

Adjectives

perspective – перспективный
prospective – будущий,
предполагаемый, ожидаемый
wasteful – расточительный,
неэкономный

Verbs and verbal phrases

be aware of – сознавать, знать
convert – превращать, обращать
disprove – опровергать
execute – выполнять, оформлять,
исполнять
induce – убеждать, воздействовать,
вызывать
perform – выполнять, исполнять
pull – тянуть, ехать, двигаться

I. Read and translate the following words and word combinations.

Mind the stress: a) on the first syllable; b) on the second syllable; c) on two syllables.

- Customer, marketer, marketing, merchant, retailer, valuable, wasteful;
- conception, consumer, exchange, possession, resale, utility, perspective, prospective, convert, disprove, induce, perform;
- distribution, target market, form utility, be aware of.

II. Match the words with the definitions below.

Conception, consumer, distribution, merchant, utility, wholesale, to disprove.

- Person who uses goods.
- Conceiving of an idea or plan.
- Trader, esp. one doing business with foreign countries.
- Distributing or being distributed.
- Prove to be wrong or false.
- Selling of goods (esp. in large quantities) to shopkeepers, for resale to the public.
- Quality of being useful.

III. Mind the use of the words *agent, broker, distributor, retailer, dealer* and *representative* which have certain similarities in meaning, but are not exactly the same.

1. An *agent* is a person or organization who acts on behalf of a principal in order to sell the principal's goods or services to third parties.
2. A *broker* brings together a seller and a client. For this service he/she is paid a commission called brokerage.
3. A *distributor* is someone who has arranged with one or more suppliers to sell a product. He /She is not strictly speaking an agent because he/she buys and sells the goods for himself/herself and not as the representative of a principal.
4. A *retailer* is someone who buys goods (often in quite small quantities) from a wholesaler and then sells them to consumers in retail outlets (shops, stores, etc.).
5. The word *dealer* implies a one-person operation of buying and selling for individual profit. For example, we may refer to a *dealer* in horses, in antique furniture or art. A *dealer* is not likely to buy from a wholesaler though he/she may buy goods in bulk at an auction or clearance sale. The word *dealer* is also used to describe someone who buys and sells securities on his/her own account.
6. A *representative* or *sales rep* is a member of a sales team and is employed to travel from one place to another in order to encourage potential customers to buy. The synonym *sales engineer* is now seen quite frequently.

Which of these are incorrect?

- | | | |
|------------------|--------------------|--------------------|
| car dealer | car retailer | car representative |
| sole distributor | sole agent | sole retailer |
| company rep | insurance broker | company dealer |
| stockbroker | insurance retailer | foreign exchange |
| dealer | | |

IV. Using a dictionary add as many words as possible into the table.

Verbs	Adjectives	Nouns
1.		consumer
2.		exchange
3.		possession
4.		utility
5. to convert		
6. to execute		
7.	prospective	
8.	wasteful	

V. Make adjectives from the following nouns.

Nouns Adjectives

perspective

conception

possession

VI. Make nouns from the following verbs.

Verbs Nouns

to retail

to induce

to perform

to pull

VII. Choose the words with similar meaning from the two groups and arrange them in pairs.

A. Prospective, conception, consumer, distribution, means, possession, to convert, to execute, to induce, to pull.

B. Notion, future, customer, ownership, to change, to perform, to cause, allocation, facilities, to draw.

VIII. What are the opposites?

Collection, harm, harmful, economical, to confirm, to find.

TEXT 2. MARKETING

I. Read the text to get the gist of it. Entitle the text. Answer the following questions.

a) Is marketing equal to advertising?

b) Is marketing necessary to get high profit?

Some people think of marketing as an evil, wasteful practice of marketers as manipulators who enjoy taking advantage of customers in the marketplace. According to this view, the objective of marketing is to induce customers to buy low-quality merchandise at high price. For some reason people who manufacture or grow products are often considered more valuable in the society than the merchants who distribute them, although both groups provide the goods and services we desire. To disprove this, let's see what marketing is and what functions it performs.

Marketing is the process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods and services to create exchanges, that satisfy individual and organizational objectives.

Many people incorrectly believed that marketing is the same thing as advertising or personal selling. To serve both buyers and sellers, however, marketing seeks 1) to discover the needs and wants of perspective customers and

2) to satisfy them. These prospective customers include both individuals buying for themselves and their households, and organizations that buy either for their own use (such as manufactures) or for resale (such as wholesalers or retailers). The key to achieving these two objects is the idea of exchange, which is the trade of things of value between a buyer and a seller so that each is better off after the trade.

For marketing to occur, at least four factors are required: 1) two or more parties with unsatisfied needs, 2) a desire and ability on their part to be satisfied, 3) a way for the parties to communicate, and 4) something to exchange.

Potential consumers make up a market, which is 1) people 2) with their desire and ability to buy a specific product.

People who are aware of their unmet needs may have the desire to buy the product. People must also have the ability to buy such as the authority, time, and money.

Marketing doesn't stop with the ideas obtained from discovering consumer needs. Since the organization obviously cannot satisfy all consumer needs, it must concentrate its efforts on certain needs of a specific group of potential consumers toward which an organization directs its marketing program. Having selected the target market consumers, the firm must take steps to satisfy their needs. Someone in the organization's marketing department, often marketing manager, must take action and develop a complete marketing program to reach consumers by pulling a combination of four levels:

- Product: a good, a service, or idea to satisfy the consumer's needs.
- Price: what is exchanged for the product.
- Promotion: a means of communication between the seller and buyer.
- Place: a means of getting the product in to the consumer's hands.

These are the elements of the marketing mix.

After discovering what prospective customers need the marketing manager must translate the ideas from consumers into some concepts for the products the firm might develop. These ideas must then be converted into marketing program – a plan that integrates the marketing mix to provide a good, a service or idea to prospective buyers.

Marketing creates utility, the value to consumers for using the product. The utility is the result of the marketing exchange process. There are four different utilities: form, place, time and possession. The production of the good or service constitutes form utility. Place utility means having the offering available where consumers need it. Time utility means having it available when needed. Possession utility is getting the product to consumers so they can use it.

II. Complete the sentences with the words from the box below.

Provide, advertising, consumers, marketing, merchandise, prospective, valuable, satisfy.
--

1. Some people think that the objective of marketing is to induce customers to buy low-quality ... at high price.
2. Manufacturers and merchants ... the goods and services we desire.
3. Marketing is not the same thing as ... or personal selling.
4. Potential... are people with their desire and ability to buy a product.
5. ... manager takes action and develops a complete marketing program to reach consumers.
6. A marketing program is a plan that integrates the marketing mix to provide a good, a service or idea to ... buyers.
7. People who manufacture or grow products are often considered more ... than the merchants.
8. Marketing creates exchanges that... individual and organizational objectives.

III. Translate into English.

1. Понятие маркетинга подразумевает продвижение и организацию продажи изделий покупателю.
2. Отдел маркетинга занимается продвижением товара, рекламой и исследованием рынка.
3. Быстро меняющийся мир является головной болью для тех, кто занимается маркетингом.
4. Маркетинг занимается обнаружением потребностей будущих покупателей и удовлетворением их.
5. Потенциальными покупателями являются люди с их желанием и способностью купить определенные изделия.
6. Люди, занимающиеся маркетингом, нацелены на определенную группу или группы потенциальных покупателей.
7. Управляющий маркетингом разрабатывает полную маркетинговую программу.

IV. Make up your own sentences using the following words and word combinations.

Conception, marketing, the process of planning, promotion, distribution, to satisfy individual and organizational objectives, advertising, personal selling, to discover wants and needs of customers, the idea of exchange.

V. Choose the best endings to the following statements.

1. Some people think that the objective of marketing is to induce customers to buy low-quality merchandise at....
 - a) high price
 - b) low price
 - c) mean price
2. People who manufacture or grow products are often considered
 - a) clever

- b)more valuable
- c)less valuable
- 3. Many people incorrectly believe that marketing is the same thing as
 - a)management
 - b)accounting
 - c)advertising or personal selling
- 4. Marketing seeks to satisfy the needs and wants of... .
 - a)perspective customers
 - b)the board of directors
 - c)marketing manager
- 5. These prospective customers include both individuals and
 - a)organizations
 - b)owners of the firm
 - c)government
- 6. Exchange is the trade of things of value between a buyer and
 - a)a customer
 - b)a consumer
 - c)a seller
- 7. For marketing to occur, at least....
 - a) 4 factors are required
 - b) 2 factors are required
 - c) 3 factors are required
- 8. The organization must concentrate its efforts on certain needs of a specific group of....
 - a)its employees
 - b)potential customers
 - c)its managers
- 9. Marketing manager must develop
 - a)a complete marketing program
 - b)a design of a product
 - c)a budget statement
- 10. The production of the goods or service constitutes
 - a)place utility
 - b)time utility
 - c)form utility

VI. Complete the unfinished questions in column A that are answered in column B.

A	B
How many ...?	4 factors.
How many ...?	4 levels.
What... ?	A marketing program.
What... ?	Utility.

How many...? 4 different utilities.
What... ? Marketing.

VII. Identify the sentences in the text that talk specifically about two objects of marketing and translate them into Russian.

VIII. Using the information obtained from the paragraphs make an outline of the text.

IX. Speak about market and its functions using key words, phrases, the topic sentences and the outline.

TEXT 3. Marketing strategy. Marketing tactics.

A.

Ex. I. Restore the word order in the following statements.

- 1) Segmentation different groups of customers in the is the act of distinguishing among market.
- 2) Targeting of customers the organization can serve is the act of choosing which groups effectively.
- 3) Positioning clearly positions the company in relation to competitors is the act of creating and communicating a message that.

Ex. II. Scan through the text. Work in pairs to question the text and to give answers.

Marketing strategy. The marketing process is divided into a strategic and tactical phase. The strategic phase has three components – segmentation, targeting, and positioning (STP). The organization must distinguish among different groups of customers in the market (segmentation) and choose which groups it can serve effectively (targeting). A key step in marketing strategy, known as positioning, involves creating and communicating a message that clearly positions the company or its brand in relation to competitors. Thus, Volvo (Sweden) has positioned its automobile as the “safest”, and Daimler-Benz (Germany), manufacturer of Mercedes-Benz vehicles, has positioned its car as the best “engineered”. Some products may be positioned as “outstanding” in two or more ways. However, claiming superiority along several dimensions may hurt a company’s credibility because consumers will not believe that some company can do better than others in all dimensions. Furthermore, although the company may communicate a particular position, customers may perceive a different image of the company as a result of their actual unpleasant experiences with the company’s product or through word of mouth.

Strategy – стратегия; strategic – стратегический; segmentation – сегментация (процесс выявления наиболее благоприятных условий на рынке с целью выбора варианта ориентации производственно-сбытовой политики); targeting – определение цели; positioning –

позиционирование (действия, направленные на обеспечение товару конкурентоспособного положения на рынке и разработку соответствующего комплекса маркетинга); communicate – сообщить; position – занять позицию; engineer – проектировать; superiority - превосходство; dimension - измерение; credibility - правдивость; perceive - воспринимать; by words of mouth - устно; superiority complex - мания величия.

Ex. III. Agree or disagree with the following statements.

1) Strategy is a well-planned series of actions for achieving an aim, especially success against an opponent. 2) The marketing process is not divided into any phases. 3) The strategic phase has two components. 4) Segmentation is the act of dividing something into smaller parts. 5) Target is an object, person, or place that is deliberately chosen to be attacked. 6) Position is the place where someone or something is, especially in relation to other objects and places. 7) Credibility is the quality of deserving to be believed and trusted. 8) Claiming superiority along several dimensions may hurt a company's honesty because consumers will not believe that some company can exceed the rest in all dimensions. 9) Although the company may state a particular position, customers may receive a different image of the company as a result of their real experiences with the company's product or through word of mouth.

Ex. IV. Translate the following words and phrases from Russian into English.

Маркетинг; конкурент; таким образом; проводить различие; воспринимать; отличающийся; лицо, репутация; результат; самый безопасный; производитель; автотранспортное средство; проектировать; выдающийся; несмотря на это; предъявлять претензию; превосходство; измерение; повредить; правдивость; потребитель; стратегия; ход развития; делиться на; фаза; составная часть; сегментация; покупатель; рынок; выбирать; обслуживать; эффективно; включать в себя; создание; послать сообщение; недвусмысленно; занять позицию; фабричная марка; по отношению к; полагать; кроме того; несмотря на то, что; определение цели; позиционирование; фактически существующий.

Ex. V. Complete the following statements. Choose one topic to speak about a) segmentation; b) targeting; c) positioning; d) company's superiority complex. Retell the text Marketing strategy.

1) The marketing process is divided into ... 2) The strategic phase has ... 3) Segmentation is ... 4) Targeting is ... 5) Positioning involves ... 6) Some products may be positioned as ... 7) Claiming superiority may ... because ... 8) Customers perceive ... as a result of...

B.

Ex. I. Restore the word order in the following statements.

- 1) Tactical deals marketing with product.
- 2) Tactical marketing with price deals.
- 3) Tactical marketing with deals place.
- 4) Engineers a product based on their own preferences, interests, or expertise design.
- 5) Marketers customer desires to the engineers who design the product are to communicate.
- 6) Engineers expect marketers as many customers as possible to buy to find their product.

Ex. II. Scan through the text. Work in pairs to question the text and to give answers.

Marketing tactics. Having developed a strategy, a company must then decide which tactics will be most effective in achieving strategy goals. Tactical marketing involves creating a marketing mix of three main components - product, price and place. Before assembling a product, the marketer's role is to communicate customer desires to the engineers who design the product. This is in contrast to past practice, when engineers designed a product based on their own preferences, interests, or expertise and then expected marketers to find as many customers as possible to buy this product. The second marketing-mix element is price. A Mercedes-Benz vehicle is generally considered to be a high-quality automobile, and it therefore can command a high price in the marketplace. On the other hand, in order to gain market share, some companies have moved to "more for the same" or "the same for less" pricing, which means offering prices that are lower than those of their competitors. Place, or where the product is made available, is the third element of the marketing mix. When a product moves along its path from producer to consumer, it is said to be following a channel of distribution including, for example, food-processing plants, warehouses, wholesalers, and supermarkets. Because of this, some marketers may decide to skip steps in the channel and instead market directly to buyers through direct mail (advertisements that are sent by post to many people), telemarketing (a method of selling things in which you telephone people to see if they want to buy something), door-to-door selling (visiting each house in a street or area, to sell something), shopping via television, or factory outlets.

Goal - цель; marketer - торговец; preferences - предпочтения; expertise - знания, опыт; expect - ожидать, рассчитывать; channel of distribution - канал товародвижения; processing - переработка; skip - перескакивать; market - сбывать; outlet - торговая точка.

Ex. III. Agree or disagree with the following statements.

1) Salesmen employ all sorts of tricky and fraudulent tactics to try and persuade customers. 2) Tactical marketing creates intentionally false information about products and prices. 3) Marketers' role in the marketplace is to hide the truth or confuse people. 4) Marketers deliberately intend to deceive people. 5) Marketers are to express customer desires to the engineers who design the product. 6) Engineers should not design a product based on their own preferences, interests, or expertise. 7) Engineers expect marketers to find as many customers as possible to buy their product. 8) High-quality products can command a high price in the marketplace. 9) Companies have to offer lower prices than their competitors to gain market share.

Ex. IV. Translate the following words and phrases from Russian into English.

Стратегия; создавать; главный; составной элемент; изделие; цена; место; собирать изделие; торговец; роль; сообщать; следовать; канал товародвижения; переработка; завод; товарный склад; универсам; перескакивать; вместо; сбывать; почта; рекламное объявление; продавать; посещение магазинов с целью покупки; тактика; развивать; решать; покупатель; желание; инженер; конструировать; контраст; предпочтение; интерес; знания, опыт; ожидать; находить; рассматривать; качество; следовательно; рынок; приобретать долю на рынке; предлагать; конкурент; доступный; эффективный; достигать; цель; тактический; маркетинг; включать в себя; торговая точка.

Ex. V. Complete the following statements. Choose one topic to speak about a) marketing & product; b) marketing & price; c) marketing & place; d) channels of distribution. Retell the text Marketing tactics.

1) Tactical marketing involves ... 2) Nowadays the marketer's role is ... 3) It is now a thing of the past, when engineers designed ... and then expected ... 4) The second marketing-mix element is ... 5) ... is generally considered to be ... 6) A Mercedes-Benz vehicle can command ... 7) In order to gain market share, some companies offer ... 8) Place is ... 9) Channels of distribution include ... 10) Direct mail is ... 11) Telemarketing is ... 12) Door-to-door selling is ... 13) Shopping via television is ... 14) Factory outlet is ...

GRAMMAR FOCUS

The Passive

§ 1. The passive: general information. Active voice and passive voice.

In the active, the subject of the verb is the person or thing doing the action: *John cooked the food last night.*

In the passive, the action is done to the subject: *The food **was cooked** last night.*

The passive occurs very commonly in English: it is not merely an alterna-

tive to the active, but has its own distinctive uses.

§ 2. **Forms of the passive.** Passives can be formed in the following ways:

- ◆ **'to be' + past participle:** *The food is/has been/will be cooked. The food is/was being cooked;*
- ◆ **modal + 'to be/to have been' + past participle:** *The food may be/have been cooked;*
- ◆ **infinitive: 'to be/to have been' + past participle active:** *The food is to be/was to have been cooked;*
- ◆ **-ing form: 'being/having been' + past participle:** *Being/Having been cooked...*

§ 3. **Transitive and intransitive verbs.**

The passive occurs only with verbs used transitively, that is, verbs that can be followed by an object.

There are verbs that can be used transitively or intransitively: *The door opened* (perhaps by itself). *The door was opened* (perhaps by someone).

Ex. 1. Write the correct words in the blanks to convert each sentence from passive to active voice.

1. The company's tax liability is reduced by a bond received from the foreign government. – The foreign government....
2. Under the Code, a foreign tax is defined as any tax imposed by a foreign country or US possession. – ... a foreign tax as any tax
3. The land improvements were made by the foreign subsidiary controlled by Atkins, Ltd. – The foreign subsidiary
4. Coronda, Ltd. is not owned by a foreign corporation. – A foreign corporation

Ex. 2. Rewrite these sentences beginning with (The) + a noun formed from the italicized verb and a passive verb. Choose an appropriate verb tense and make any necessary changes. Which variant sounds more formal?

1. They will consider the issue at next week's meeting. *The consideration will be given to the issue at next week's meeting.*
2. They eventually *permitted* the site to be used for the festival.
3. They have *transferred* the money to my bank account.
4. They will *present* the trophy after the speeches.
5. They will not *announce* the findings until next week.
6. They *demolished* the building in only two days.
7. They will *produce* the new car in a purpose-build factory.

Ex. 3. If possible, make a corresponding passive sentence. If it is not possible, write "No passive."

1. The committee called on Paula to explain her reasons for the proposed changes. – *Paula was called on to explain her reasons for the proposed changes.*
2. I got down most of what he said in his lecture. – Most of what he said in his lecture
3. When I was young my aunt and uncle looked after me. – When I was young I....
4. The surgeons operated on him for nearly 12 hours. – He
5. Sandra let out a scream and collapsed to the floor. – A scream
6. Hugh takes after Edward – they're both very well organized. – Edward
7. All his relatives approved of his decision. – His decision

TEXT 4. MARKETING RESEARCH

I. Read the text and answer the following questions.

- a) What is the meaning of correct marketing research?
- b) Is marketing research more necessary for big companies or small firms?

Marketing research – what it is and how it can make money for you

Marketing research is the gathering, recording, and analyzing of information about problems relating to marketing. It will help you to identify who your market is as well as which methods will best satisfy the needs of your market. But it encompasses many other aspects of marketing, including new product introductions, pricing, advertising, consumer behavior, and so on. So important is marketing research that certain basic marketing strategies such as market segmentation, in which you identify a specific portion of the market and concentrate your resources on selling to that one segment, or product differentiation, in which you differentiate your product from that of a competitor in such a fashion as to best appeal to potential buyers, would be absolutely impossible without it.

Among the many things marketing research will tell you are the following:

1. Who are your customers and who are your potential customers?
2. What kinds of people are your customers? (This includes demographic categories, such as age, income, and education, and psychographic categories such as interests and preferences.)
3. Where do your customers live?
4. Why do your customers buy?
5. Do they have the ability to pay?
6. Are you offering the kinds of goods and services that your customers want?
7. Are you offering your products or services at the best place, at the best time, and in the correct amounts?
8. Are your prices consistent with the value your customers place on the

- product or service that you are selling?
9. How are your promotional programs working?
 10. What do your customers think of your business and its image?
 11. How do your business and your business procedures compare with those of your competitors?

Correct use of marketing research can mean amazing profits for your business and tremendous advantages over your competitors. A famous example of correct use of marketing research took place in the early 1960s. Ford, along with two other major American motor companies, had developed cars to compete with foreign cars such as the Volkswagen. Ford's entry had been the Falcon, introduced in 1959. As the years passed, the numbers of Ford Falcons that were sold began to decrease as a percentage of Ford's total sales. This was also true for the competing cars offered by the two other American companies. Ford might simply have concluded that American small cars were no longer wanted. Instead, Ford did marketing research to find out more about the falling off of Falcon sales. During this research, Ford discovered an interesting and important fact: while sales of the Falcon were declining, sales of sporty options such as bucket seats and a special interior were increasing. This was due primarily to the greater numbers of young adults who were purchasing the vehicle. Ford's careful study of the market research findings led the company to put out the Ford Mustang, introduced in 1965. This sporty vehicle demolished all previous records for sales and developed a new market after which competitors followed as best they could, some two to three years behind. The head of Ford's Mustang project was none other than a young engineer by the name of Lee Iacocca.

But successful use of marketing research is not limited to major companies such as Ford. Thousands of small firms and entrepreneurs have used marketing research successfully to carve out huge shares of their respective markets. An optical firm totally turned its company around and doubled sales within a year by identifying its customers. A mail order entrepreneur sold \$10 million worth of a single product through marketing research techniques. A small computer firm successfully took on IBM a segment of the total computer market and won through the correct application of marketing research.

II. Read the text again and decide which of following statements are correct.

1. Marketing research shows who your market is and which methods will best satisfy the needs of your market.
2. Some basic marketing strategies are possible without marketing research.
3. Correct use of marketing research can bring high profits for business and advantages over competitors.
4. A famous example of correct use of marketing research took place in the early 1950s.

5. Ford had developed cars to compete with other American companies.
6. Ford discovered that sales of sporty options were decreasing due to young adults.
7. The Ford Mustang was introduced in 1964.
8. The Ford Mustang didn't demolish previous records for sales.
9. Successful use of marketing research is practiced by thousands of small firms.

III. Answer the following questions.

1. What is marketing research?
2. What will marketing research help you to do?
3. Why is marketing research so important?
4. What things will marketing research tell you?
5. Why did the Ford Mustang demolish all previous records for sales?
6. Do small firms use marketing research successfully?

IV. Which of the following expresses the main idea of the text best of all?

1. Marketing research, its functions and use.
2. Marketing research conducted by big companies.
3. Marketing research and small firms.
4. Marketing research and its successful use.

V. Give the main points of the text in 3-5 sentences. You may use the following clichés:

*The text is about It gives a detailed analysis of is proposed.
The conclusion is as follows*

VI. Speak about marketing research, its functions and use.

WORD STUDY

Product – something that is produced or manufactured and sold, often in large numbers.

Products are sometimes referred to as **goods**, for example in the expression **fast-moving consumer goods**, or **FMCG**.

White goods – things such as washing machines and refrigerators.

Brown goods – things such as televisions and hi-fi equipment.

Goods are also referred to formally as **merchandise**.

Services – activities such as banking, tourism, or entertainment that contribute to the economy but which may not directly involve manufacturing.

New products are **introduced** or **launched** onto the market.

If a defect is found in a product after it is launched, it may be **recalled**: customers may be asked to return the defective product for checks.

A product that a company no longer wants to make available is **withdrawn** from the market.

Product introduction/ launch/ recall/ withdrawal

Ex.1. Innovative nightmares. This is an article from the *Financial Times* about new product launches. Complete the article with the numbered names. (One name is used twice.)

a OAW
b SPEW

c MENTADENT
d NEONSUCETTES

e HOT 'N' COLD

WAKEY WAKEY – OPEN YOUR EYES TO NEW PRODUCTS

_____ (1) is every parent's nightmare: the fruit-flavoured powder, available in the US, makes a coloured foam in the mouth, and is sold complete with a reflecting 'Spewer Viewer' so children can check the effect.

_____ (2) is a French canine 'sports drink' which is said to refresh and revive dogs after they have been exercising.

_____ (3) is a Danish bread-and-ice-cream sandwich which can be served grilled, fried or toasted.

Spew, Oaw, and Hot 'n' Cold are just three of the 12,000 new products which have been unleashed on unsuspecting consumers around the world in the past year, according to the market research group Mintel. Its 450 field researchers - who shop for the new, the bizarre and the handful of products which will still be on the shelves by next year - report that product innovation has been continuing unabated, even in those economies affected by recession.

Six product areas account for about a quarter of all launches listed last year by Mintel in its fortnightly new product reports: confectionery; desserts and ice creams; sauces and seasonings; soft drinks; haircare; and oral hygiene.

New launches in confectionery have ranged from the vitamin-enriched and sugar-free, to the high-calorie and luridly-coloured. In France, _____ (4) are lollipops which stain the tongue 'electric blue', 'toad green', or 'Dracula red'. At the same time, France has also seen the launch of 'natural' fruit gums which claim to help keep the 'intestinal ecosystem' in good order.

The Japanese appear to be keen on what Mintel terms 'functional' foods. For example, Wakey is a gum which wards off sleepiness, while _____ (5) have extended their range to include apple mint for etiquette, herb mint for relaxation, and jasmine mint for elegance.

A new drink based on dokudami, a foul-smelling plant, 'helps quicken blood flow, promotes urination and prevents various adult diseases'. The wonder drink is also said to be 'efficacious against piles and constipation'.

In personal care products, the 'two-in-one' trend, which began with shampoos and conditioners, now seems to be working its way through bath and toothpaste new launches. _____ (6) , for example, is being packaged in a dual-chambered container which dispenses baking powder and hydrogen peroxide solutions. Not unlike Spew or Neon Sucettes, the effect is blue and effervescent.

Mr David Jago, Mintel's new products specialist, says that most new product launches are doomed to failure. 'I'd hazard a guess that around 70-80 per cent of all product introductions don't succeed in the long term,' he says.

Ex. 2. Product combinations. Find combinations in the box on the next page that mean:

- 1 the products that a company has to offer, considered as a group. (4 expressions)
- 2 the life of a product considered in terms of the phases from its development and launch to its withdrawal.
- 3 the way a product is designed to be perceived in relation to other products.
- 4 a company paying for its product to be used or seen in a film or tv programme.

		mix		
	lifecycle		range	
positioning		product		placement
	portfolio		line	

Now match the two parts of these extracts.

- 1 Boeing is now expanding its product line with its first all-new aircraft for 12 years.
- 2 Mitre's product range includes soccer
- 3 British Aerospace said more than half its sales now come from
- 4 By rearranging what each supplier can do on its network,
- 5 As product lifecycles shorten,

- 6 The entire multi-million dollar event has been designed to complement Pepsi Max's sporty
- 7 The Bond films were the first to realise the potential of product placement. 007 had more than a licence to kill.
 - a. the lifespan of some consumer electronics gadgets is now as short as six months.
 - b. products that weren't included in its product portfolio as little as two years ago.
 - c. Nike can change its product mix almost overnight.
 - d. At present the company makes four models, the 737, 757, 767 and the \$ 150 million 747.
 - e. and rugby balls and sports footwear.
 - f. The logo was a licence to print money, with spin-off merchandise ranging from James Bond pyjamas to eau-de-cologne.
 - g. positioning as a low-calorie cola drink for youths wanting to 'live life to the Max'.

Ex.3. *Translate into Russian in written form.*

Production Life Cycle

Products, like people, have been viewed as having a **life cycle**. The products life cycle concept describes the stages a new product goes through in the marketplace: introduction, growth, maturity and decline.

The **introduction** stage of the product life cycle occurs when the product first enters the market, sales grow slowly, and profit is little.

The second stage of the product life cycle, **growth**, is characterized by rapid increases in sales, and it is in the stage that competitor appears.

The third stage, **maturity**, is characterized by a leveling off of total industry sales revenue. Also, marginal competitors begin to leave the market. Most consumers who would buy the product are either repeat purchasers of the item or have tried and abandoned it.

The **decline** stage is the beginning of the end and occurs when sales and profits are steadily dropping. Frequently a product enters this stage not because of any wrong strategy of the company but because of environmental changes.

Can you give any example illustrating four stages of product life?

TEXT 5. International Marketing

I. Look though the list of words:

promote	содействовать распространению
commence	начинать(ся)
evaporate	исчезать
chagrin	досада
brewery	пивоваренный завод
devastating	огромный
mantle	калильная сетка для газового фонаря

II. Read the text

Having made a product the problem becomes to find someone who will buy it. It is the responsibility of the marketing department to promote and organise the sale of products to the purchaser. Broadly speaking, activities such as sales promotion, advertising and market research are covered. It would be possible for the factory simply to produce a motor car and then hope that it sells. However, it takes a long time to set up a production line for a car assembly plant and even minor modifications can prove difficult and expensive. It is much better to discover what people are looking for when they buy a car and then try to satisfy their needs. Do car drivers want speed – or safety? Are they looking for the power to accelerate - or comfort? Is their aim to impress their neighbours and other road users, or are they just concerned with getting from A to B and back? How important is the price, and the cost of petrol and maintenance? Which designs and colours are preferred? Who is buying the car? Is it a company or an individual? It is questions like these the marketing department will have to answer even before production commences.

It becomes obvious that making and selling are two facets of the same undertaking. The marketing manager and the production manager are two members of the same team, depending on each other in much the same way as the players in the Liverpool football team. What good does it do if our strikers are scoring goals but our goalkeeper keeps having to pick the ball out of the back of the net? This situation could be compared to the marketing team who make great efforts to find customers for their cars, only to find the cars cannot be delivered on time, or that the cars develop faults as soon as they arrive.

The problem facing any business is that the market for goods - and services – is ever changing. Take the case of a company manufacturing cigarettes. Not so long ago the market for cigarettes was assured. Then the medical researchers discovered the link between cigarette smoking and lung cancer and many other diseases. Prospects for further growth evaporated as many people decided both to save money and live longer to spend it. The

government joined in by restricting advertising and sponsoring their own anti-smoking campaign. The government is also understandably involved in campaigns to discourage drinking and driving, much to the chagrin of the breweries whose sales of wines and spirits are thereby reduced.

New technologies have an even more devastating effect on the markets. Once upon a time there was a very successful company which made gas mantles. The whole country was lit by gas. Then came electric light. The sales of gas mantles plummeted. Today we look to oil for our energy. Our oil companies prosper, but for how long? The day before yesterday we used typewriters. Yesterday we used electric typewriters. Today we use word processors. And tomorrow?

The rapidly changing world is both a headache and an exciting challenge to those engaged in marketing. If they predict correctly their business will survive and prosper. If they misread the signs the business will fail and, perhaps more importantly for all of us, valuable economic resources will be wasted.

III. Give sentences with the following phrases:

- To promote the sale of products
- A car assembly plant
- To satisfy smb's needs
- To save money
- To discourage drinking
- Gas mantles
- The rapidly changing world

IV. Answer the questions in your own words:

1. What is the purpose of the marketing department?
2. Why do the marketing and production departments need to cooperate?
3. What do businesspeople and footballers have in common?
4. Why is the design of a product so important?
5. What does a business need to do to survive and prosper?
6. In what way can a government help or hinder a business?

V. Retell the text.

VI. Join the halves.

On the left of the page are the first halves of the sentences. On the right are the second halves of the sentences, though not in the same order. Pair the halves and then write your own list of the completed sentences.

- | | |
|--|---|
| 1) The salespeople in a firm which manufactures pushchairs and prams | 1) could be expected not to welcome the news that a substantial increase in the petrol tax was contemplated by the government. |
| 2) Insurance companies offering cover against motor accidents | 2) would be encouraged by the news that the death rate was falling. |
| 3) The Traffic Manager for a company operating a crosschannel ferry | 3) will not be pleased to hear that the Meteorological Office is predicting a severe winter. |
| 4) The sales Manager of a firm making hearing aids | 4) should approve of a long-term rise in oil prices. |
| 5) Oil company executives | 5) would benefit from a rise in property prices. |
| 6) A publisher specialising in text books for schools | 6) would be pleased to hear of a reduction in air fares. |
| 7) The Chief Buyer in a large city department store | 7) would be grateful to learn that the school-leaving age is going to be raised. |
| 8) The line workers in a factory producing cigarettes | 8) would expect to be very busy after a serious gale had swept over the city. |
| 9) The Marketing Manager of a travel agency specialising in holidays in France | 9) would be disappointed to learn that a new airport was going to be developed for London. |
| 10) A firm of London builders and repairers | 10) would be dismayed to read in the newspaper that the government was planning to prohibit the sale of all products harmful to health. |
| 11) A young man who had just finished training to be coal-miner | 11) would react favourably to the news that improvements were planned for the London Underground. |
| 12) The high street banks | 12) would expect to earn more after the birth rate has risen. |

NEW VOCABULARY

A brand – a version of a product made by one particular manufacturer.

Consumers may or may not recognize or know about a particular **brand name** or **brand label**.

Brand recognition/ awareness – the knowledge about a product or lack of it

Own-brand/ own-label product – a product sold by a retailer under the retailer's name rather than the manufacturer's.

Generic products/ generics – products that are not branded, not sold under a brand name (ex. pharmaceutical drugs).

Image – the perception that people have of a person, product, service, or organization.

Brand image – the perception people have of a brand.

Marlboro Friday – a key event in the recent history of brands.

TEXT 6. BRANDING

A brand is a name given by a business to one or more of its products. Branding gives products an identity that distinguishes them from similar products produced by rival firms. It helps to generate brand loyalty, encouraging customers to regularly purchase particular products. The demand for a product with strong brand loyalty tends to become less price sensitive, meaning that price can be increased without losing much demand. Selecting a brand name is therefore a very important part of a firm's marketing strategy.

Organizations can use a number of different approaches to branding:

-**Individual or multiple branding**, where business uses a range of brand names for a variety of products. For example, Procter & Gamble relies on this branding policy for its range of fragrances, including Hugo Boss, Old Spice and Giorgio Beverley Hills. Such branding allows the firm to develop brands for particular market segments.

-**Corporate or overall family branding**, where all the firm's products are branded with the same name. Virgin, Kraft, Heinz, Microsoft and Ford employ this approach. This type of branding means that the promotion of one item will promote other products within the family. It can increase consumer confidence in the entire range, so increasing sales and profits.

-**A mixture of corporate and individual branding**, where products are given individual brand names but the corporate brand name is also prominent, e.g. Nestle and Walls.

A brand name should be snappy, easy to remember, unique and convey appropriate images or values. In addition, popular brands are often supported by advertising catch phrases, such as "A Mars a day helps you work, rest and play".

Most organizations employ specialist identity and naming consultants to handle this creative process. The name is the first and greatest expression of the brand. It is vital you get it right and they carry out extensive consumer research. For a food launch they might ask for a description of the product, and get people to be wishful and say what they would like it to do for them. Once they have a shortlist they go through the linguistic, cultural and legal trademark checking stages.

A major problem for organizations that trade globally is finding names that translate appropriately. One way to avoid language and translation difficulties is to invent a completely new word, such as Toyota's Avensis. But there are problems even here. For example, firms must be careful which letters they use. The sounds for R and L, for instance, can be confusing and difficult for Asian customers to pronounce, which might deter them from asking a particular product. Studies by Interbrand Group, which has offices in 22 countries, also warns against using the number 8 when launching a food product in China, because it has connotations with death.

The fact that many cultures read from right to left can also cause difficulties with names and packaging. Interbrand's director of naming recalls the story of washing powder that used three cartoon images on its packaging - the first illustrating a dirty shirt, the second the shirt going to the washing machine, and the third a clean shirt. When the packaging was launched in China it was read the other way around.

1. What is brand?
2. What are the approaches to branding?
3. How is brand created?
4. What requirements should a brand name meet?

Ex. 1. *Logically organize the following sentences to make up the text. The first sentence is given to you.*

1. *A basic decision in marketing products is branding.*
2. Some brand names can be spoken, such as a Big Mac hamburger.
3. The Campbell Soup Company is the trade name of that firm.
4. In branding an organization uses a name, phrase, design, symbols, or a combination of these.
5. A trademark identifies that a firm has legally registered its brand name or trade name.
6. Other brand names cannot be spoken, such as the rainbow-coloured apple (the **logotype** or **logo**) that Apple Computer puts on its machines and in its ads.
7. A brand name is any word, "device" (design, sound, shape, or colour), or combinations of these used to distinguish a seller's goods or services.
8. A trade name is a commercial, legal name under which a company does business.
9. It helps to identify its products and distinguish them from those of competitors.
10. So the firm has an exclusive use, thereby preventing others from using it.

What title would you give to the text?

Ex. 2. *Join the halves.*

A.

1. In the past, each of the countries of the European Union
2. These differences made it difficult and expensive
3. Now, these countries are abandoning old political
4. It helps to reduce taxes and other barriers
5. This unification has eliminated over 300
6. Tracks loaded with products spill

7. The increased efficiency is reducing costs and
8. These changes make Europe that largest unified market
9. By the year 2010 the EU may expand to include at
10. These changes have dramatically altered opportunities available to marketing
11. The international competition fostered by the unification of Europe has also provided

B.

1. across the European continent and Britain.
2. creating millions of new jobs.
3. impetus for the US, Mexico, and Canada to develop more cooperative trade agreements.
4. managers both in Europe and in other parts of the world.
5. had its own trade rules and regulations.
6. to move products from one country to the others.
7. squabbles and nationalistic prejudices in favour of cooperative efforts.
8. separate barriers to inter- European trade.
9. commonly applied at national boundaries.
10. least 25 countries and 450 million people.
11. in the world, and more changes are coming.

Read the sentences once again. Do you see that you have written the text? What is it about? What title would you offer?

Ex. 3. *Give the Russian equivalents to the following.*

Encounter difficulties; to do international marketing; exploit a better business opportunity; with little room for growth; demand may shift to a newer product; to return to other markets; the dimensions being evaluated; offer investment incentives; to compete fairly in the domestic markets; protect themselves against; duties are imposed; quotas are revised; a means of entry; the option chosen; domestically produced goods; do not require intermediaries; contract for a large volume of purchases; under licensing; the right to a trademark; in return for a loyalty or a fee; capital-free entry; the product manufactured locally; the advantages are twofold; dumping prices; bribery; reduce red tape.

Ex. 4. *Render the following into English.*

1. **Marketing** - процесс выяснения и удовлетворения потребностей.
2. **Buyer's behaviour** - процесс принятия покупателем решения о том, какой продукт покупать и у кого. Процесс состоит из пяти последовательных этапов: осознание проблемы, поиск информации, оценка информации, решение о покупке, оценка после покупки.
3. **Market segmentation** - процесс разделения рынка на субрынки,

каждый из которых образован группой потребителей в чем-то похожих друг на друга, например, уровнем образования, возрастом.

4. Marketing mix - маркетинговый комплекс, состоящий из продукта, системы его распространения, рекламы и цены, который фирма использует для обслуживания потребителей на его целевом рынке.

5. Target market - особая группа потребителей, чьи потребности собирается удовлетворять предприятие.

6. Branding - использование дизайна, символа, имени или их комплекса для идентификации продукта, что дает производителю ряд преимуществ.

7. Consumer goods - товары, покупаемые для непосредственного удовлетворения потребностей покупателя.

8. Distribution channel - цепь фирм, которые участвуют в покупке и продаже товаров по мере их продвижения от производителя к пользователю.

9. Durable goods товары, срок потребления которых превышает один год.

10. Positioning - процесс подгонки имиджа товара потребностям его целевого рынка.

11. Product life cycle - период, в течение которого продукт последовательно проходит через стадии зарождения, роста, зрелости и упадка.

12. Publicity - общественное мнение о компании или ее продукте.

13. Trademark - символ или наименование сорта, которые защищены законодательно.

Ex. 5. Translate into English.

1. Маркетинг тесно связан с такими социальными науками, как экономика, социология, психология. 2. Маркетинг изучает людей в социальном контексте. 3. Маркетинг - это система научных и практических взглядов, направленных на изучение и управление рыночными отношениями. 4. Цель маркетинга - определить нужды и потребности своих будущих потребителей. 5. Четыре основных управляемых фактора маркетинга - это товары, цена, размещение и продвижение. 6. Потребитель не может отделить услугу от ее поставщика. 7. Внешние рынки могут предоставить больше возможностей для роста компании. 8. Одна из сложностей - это оценка политических и правовых условий в стране. 9. Каждая страна Европейского Союза имела свои торговые правила и положения. 10. Объединение устранило свыше 300 отдельных торговых барьеров. 11. Международный маркетинг - это маркетинг товаров и услуг за пределами страны, где находится организация. 12. Специалисты по международному маркетингу должны учитывать культурную среду каждого рынка.

Ex. 6. Translate the following passage into English.

Внутренний брендинг

Стоит ли тестировать продукцию на своих сотрудниках?

Независимые маркетологи утверждают, что продукцию компании нельзя тестировать на ее сотрудниках – они не могут относиться к своему продукту объективно. Однако некоторые, даже богатые компании продолжают использовать этот прием, который, по утверждению адептов внутреннего брендинга, позволяет экономить деньги и повышает лояльность сотрудников.

Иного мнения придерживаются независимые маркетинговые агентства. «Сотрудников компании нельзя проецировать на целевую группу. Это все равно что я буду спрашивать у своих сотрудников, купят ли они у нас консалтинговые услуги» – говорит председатель совета директоров агентства «A2z marketing» Андрей Стась. На сайте брендингового агентства «Студия "Гвоздь"» написано: «Для того чтобы протестировать разработанные нами название или графику торговой марки, клиент при нашей помощи проводит фокус-группы среди своих сотрудников». Но директор агентства Алла Корнилова поясняет, что все это – результат экономии заказчиком средств. «Если позволяет бюджет, то, конечно, надо заказывать независимую фокус-группу, и желательно даже не одну», – говорит она.

ADVERTISING

The success of any business depends upon its ability to attract customers willing and able to make monetary exchanges for products and services. To do this, a business must find, understand, and communicate with potential customers where they live, work, and play.

Your vocabulary

Advertising

- communication intended both to inform and persuade. **Ad**
- an informal word meaning an advertisement **Advert**
- the same as **ad Advertisement**
- an announcement in mass media about a product, event, job vacancy, etc.

Advertiser

- a person or company that pays for a product or service to be advertised

Adman

- a person whose profession is advertising **Commercial**
- an advertisement on television or radio **Advertising campaign**
- a planned series of advertisement intended to advertise a product or service

Ex. 1. Study the following synonyms to the word *advertise*. What are their Russian equivalents?

Promote – to make sure that people know about a new product or service by arranging special events.

Hype up - an informal word meaning to try to make people think that something is much better than it really is.

Plug (give smth a plug) - informal word meaning to try to make people interested in your product or service, for example by mentioning it in a TV or radio conversation when you are supposed to be talking about something else.

Push - an informal word meaning to advertise a new product very heavily, with a lot of advertisements.

Translate the following sentences. Pay attention to the words in italics.

1. You must have seen those computer games - they have been heavily *advertised on TV* and all the Sunday papers.

2. *To promote* their new brand of shampoo, they are selling it at half price for a month.

3. In order *to market* a product well you need to be aware of public demand.

4. Like most Hollywood movies it *was so hyped up* that when I saw it I felt rather disappointed.

5. The author used the opportunity of appearing on TV *to give* his latest book *a plug*.

6. Revlon is really *pushing* its new range of beauty creams.

7. At this time of year, the papers are full of *advertisement for* skiing holidays.

8. BMW *is running an aggressive campaign* to publicize its 20XX models.

Ex. 2. Open the brackets.

It's difficult (to sell) anything when the whole world (to seem) your **potential market**. That is where segmentation (to come) into the picture.

The marketing concept (to hold) that any organization (to exist) (to gratify) the needs and desires of those consumers it (to be) best in the position (to serve). Segmentation (to involve) selecting those groups of consumers who would probably (to be) most receptive to the market item in question.

Market segmentation (to) the key to all advertising decisions. Advertisers

(to use) market segmentation (to determine) **positioning strategy, media strategy, and creative strategy.**

How the **elusive consumer** scientifically (to pinpoint)? Methods of consumer targeting (to include) an exploration of sociocultural influences on consumer behavior. Advertisers may (to examine) the influence of groups, social class, and familial ties on consumers. Advertisers (to be concerned) also with individual influences on consumer behavior. They (to be interested in) the psychological concepts of learning, perception, motivation, personality, attitudes and attitude change. Still another way (to study) a target market (to be) through an examination of the decision process. This process (to begin) with **need recognition** and (to go) on to search brand comprehension and evaluation. Choice (to be) the outcome.

Of course, not all **advertisers** (to have) the financial resources (to conduct) their own detailed research programs. They can (to carry out) **small-scale surveys** by mail, over the phone, or by direct interview. The library, too, can (to be) a valuable source of consumer behavior data, as can professional research outfits equipped (to cope with) problems that (to be) beyond the abilities of the low-budget advertiser.

Read the text once again and explain the meanings of the words and phrases which have been highlighted.

New vocabulary

Advertising tells people about products, for example in newspapers, on television in **commercials**, or in the street on **hoardings** or **billboards**. Advertising is often designed and managed by **advertising agencies**.

An **advertising campaign** consists of a series of **advertisements, adverts, or ads** which are run in various media.

Another way of telling people about products is by **direct marketing**, using techniques like **mailings**, also known as **mail shots**: these are often referred to derisively by recipients as **junk mail**.

1. Forms of selling. Match each selling technique to its definition.

1. door-to-door selling

a In return for payment and a share of sales revenue, an organization licenses its (well-known) name to be used by food outlets, retailers, and others. Hamburgers, pizza, and clothing are often sold under this system.

2. franchising

b Famous for its foot-in-the-door approach, everything from encyclopaedias through vacuum cleaners to brushes used to be sold in this way. Now less common, as people are not at home during the day, or if they are, may not answer the doorbell.

3. inertia selling

c You choose things in a catalogue (or catalog in American English) and order by post, phone, or fax. Clothes have long been sold in this way (somehow they never look as good as in the catalogue), but now everything from computers to wine is.

4. mail order

d Participants buy goods (but not Egyptian artefacts) or services from a company and then sell them to the general public. They can also make money by recruiting new participants and providing training or other services. Tupperware, with its famous suburban tea-parties, were the pioneers in this field.

5. network marketing or pyramid selling

e People phone you at home or at work and try to sell you things. When there has been no previous contact, this is known as 'cold-calling'. Alternatively, you may phone an organization in order to buy something in a catalogue you have received from them. Anything from insurance to computer services may be sold in this way.

6. telesales or tele-marketing

f Insurance cover against such things as sickness and unemployment, to cover loan repayments is sold using this technique: you have specifically to say that you do not want this insurance when filling in the loan application. Banks rely on customers not opting out in this way in order to sell the insurance.

2. The end of shopping as we know it? Rearrange the sections of this article from *The Economist* into a logical order. (The first paragraph is a.)

THE INTERACTIVE BAZAAR OPENS

- a ...In both trials of multimedia technology, consumers will be able to use their television screens to browse through constantly updated 'catalogues' containing images and information about, say, shirts or vacuum cleaners; to place orders for goods by means of a remote control or mouse; and to get their chosen products delivered to their home.
- b In the trials, consumers should be able to switch on a shopping service provided by CUC International, a small Connecticut company that looks set to be the leader of interactive retailing. ...Walter Forbes, CUC's chairman, claims that interactive retailing has three advantages over local shops.
- c Mr Forbes's third claimed advantage is convenience. Survey evidence suggests that many consumers find shopping boring, and are increasingly reluctant to leave the house because of fear of crime. Interactivity means that shopping no longer needs to involve a wearying trip to the local mall or supermarket in the rain.
- d The first two also underlie CUC's growth in non-interactive form: information and cost. CUC's 'Shoppers Advantage' service offers sales information about 250,000 products from hundreds of manufacturers. And since the retailer is eliminated from the transaction, CUC's members get discounts of up to 50% on shop prices.
- e This embryonic industry is already posing questions over the future of every other part of America's \$2.1 trillion retailing industry. Is there, some wonder, a future for department stores at all? Will the fast-growing mail-order catalogue business worth \$ 70 billion a year, be submerged into interactivity? More immediately, should retailers fight against interactive shopping, or should they join it?...
- f Unlike existing home-shopping TV channels, these interactive trials will give the customers control over what image is on the screen. Ultimately, the customers should be able to create their own, personalised home shopping services.

3. The end of TV advertising as we know it? Complete this article from the *Financial Times* with the expressions listed, (a occurs four times, b four times, c and d once each, e three times and f twice.)

- | | | |
|--------------------|---------------|-----------|
| a direct marketing | c campaign | e brands |
| b advertising | d discounting | f branded |

HEINZ DROPS TV ADVERTS IN MOVE TO DIRECT MARKETING

HJ HEINZ, the food manufacturer that brought the British public such memorable advertising campaigns as Beanz Meanz Heinz, is planning to create a new slogan - Heinz Meanz _____(1).

Mr Tony O'Reilly, the flamboyant chairman and chief executive of the Pittsburg-based international food group, is planning to end UK commercial television _____ (2) for his products this year and instead concentrate on _____ (3) .

Mr O'Reilly, whose career in marketing took off after he created the Kerrygold _____ (4) for Irish butter in his early 20s, believes the era of mass marketing is giving way to more targeted selling techniques.

The Heinz plan to give up television _____ (5) would be one of the most radical marketing moves in recent years by a food manufacturer. It comes as manufacturers of _____(6) food products are facing growing competition from cheaper, own-label goods produced by supermarkets. The Heinz account is one of the longest established in television _____ (7).

Heinz has already built up a database of 5.6 million homes in the UK that are heavy users of the company's products. Mr O'Reilly plans to send special discount vouchers directly to those homes, thereby bypassing conventional _____ (8) media such as television and newspapers. The discount vouchers will be for individual Heinz products, such as baked beans, but also for groups of Heinz lines.

Mr O'Reilly has decided that _____ (9) is the most cost effective way of maintaining loyalty to the _____(10). The Heinz chief executive sees the plan as the start of a 'guerrilla' campaign against the increasing power of the large supermarket groups, which, he believes, sometimes treat _____(11) products cavalierly. Mr O'Reilly wants to take control of _____ (12) policy for his _____ (13) rather than leaving it to the discretion of supermarkets. He is concerned that Heinz products are often treated as mid-market products when they should be priced and displayed as premium _____ (14) . If Heinz goes ahead with its plan and proves that _____(15) to its best customers works, it could be a blow to commercial television.

TERMS TO KNOW

established demand	сформированный спрос
promoted demand	пропагандистский спрос
conveniently placed	удобно расположенный
attract	привлекать, притягивать; пленять
engage	заниматься; вовлекать
supplement	дополнять; дополнение, добавление
promotion of sales	стимулирование сбыта
publicity	паблисити, гласность, рекламирование
special event sales	продажа в связи с определенным событием
personal selling	личная продажа
sales promotion campaign	кампания по стимулированию сбыта
public relations	связи с общественными организа- циями и отдельными лицами
community goodwill	доброжелательность общества
check	проверять
count	считать
omit	пренебрегать, упускать, пропускать; не включать
intermittent	прерывистый
impulse items	импульсивные товары
feature	особенность, характерная черта
occasion	случай, возможность
involve	вовлекать, включать
gain the prospective customer	достичь предполагаемого покупателя
cumulative net result	кумулятивный чистый результат
credit account	кредитный счет
delivery service	обслуживание при поставке (оборудования)
on-time deliveries	поставки в срок
conformity to specification	соответствие спецификации (технической характеристики)
tarnish	пятнать, порочить
tarnished goodwill	запятнанная репутация
ultimate result	конечный результат
conviction	убежденность, уверенность
billboard	рекламный щит

poll	опрос
launch a new product	выпустить новый товар
commercial break	рекламная пауза
account for	насчитывать
newspaper circulation	тираж газеты
point-of-sale	место совершения продажи
keep costs down	не увеличивать расходы
put forward a proposal	выдвинуть предложение
be financially sound	быть в хорошем финансовом состоянии
cause a recession	вызывать падение (спад)
fall in demand	падение спроса
redundancies	излишки
sales increase	увеличение сбыта
fall in share price	падение цены акции

WORD STUDY

1. Match the words with their definitions.

intermittent, check, demand, goodwill, feature, gain, item, omit, publicity, count

- 1) The wants of buyers in the market.
- 2) To get or obtain something wanted.
- 3) The business of attracting public attention and of encouraging general feelings of goodwill towards a product or service in order to sell it.
- 4) A single article or class of articles in a list, account, inventory, etc.
- 5) The advantage possessed by an established business over a new business.
The attractive force that brings in customers.
- 6) Make sure that smth or smb is correct, safe, making progress.
- 7) Say all numbers one after another up to a particular number.
- 8) Do not include smth in an activity or piece of work, deliberately or accidentally.
- 9) Smth happening or appearing occasionally or at regular intervals rather than constantly or continuously.
- 10) A particular part of smth or characteristic that it has, which you notice because it seems important or interesting.

2. Supply the sentences with the missing words.

tarnish, conviction, conveniently, supplement, involve, attract, ultimate, occasion, engage

- 1) The amount of fuel is displayed ... on a gauge.
- 2) I tried desperately to ... his attention.
- 3) It was considered inappropriate for a former President to ... in commerce.
- 4) They had to get a job to ... the family income.
- 5) The Oval Office will be used for ceremonial... .

- 6) The business seemed to ... an enormous amount of sales.
- 7) It turned into a witch-hunt that... the names of many of the country's intellectuals.
- 8) He knew this action was necessary for the ... success of the talks.
- 9) Nothing would budge him from his ... that he could run a news paper successfully.

5. Choose the best alternative to complete the sentence. Look up any words you don't know.

- 1) With effective advertising a company can become a ... name.
a. house b. household c. housewife's d. home
- 2) We need an effective campaign to ... our new product range.
a. fire b. set out c. set off d. launch
- 3) During the commercial ... , there was an advertisement for a new women's magazine.
a. break b. breakage c. pause d. interval
- 4) The first thing an ad must do is ... the reader's eye.
a. trap b. catch c. find d. reach
- 5) We need a name for the product which will... to teenagers.
a. draw b. attract c. succeed d. appeal
- 6) They decided to do a mail ... to get people interested in their holiday homes.
a. shot b. shoot c. trial d. list
- 7) All advertisers must obey the industry's
a. practice code c. practical code
b. code of practice d. code word
- 8) Advertising on television is very expensive during ... viewing hours.
a. peak b. high c. audience d. big
- 9) We did a lot of research to ensure that the advertisement would appeal to the ... audience.
a. aim b. arrival c. goal d. target
- 10) Newspaper advertising ... for 45% of the total.
a. accounted b. counted c. comprised d. came
- 11) Advertisers look at each newspaper's ... figures before deciding where to place their advertisements,
a. circular b. population c. circulation d. revenue
- 12) As part of our service we provide display material.
a. selling point c. appointed
b. point of sale d. salesmanship
- 13) If you advertise at airports, you have a audience.
a. captured b. slave c. captivated d. captive
- 14) She does the art work while I write the for each advertisement
a. copy b. copies c. copyright d. media

TEXT 7. Advertising and promotion

The total demand for the goods or services offered by any small firm can be divided into **established demand**¹ and newly created demand, sometimes called **promoted demand**².

Established demand is that volume of sales which comes without conscious outside promotion by the firm. People buy because they have had positive experiences with the firm's products, find the firm **conveniently**³ placed, or are **attracted**⁴ by the firm's appearance.

Newly created or promoted demand by contrast, is the volume of sales that results from firm's **engaging**⁵ in various types of activities to draw people to the firm. Promoted demand customers, if pleased, can become established customers. Those firms that **supplement**⁶ established demand with promoted demand show much better sales volume and profits. Almost without exception, additional advertising and promotion brings in greater sales volume.

All the activities that go into the development of sales can be grouped under the title promotion of sales. This promotion can use either direct or indirect methods. Every small firm owner should think about using some of the following types of sales promotion.

Direct promotion methods	Indirect promotion methods
1. advertising	1. public relations
2. publicity ⁷	2. customer relations
3. displays	3. customer services
4. special event sales	4. product styling and packaging
5. manufacturer's aids	5. community goodwill ⁸
6. personal selling	
7. sales promotion campaigns	

Advertising can be defined as commercial messages to the public designed to inform potential and established customers and to encourage sales for the advertiser. Advertising can be either institutional (designed to sell the firm's name) or direct-action (designed to sell the firm's product or service).

Types of advertising media. Among the media generally used in advertising are: television, radio, newspapers, magazines, outdoor billboards; specialty advertising (distribution of such items as notebooks, pencils, calendars, blotters, gummed labels, telephone pads, shopping bags), public transportation, yellow pages, direct mail, other media (catalogues, samples, handouts, leaflets, etc.)

Measuring advertising effectiveness. Whenever possible, every advertising program undertaken should be **checked**⁹ for its effectiveness. Some of the ways the small firms can do this are:

1. Advertise one item in one ad only. By having no references to the item on the sales floor and then **counting**¹⁰ the calls and requests, ad results can be identified.

2. Place identical ads with identifying marks in two separate Publications. The reader is asked to bring the ad to the firm to obtain a special price or prize. Count how many ads come in from each source.

3. **Omit**¹¹ a regular advertising project for **intermittent**¹² periods and watch for any change in sales.

4. Check sales results when a new advertisement is placed.

Publicity has always been described as advertising that is not paid for. It includes such things as public news items about the owner of the firm that tend to brighten the firm's image or make friends for the business.

Displays are an on-site method of sales promotion. Products that are not normally considered impulse **items**¹³ are often sold through an effective display in the windows or on the sales floor. Displays enable the merchant to add changes, interest, and brightness to the standard layout, and when well done can do much to increase sales.

Special event sales. Special events to directly promote sales have become a well-established **feature**¹⁴ of most consumer goods businesses. The firm's anniversary, the firm's president's birthday, the addition of a new service for customers, the start of the spring and fall seasons, and so on, can all be used as **occasions**¹⁵ to promote sales. Major holidays, of course, are ideal for sales.

Manufacturer's aids are any form of assistance provided by the manufacturer to small wholesalers and retailers for promoting sales. These aids may take the form of national advertising of the products **involved**¹⁶, assignment of trained personnel to demonstrate the use of a product such as cookware in the particular store, provision of attractive window and floor displays, or monetary contributions to an advertising program.

Personal selling means all those activities and characteristics of the individual salesperson which make successful sales. Fundamental to all good personal selling is a thorough knowledge of the merchandise. Personality, human psychology are also important.

The four basic steps in making any sale have been summarized as follows: 1. **Gaining**¹⁷ the prospective customer's attention and interest, 2. Creating desire and overcoming objections, 3. Presenting various solutions, 4. Closing the sale.

Sales promotion campaigns are usually built around a central idea. The campaign may last a day, a week, or even several months. It may be seasonal or associated with a business opening or anniversary, a new product, or the introduction of a new service. The opening of a new department, a new location, or a national or historic commemoration can also be the basis for a campaign.

When the theme is chosen, the campaign itself must be carefully planned. The list that follows outlines a number of important campaign elements: a basic promotion idea or philosophy must be developed, promotion objectives should be drawn up, various elements of the campaign - advertising, display, and public relations should be studied, responsibilities should be assigned to employees, the program of activities should be scheduled, using a calendar and a timetable, individual promotions should be reviewed after the campaign, critiques should be written and filed for the future reference.

Public relations. A firm's public relations determine its image, or popular reputation, in the general community. The nature of its public relations, good or bad, is reflected in the community's attitude and goodwill toward the firm. Good public relations are cumulative net result, which is more easily destroyed than built. It is the responsibility of every person associated with the firm. Every act of the firm's representatives contributes to the overall image of the firm.

Customer relations build sales independently and also contribute to the total image of the firm. Satisfied, happy customers are the best form of advertising and promotion.

Customer services can be a part of both public relations and good customer relations. Many customers want special services and seek out firms that supply them. Examples are air-conditioned stores, night hours for shopping, credit accounts, delivery service, and lines of merchandise not generally available. Pricing policies are sometimes adjusted for particular customer groups as a part of service. Firms selling industrial products have found that the most valued customer services are on-time deliveries, conformity to specifications of products sold, and efficient accounting procedures.

Product styling and packaging are obvious aids in developing sales volume. When similar products are offered in various styles, customers seek choices. Packaging can be an equal attraction.

Community goodwill. Every owner should be aware of the importance of the goodwill of the public to the firm's success. Every proposed business policy should first be analyzed in terms of its effect upon the company's image. No firm with **tarnished**¹⁸ goodwill will be very successful in a community. Potential purchasers stay away from such firms, sales fall, service becomes more difficult to maintain, and as a result the circle gets smaller. Failure is the **ultimate**¹⁹ result.

All the sales promotion methods reflect a **conviction**²⁰ that the customer is the most important part of any successful business. There can be no profit in the absence of sales. Efforts to keep present customers happy and to constantly attract new ones are essential to continued profits and growth.

Notes: 1. сформированный спрос; 2. пропагандистский спрос; 3. удобно; 4. привлекать, притягивать; пленять; 5. заниматься; вовлекать;

6. дополнять; дополнение, добавление; 7. пропаганда, публицити;
8. доброжелательность общества; 9. проверять; 10. считать;
11. пренебрегать, упускать, пропускать, не включать; 12. прерывистый;
13. импульсивные товары; 14. особенность, характерная черта;
15. случай, возможность; 16. вовлекать, включать; 17. добиваться; достигать;
18. пятнать, порочить; 19. конечный, окончательный;
20. убежденность, уверенность.

COMPREHENSION

1. Answer the following questions.

- 1) How would you describe established demand as contracted with promoted demand?
- 2) What is promotion of sales? What types of sales promotion do you know?
- 3) How would you define advertising?
- 4) What types of media are used in advertising?
- 5) What do we mean by checking the effectiveness of advertising? What are some of the methods by which this can be done?
- 6) What goods are often sold through an effective display in the windows or on the sales floor?
- 7) What occasions can be used as special event sales?
- 8) What are the four basic steps in successful selling?
- 9) What are important campaign elements?
- 10) What do public relations determine?
- 11) What are the best forms of advertising and promotion?
- 12) Can you give examples of special customer services?
- 13) What is the most important part of any successful business?
- 14) What efforts are essential to continued profits and growth?

2. In each of the following, select the word or phrase that best completes the sentence or answers the question.

- 1) When designing an advertising layout, you should use
 - a. large headlines since big print is easy to read
 - b. as many ideas as possible since space is expensive
 - c. a series of elements which draw attention to a regular pattern
 - d. startling proportions so that the advertising attract attention
- 2) Which one of the following departments usually has the responsibility in a company for the development of a favourable community image for the business?
 - a. the advertising department
 - b. the personnel department
 - c. the public relations department
 - d. the purchasing department
- 3) Which one of the following media is usually the most expensive?
 - a. radio
 - c. outdoor advertising (billboards)

- b. newspapers d. television
- 4) One way to cut down on advertising expense and still reach customers is to
- join a merchants association which shares the cost of advertising
 - take advantage of cash credits given by manufacturers for giving premium space for their products
 - advertise national brands in local papers where an allowance is provided by the national company
 - take advantage of all of these opportunities
- 5) Which one of the following elements of an advertising layout would be a problem for you if you could not draw or sketch?
- headline
 - copy
 - illustration
 - media
- 6) Which one of the following policy recommendations offers poor advertising advice?
- The advertiser should spend as much as the budget will allow
 - The advertiser should periodically evaluate the advertising dollar for effectiveness.
 - The advertiser should vary media from time to time to reach different markets
 - The advertiser should read the results of research and polls of buying habits in the area.
- 7) A method of sales promotion used in supermarkets is
- trading stamps
 - games of chance
 - coupons
 - all of these
- 8) Dependent customers are usually
- impatient
 - skeptical
 - nervous
 - undecided

TEXT 8. A)

► *Ex. I. Scan through the text. Restore the word order in the questions that follow and answer them. Translate into Russian in written form.*

Advertising and its effectiveness. There is no serious disagreement over the power of advertising to inform consumers of what products are available (can easily be bought or found). In a free-market economy effective advertising is extremely important and necessary to a company's survival, for unless consumers know about a company's product they are unlikely to buy it. For an advertisement to be effective its production and placement must be based on a knowledge of the public and a skilled use of the media. A career in advertising is a difficult one. Good advertisers are in great demand. Advertising agencies serve to organize complex advertising campaigns. The effectiveness of advertising campaigns is based on research into consumer behaviour and demographic analysis of the market area. [Demography is the study

of human populations and the ways in which they change.] Advertisers combine creativity in the production of the advertising messages with canny scheduling and placement, so that the messages are seen by, and will have an effect on, the people advertisers most want to address. Given a fixed budget, the advertiser faces a basic choice: he can have his message seen or heard by many people fewer times, or by fewer people many times.

Power - способность; unless - пока не; unlikely - вряд ли; advertisement - рекламное объявление; placement - размещение; skilled - искусный; research - исследование; creativity - творчество; canny - хитрый; schedule - планировать; thing of naught - ненужная вещь.

1) Does advertising its point or not gain? 2) Why effective advertising extremely important and necessary to a company's survival is? 3) What must for an advertisement to be effective be done? 4) A career in advertising a difficult one, isn't it is? 5) Good advertisers in great demand, aren't they are? 6) What do advertising agencies to do serve? 7) What the effectiveness of advertising campaigns is based on? 8) What and why advertisers do combine? 9) What budget the advertiser is given? 10) What the advertiser does face?

► *Ex. II. Agree or disagree with the following statements.*

1) There is no dispute over the power of advertising to inform consumers of what products are available. 2) Free market is a market in which prices are not controlled or limited in any way. 3) Effective advertising is essential to a company's survival. 4) Consumer is someone who buys and uses products and services. 5) As soon as consumers know about a company's product they are likely to buy it. 6) A career in advertising is an easy one. 7) Good advertisers are in good demand. 8) Advertising agencies serve to organize whispering campaigns. 9) Whispering campaign is an attack on someone that is made by privately spreading criticism about them. 10) The effectiveness of advertising campaigns is based on research into consumer private life. 11) Advertisers have to be clever, careful, and not easily deceived, especially in business or politics. 12) Advertisers are given a permanent budget. 13) Advertisers play the fool with consumers.

► *Ex. III. Translate the following words and phrases from Russian into English.*

Разногласия; служить; спрос; рекламное агентство; распространение ложных слухов про своего противника; частным образом; распространять; научное исследование; частная , жизнь; обманывать; перманентный; валять дурака; рекламировать; информировать; потребитель; имеющийся в распоряжении; свободный рынок; цена; контролировать; ограничивать; эффективный; существенный.

► *Ex. IV. Translate the following questions from Russian into English and answer them.*

1) Реклама создаёт спрос на товары и услуги? 2) Вы любите рекламу? 3) Что есть хорошая реклама? 4) Что есть плохая реклама? 5) Вы купите товар, если у него плохая реклама? 6) Может ли хорошая реклама убедить покупателя купить ненужный ему товар?

► *Ex. V. Complete the following statements. Choose one topic to speak about a) effective advertising; b) advertisers; c) advertising agencies and campaigns. Retell the text **Advertising and its effectiveness.***

1) Effective advertising is ... 2) Unless consumers know ... 3) For an advertisement to be effective ... 4) A career in advertising is ... 5) Good advertisers are ... 6) Advertising agencies serve ... 7) The effectiveness of advertising campaigns is based on ... 8) Advertisers combine ... so that ... 9) Advertisers are given ... 10) Advertisers face ...

B)

► *Ex. I. Scan through the text. Restore the word order in the questions that follow and answer them. Translate into Russian in written form.*

Advertising, its cost and its influence. In criticism of advertising it has been argued that the consumer must pay for the cost of advertising in the form of higher prices for goods; against this point it is argued that advertising enables goods to be mass marketed, thereby bringing prices down. It has been argued that the cost of major advertising campaigns is such that few firms can afford (to have enough money to buy or pay for something) them, thus helping these firms to dominate (to have power and control over) the market; on the other hand, whereas smaller firms may not be able to compete (to try to be more successful) with larger ones at a national level, at the local level advertising enables them to hold their own. Finally, it has been argued that advertisers exercise an undue (more than is reasonable, suitable, or necessary) influence over the regular contents of the media they employ - the editorial stance (an opinion that is stated publicly) of a newspaper or the subject (the thing one is talking about or considering in a conversation, discussion, book, film etc.) of a television show. In response it has been pointed out that such influence is counteracted, at least in the case of financially strong media firms, by the advertiser's reliance on the media to convey his messages; any compromise (an agreement between two contracting parties that is achieved by both of them accepting less than they wanted at first) of the integrity of a media firm might result in a smaller audience (the persons reached by a publication, radio, TV, etc.) for his advertising.

Market - сбывать; thereby - таким образом; whereas - тогда как; hold

one's own - сохранять свои позиции; exercise - использовать; undue - чрезмерный; editorial stance - редакторская позиция; counteract - нейтрализовать; reliance - зависимость; convey - сообщать; contracting parties - договаривающиеся стороны; integrity - неприкосновенность; break - прерывать; preserve one's existence - выжить; go without - обойтись без; forceless - бессильный.

1) What the first point at issue in criticism of advertising is? 2) What the is second matter of dispute in criticism of advertising? 3) What the third subject of controversy in is criticism of advertising?

► *Ex. II. Agree or disagree with the following statements.*

1) The advertiser must pay for the cost of advertising. 2) Advertising enables goods to be mass marketed. 3) Advertising brings prices up. 4) The cost of major advertising campaigns is such that few firms can have enough money to pay for them. 5) Advertising helps only very large companies to have power and control over the market. 6) Smaller firms are not successful in comparison with larger ones at a national level. 7) Advertising enables smaller firms to flourish at the local level. 8) Advertisers exercise an unreasonable influence over the editorial stance of a newspaper. 9) Advertisers exercise an excessive influence over the subject of a television show. 10) The advertiser's influence is neutralized by the advertiser's reliance on the media to convey his messages. 11) The media are completely subject to the advertiser's ill will.

► *Ex. III. Translate the following words and phrases from Russian into English.*

Рекламодатель; немногие; рынок; в сравнении с; удачный; на национальном уровне; процветать; распространенный в отдельных местах; непомерный; влияние; нейтрализовать; сообщение; всецело; подвластный; платить; стоимость; массовый; влечь за собой; рекламная компания; злой умысел.

► *Ex. IV. Translate the following questions from Russian into English and answer them.*

1) Потребитель должен платить за рекламу? 2) Вам нравится, когда фильм прерывается рекламой? 3) Телевидение проживёт без рекламы? 4) Вы верите рекламе? 5) Какой товар может обойтись без рекламы? 6) Средства массовой информации бессильны перед злой волей рекламодателя?

► *Ex. V. Complete the following statements. Choose one topic to speak about advertising a) its cost; b) its influence. Retell the text Advertising and its power.*

- 1) The consumer must pay ...
- 2) Advertising enables ...
- 3) Few firms can afford ...
- 4) Advertising helps large companies to dominate ...
- 5) Small firms can't compete ...
- 6) Advertising enables small firms ...
- 7) Advertisers exercise ...
- 8) The advertiser's influence is counteracted by ...
- 9) Any compromise ... might ...
- 10) ... an agreement between two parties achieved by both of them accepting less than they wanted at first.

WRITING AN ADVERTISEMENT

EX. 1. Read two newspaper ads and fulfill the assignments after them.

1.

"If you're thinking about buying windows or conservatories...
You can't **afford** to miss this!"

WE DON'T PHONE YOU WE DON'T HAVE TO

MRS DAGARNO QUEENS DEN, ABERDEEN "These windows were the only company to give me exactly what I wanted."

MR & MRS NEWTON ABERDEEN "Excellent service and quality of workmanship."

MR & MRS MCCALLISTER BANFF "The joiners were excellent, they did the terrific job."

MR & MRS SELBIE MOSSIDE DV, ABERDEEN "Absolutely thrilled, with every aspect."

MR & MRS THOMPSON NEWBURGH "Installation carried out efficiently first time, on time and to the standard required."

MR & MRS MCCAY FRASERBURGH "Thanks for the job well done."

MRS EDGAR ABERDEEN "Workmanship brilliant, everybody has said how lovely they are."

MRS BRUCE ELLON "Quality of windows is excellent, very pleased with job."

MRS SUTHLAND INVERURIE "Pleasant and efficient service from beginning to end."

**'Excellent' 'Brilliant' 'Professional' Thrilled'
'Craftsmen' 'Superb' Quality' Our Customers Spread 'The Word'**

01224 706555

Windows & conservatories limited
Unit 15 Murcar Commercial Park Bridge Don

2.

INFORMATION TO HELP YOUR BUSINESS GROW

It's good to know that you have at your disposal a Scotland-wide network of Business Shops designed specifically to help your business. Having already established itself as an invaluable contributor, now handling over 70,000 inquiries a year, there are 37 outlets and 100 Business Information Officers around Scotland ready to find answers to your questions.

Whatever your questions are – accessing new market, sourcing new supplies, developing your employment strategy or achieving financial support – there's local help at hand. With active links to Scotland's public and private business support network there is no simpler or smarter way to source the assistance you require. And remember that to access this priceless resource you only have to dial a single number that will automatically route you to your local Business Shop. So call the number as soon as you can and get some help to grow your business.

Vocabulary

to afford – позволять

thrilled – взволнованный

installation – установка

workmanship (craftsmanship) – искусство, мастерство; квалификация

contributor – содействующий; помощник

at hand – находящийся под рукой

link – связь assistance – помощь

to dial – набирать номер

to route – направлять, распределять

ASSIGNMENTS

I. Read the first ad. Choose the right answer.

1. The company advertises its _____ .

- a) telephones b) windows
c) houses

2. What do the customers like in the company?

- a) prices d) spare parts
b) installation e) service
c) delivery f) quality

add or change any word or phrase to make the ad sound more interesting? Have you included all the necessary information? Is the main idea of your ad clear?

Edit – Check your spelling and punctuation.

Publish – Make a neat final copy of your ad. Then share it. Ask a friend what is the main idea of your ad.

Creating an ad is a special way of presenting a main idea. You need to attract the reader's attention quickly. You have to state your points early in a small amount of space. You also want to make the main idea of the ad as clear as possible.

Read the ad below. In your notebook, write down the main idea of the ad. Then jot down four details that support the main idea.

THE PET STORE *YOU HAVE BEEN WAITING FOR IS HERE!*
The GRAND OPENING is on July 15th. Come in for a FREE GIFT!
Wide variety of pets and pet supply products.
ANIMAL FRIENDS PET SHOPS 25 Maple Drive
Open Monday-Sunday, 11 a.m. to 10 p.m.

Now create an ad of your own. Choose one of the following topics, or think up one of your own.

- a new video store is opening
- a new bicycle shop is opening
- you want to have a garden or garage sale
- you are offering a historical tour of your town

Imagine that you are writing the ad to run in your local newspaper. Be sure to include all the information your readers will need.

UNIT 5. MONEY AND BANKING

To have money is a good thing; to have a say over the money is even better.

Your vocabulary

Money – is the coins or banknotes that you use when you buy something, or when you pay for a service.

Monetary – means relating to money, especially the total amount of money in a country.

Monetarism – is the control of country's economy by regulating the total amount of money that is available and in use at any time.

Monetarist – means relating to monetarism.

Ex. 1. *Study the following words and word-combinations. What are their Russian equivalents?*

Money, make money, to be in the money, get one's money's worth, to have money to burn, blood money, danger money, hush money, pocket money, money for old rope, raise money

Translate the sentences below. Pay attention to the words in bold.

1. Many oil-rich countries **have money to burn**.
2. I always insist on **getting my money's worth**.
3. She seems **to be in the money**.
4. He **made good money** when he worked.
5. He deserves to get **danger money** for that risky job.
6. Do you have any **money** on you?
7. When he was ten, his **pocket money** was 5\$ a week.
8. It was just **money for old rope**.
9. Take it away! This **blood money** of yours!

Ex. 2. Read and translate the following words and word combinations.

Mind the stress: a) on the first syllable; b) on the second syllable; c) on two syllables.

a) Coin, credit, currency, medium, money, money order, purchasing power, service, standard, constant store of value, legal, tender, reckon, measure;

b) commodity, demand, inflation, rapidity, transaction, maintain, provide, regard, originally;

c) substitute, originate, origination, originator.

Word List

<p>Nouns and noun phrases cheque – чек coin – монета commodity – товар (сырьевой) credit – кредит currency – валюта demand – спрос inflation – инфляция medium – средство money – деньги note – записка paper note – банкнота order – порядок, приказ money order – платежное поручение power – сила, мощь, pl. – способности purchasing power – покупательная способность rapidity – быстрота, скорость service – услуга standard – стандарт gold standard – золотой стандарт store – запас constant store – постоянный запас ценностей supply – предложение tender – предложение legal tender – законное платежное средство (деньги)</p>	<p>term – период, элемент, pl. - условия in terms – с точки зрения, в смысле, что касается transaction – сделка value – ценность, стоимость, важность</p> <p>Adjectives constant – постоянный valuable – ценный</p> <p>Verbs judge – судить, считать issue – выпускать, издавать, выходить maintain – поддерживать, сохранять measure – измерять provide – обеспечивать provide somebody with money – обеспечивать кого-либо деньгами reckon – считать regard – считать be regarded - считаться sell – продавать sell for money – продавать за деньги substitute – заменять</p> <p>Adverbs originally – первоначально, исходно, по происхождению</p>
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Ex. 3. Using a dictionary add as many words as possible into the table.

Verbs	Adjective	Nouns
1.		credit
2.		inflation
3.		note
4.		power
5.		service
6.		standard
7. to judge		
8. to measure		
9.	valuable	

Ex. 4. Make adjectives from the following nouns.

Nouns

Adjectives

constant
value
current
medium
note
rapidity

Ex. 5. Make nouns from the following verbs.

Verbs

Nouns

to maintain
to provide
to sell
to substitute
to originate
to transact

Ex. 6. Make verbs from the following nouns.

Nouns

Verbs

coin
credit
demand
note
order
power
service
store
tender
term
issue
regard

Ex. 7. Read the following information about money.

1. In Great Britain the currency used is the pound sterling. (£) In the USA (and many other countries) the currency is the dollar. (\$) $\text{£1} = 100 \text{ pence (p)}$; $\text{\$1} = 100 \text{ cents (c)}$
Note that the sign goes **before** the figure.
2. When speaking about sums of money we say:

\$1.35	a dollar thirty five (or one thirty five)
\$3,000	three thousand dollars
five cent coins	nickels
ten cent coins	dimes

twenty-five cent coins	quarters
fifty cent coins	half dollars
50p	fifty p, fifty pence (not * pences)
J1.99	one (pound) ninety nine

Note that we do not add 'and' between the figures representing pounds/dollars and pence/cents.

Nor do we mix figures and words; the following are wrong: not * J39 ninety nine; J Twenty five; 457 dollars

3. The separation of units of a thousand can be made by using a comma (,) or with a blank:

FF 365,027,968.80 = three hundred and sixty five million twenty seven thousand nine hundred and sixty eight francs eighty centimes

4. It is customary to place the currency sign before the figure: DM16.7bn; FF140m; L1,200bn; HK\$2,500; Y9,000; J250

5. A sum of money is used with a verb in the singular: These days J50,000 is not a large sum of money. Why was US\$115.69 paid in addition to the ocean freight?

6. It is now common to see the abbreviation K: \$ 100K (a hundred thousand dollars)

Write these out as you would say them.

1. \$1.45
2. &8.50
3. \$199,000
4. J352.29
5. \$75.50
6. £225.000.000
7. 89p
8. \$354.50

TEXT 1. MONEY

Savings is a very fine thing. Especially when your parents have done it for you.

Sir Winston Churchill (1874-1965), English statesman, writer, and Prime Minister.

I. Read the text to get the gist of it. Answer the following questions.

- a) Why is the role of money so important?
- b) What does the purchasing power depend on?

The work which people undertake provides them with money. People buy essential commodities with money. All values in the economic system are measured in terms of money. Our goods and services are sold for money, and that money is in its turn exchanged for other goods and services. Coins are adequate for small transactions, while paper notes are used for general busi-

ness. Originally, a valuable metal (gold, silver or copper) served as a constant store of value, and even today the American dollar is technically 'backed' by the store of gold which the US government maintains. Because gold has been universally regarded as a very valuable metal, national currencies were for many years judged in terms of the so called 'gold standard'. Nowadays national currencies are considered to be as strong as the national economies which support them.

Valuable metal has generally been replaced by paper notes. These notes are issued by government and authorized banks, and are known as 'legal tender'. Other arrangements such as cheques and money orders are not legal tender. They perform the function of substitute money and are known as 'instruments of credit'. Credit is offered only when creditors believe that they have a good chance of obtaining legal tender when they present such instruments at a bank or other authorized institutions. If a man's assets are known to be considerable then his credit will be good. If his assets are in doubt, then it may be difficult for him to obtain large sums of credit or even to pay for goods with a cheque.

The value of money is basically its value as a medium of exchange or as economists put it, its 'purchasing power'. This purchasing power is dependent on supply and demand. The demand of money is reckonable as the quantity needed to effect business transactions. The demand for money is related to the rapidity with which the business is done. The supply of money is the actual amount in notes and coins available for business purposes. If too much money is available, its value decreases. This condition is known as 'inflation'.

I. Complete the sentences with the words from the box below.

Currencies, medium, money, metal, paper notes, demand, amount, inflation.

1. Our goods and services are sold for
2. A valuable ... (gold, silver or copper) served as a constant store of value.
3. National ... are considered to be as strong as the national economies.
4. are issued by government and authorized banks.
5. The value of money is basically its value as a ... of exchange.
6. Purchasing power is dependent on supply and
7. The supply of money is the actual ... in notes and coins.
8. The condition when too much money is available is known as

II. Translate into English.

1. Люди покупают товары за деньги.
2. Товары и услуги продаются за деньги, а деньги в свою очередь обмениваются на другие товары и услуги.
3. Драгоценные металлы (золото, серебро и медь) служили постоянным запасом ценностей.
4. Сейчас национальные валюты оцениваются в соответствии с уровнем

развития национальных экономик.

5. Банкноты выпускаются правительством и некоторыми банками и считаются законным платежным средством.
6. Если человек обладает значительными активами, он может получить хороший кредит.
7. Покупательная способность денег зависит от спроса и предложения.
8. При инфляции ценность денег уменьшается.

III. Make up your own sentences using the following words and word combinations.

Money, coins, paper notes, purchasing power, goods and services, to be sold, to be considered, inflation, gold, valuable metal, gold standard, national currencies, to be judged.

IV. Read the text again and decide which of these statements are correct.

1. People buy only some commodities with money.
2. Some values in the economic system are measured in terms of money.
3. Coins are adequate for general business, while paper notes are used for small transactions.
4. Today the American dollar isn't 'backed' by the store of gold which the US government maintains.
5. Gold has been universally regarded as a very valuable metal.
6. Paper notes, cheques and money orders are issued by government and authorized banks, and are known as 'legal tender'.
7. The demand for money is related to the rapidity of the business.

V. Choose the best endings to the following statements.

1. Our goods and services are sold for money, and that money is exchanged for
 - a) cheques
 - b) money orders
 - c) other goods and services
2. Originally, a valuable metal served as
 - a) 'an instrument of credit'
 - b) a constant store of value
 - c) a national currency
3. The US government maintains
 - a) the American dollar
 - b) the British pound
 - c) the French franc
4. Nowadays national currencies are considered to be as strong as
 - a) the national economies
 - b) the government

- c) the banking system
- 5. Cheques and money orders perform the function of...
 - a) money
 - b) substitute money
 - c) a constant store of value
- 6. A man will obtain large sums of credit if his assets
 - a) are considerable
 - b) are in doubt
 - c) equal zero
- 7. The purchasing power is dependent on
 - a) credit
 - b) supply and demand
 - c) business transactions

VI. Complete the unfinished questions in column A that are answered in column B.

A	B
What ...?	Money
What ...?	Coins
What ...?	Paper notes
What ...?	Cheques and money orders
What ...?	Legal tender
What ...?	Inflation

VII. Speak about money, substitute money, purchasing power and inflation using key words, phrases, the topic sentences and the outline.

TEXT 2. THE FUNCTIONS OF MONEY

Money serves as (1) a medium of exchange, (2) a unit of account, and (3) a store of value. We examine each of these functions, beginning with medium of exchange.

A **medium of exchange**, or a transactions medium, is anything generally acceptable as a means of payment in the exchange of goods and services, in repaying debts, and in the exchange of assets, such as shares of common stock.

The second function of money is to serve as a unit of account. A **unit of account** is a yardstick for measuring prices and values and a benchmark for comparing them. In principle, any commodity can serve as a unit of account. Having chosen the good, we can express the price of each of the rest of the goods in units of that good. Historically, societies designated a single item to serve as the unit of account, say, a kilogram of wheat. In this way, each good could be priced at so many kilograms of wheat per unit. In modern times, pa-

per money is the unit of account. For example, the dollar is the unit of account in the United States. Knowing that a pound of peaches costs two dollars and a pound of apples costs one dollar enables us to compare their value. Thus, money becomes a *standard of value*.

Normally, the same item serves as the unit of account and the medium of exchange: the dollar in the United States; the yen in Japan; the mark in Germany. In abnormal times, however, societies divorce the two functions of money, often unofficially. For example, although the ruble is the unit of account in Russia, some Russians use foreign currencies, such as the dollar and the mark, as the unofficial medium of exchange. Many Russians, without access to foreign currencies, resort to barter. Invariably, the reason for the divorce of the medium of exchange from the unit of account is a deterioration of the currency as a store of value, which takes us to the third function of money.

A store of value is a reservoir of *future purchasing power*. Money is both a temporary and a permanent store of purchasing power. The function of money as a temporary store of purchasing power is an outgrowth of its function as a medium of exchange. If an item is to serve as a medium of exchange, people must hold that item to carry out their transactions. For example, consider an individual who earns \$700 a week but plans to spend \$560 on goods and services and save \$140 every week. Usually this individual will not spend the entire \$560 on payday. Instead, he may spend \$90 on payday and hold \$470 in the form of money to be spent over the course of the week. This \$470 held in money is a temporary store of purchasing power.

People, however, hold more money than they need to carry out their transactions. Why? The answer is that money can also serve as a permanent store of purchasing power. Individuals who save forgo present consumption to have higher future consumption. The wealth of individuals is their accumulated savings. Money is one form in which individuals may keep their wealth; stocks, bonds, and real estate are other forms. Of course, when wealth is held in money, in the future it will not need to be exchanged to buy goods and services. The ability of money to serve as a store of value depends on its capacity to retain its purchasing power.

1. Illustrate your understanding of three functions of money with your own examples.

GRAMMAR FOCUS

I. Fill in the gaps with the prepositions *in, with, on, to, for* or *of*.

1. The work which people undertake provides them ... money.
2. All values in the economic system are measured ... terms of money.
3. The purchasing power is dependent... supply and demand.
4. The demand for money is related ... the rapidity with which the business is done.

5. The supply of money is the actual amount in notes and coins available ... business purposes.
6. People accept money in exchange ... goods and services.
7. The role of money depends the state of development of an economy.
8. Money performs the function of means ... payment.
9. A great variety of commodities has served as a medium of exchange in economies based ... the division of labour.
10. In contrast... notes and coins giro money is a cashless means of payment.
11. The amount granted ... the borrower is credited to a current account and thus becomes book money.

TEXT 3. THE WORLD'S MAJOR CURRENCIES

The currencies of the world's major economies have names and backgrounds that are as diverse as the countries themselves.

The dollar, used in many countries including the USA, Canada, Australia, gets its name from a silver coin minted during the Middle Ages in a small valley, or "ThaL", in Bohemia called Joachimsthal.

Just as a sausage from Frankfurt came to be called a frankfurter, the coins from Joachimsthal were called "Joachimsthaler" or simply "Thaler," and came to be called "dollar" in English.

The *pound*, used in Britain, Egypt, and Lebanon among others, refers to the weight used in determining the value of coins, based on precious metals such as gold or sterling. The *penny* has the same origin as the **word pawn**, found in terms such as *pawn shop*, and originally meant "to pledge." A penny, like any currency, is a "pledge" of value. In Italy and Turkey, the currency is called *lira*. The word is based on the Latin *libra*, meaning "pound," and once again refers to the weight of the original coins.

In Spanish, the word meaning "weight," *peso*, is used to describe the coins that were based on a certain weight of gold or silver. Originally, there were gold coins called *peso de oro* and silver ones called *peso de plata*. In Spain, the currency is called *peseta*, meaning "small peso." The word *peso* is used to describe the currency in many Spanish-speaking countries in Latin America.

In Denmark, Norway, and Sweden, the word for crown – *kroner* in Denmark and Norway, *krona* in Sweden – is used to describe the currency that was originally minted by the king and queen, with royal crowns stamped on the earlier coins. Today, the crown has been replaced by other symbols, but the name remains.

The *franc*, used in France, Switzerland, Belgium, and other countries and territories, is based on the early coins used in France that bore the Latin inscription *franconium rex*, meaning "king of the Franks." The coin, as well as the country, took its name from one of the original tribes that settled in the

area, the Franks.

The German *mark* and Finnish *markka* derive their names from the small marks that were cut into coins to indicate their precious metal content. The German mark, *deutsche mark* in German, is often called by its shortened name, D-mark.

The *riyal*, in Saudi Arabia and Qatar, and the *rial* in Iran, are based on the Spanish word *real* – which, in turn, was derived from the Latin *regal(is)* – referring to earlier "royal" coins. The *dinar*, used in Iraq and Kuwait among others, derives its name from "denarius," a Roman coin that was worth "ten bronze asses," an item of considerable value in days of old. In India, Pakistan, and other countries of the subcontinent, the currency is called *rupee* (in Indonesia, *rupiah*), based on the Sanskrit word *rupya*, meaning "coined silver."

The ancient Chinese word *yiam* meant "round," or "small round thing." The name of the Japanese currency, the *yen*, and the name of the Chinese currency, the *yuan*, both derived from the old Chinese word, refer to the round shape of the original coins.

1. What other names and backgrounds of the national currencies do you know?
2. What are the backgrounds of the national currency in your country?

TEXT 4. MONETARISM AND MONEY LAUNDERING

A.

- *Ex. I. Scan through the text. Work in pairs to answer the questions that follow.*

Monetarism as an economic theory states that inflation is caused by an excessive supply of money. Thus the best way to manage and control a country's economic system is to limit the amount of money in circulation. Where there is too much money it will cause the price of goods to rise, i.e. the value of money will fall. The concept of money supply (all the money that exists in a country's economic system at a particular time) plays an important role in economic policymaking, because many economists believe that it is the quantity of money within the economy that ultimately determines real price levels, the rate of economic growth, and the rate of inflation. The Federal Reserve Banks in the United States and the Bank of England in the United Kingdom regulate the money supply to stabilize their respective economies. The Federal Reserve Banks, for example, can buy or sell government securities, thereby expanding or contracting the money supply. Monetary systems are today very much alike in all the major countries of the world. Monetary systems consist of three levels: [1] the holders of money (the "public") - individuals, businesses, governmental units; [2] commercial banks, which borrow, by way of demand deposits

(bank deposits that can be withdrawn without advance notice), from the public and make loans to individuals, firms, or governments; and [3] central banks, which have a monopoly on the issue of money, serve as the bankers for the central government and the commercial banks, and have the power to determine the quantity of money in circulation.

Monetarism - монетаризм; money supply - денежная масса в обращении; government securities – государственные ценные бумаги; expand - расширять; contract - сокращать; governmental units - правительственные подразделения; demand deposit - вклад до востребования.

1) What does monetarism state? 2) What is the best way to manage an economy? 3) What will cause the price of goods to rise? 4) What plays an important role in economic policymaking? 5) What do economists believe? 6) What might be done to expand or contract the money supply? 7) What is the first level of monetary systems? 8) What is the second level of monetary systems? 9) What is its third level?

► *Ex. II. Agree or disagree with the following statements.*

1) Deflation is caused by an excessive supply of money. 2) Too much money in circulation does not cause the price of goods to rise. 3) To limit the amount of money in circulation is the best way to control an economy. 4) Money supply plays an insignificant role in economic policymaking. 5) The quantity of money in circulation has a strong influence on real prices. 6) The quantity of money in circulation has a strong effect on the rate of economic growth. 7) Commercial banks do not borrow money from the public.

► *Ex. III. Translate the following words, phrases and statements from Russian into English.*

Монетаризм; стабилизировать; соответственный; регулировать; темп экономического роста; инфляция; быть причиной; чрезмерный; денежная масса в обращении; стоимость; мнение; управлять; контролировать; количество; разработка политического курса; полагать; в конце концов; определять; уровень; государственные ценные бумаги; таким образом; расширять; сокращать; денежный; главный; держатель; фирма; правительственные подразделения; занимать; вклад до востребования; ссуда; эмиссия; темп развития инфляции; Федеративный резервный банк; общественность.

Монетаризм - это экономическое учение, согласно которому принцип жесткого контроля над количеством денег в обращении является основным инструментом денежно-кредитной политики, особенно направленной против инфляции. Монетаризм обычно влечет за собой сокращение расходов населения и временное установление высоких процентных ставок.

- **Ex. IV.** Complete the following statements. Choose one topic to speak about a) the first level of monetary systems; b) the second level of monetary systems; c) the third level of monetary systems. Retell the text **Monetarism**.

1) Monetarism states ... 2) The best way to control a country's economic system is ... 3) ... will cause the price of goods to rise. 4) The concept of money supply plays ... 5) Many economists believe ... 6) ... regulate the money supply to stabilize ... 7)... can buy or sell... 8) Monetary systems consist of...

B.

- **Ex. I.** Scan through the text. Work in pairs to answer the questions that follow.

Money laundering. Criminals use the financial system to put money which has been obtained illegally into legal businesses and bank accounts, so that they can hide it or use it. These activities are commonly referred to as money laundering. In January 1989 the Basle Statement of Principles on Money Laundering was circulated to all institutions authorised under the Banking Act. The Statement of Principles does not restrict itself to drug related money laundering, but extends to all aspects of laundering through the banking system, i.e. the deposit, transfer and / or concealment of money derived from illicit activities whether robbery, terrorism, fraud or drugs. The Statement of Principles seeks to deny to those involved in money laundering by the application of the following principles: (a) Know your customer - banks should make reasonable efforts to determine the customer's true identity, and have effective procedures for verifying the bona fides of new customers, that is, they are who they say they are. (b) Compliance with laws - banks should ensure that business is conducted in conformity with high ethical standards and laws; that a service is not provided where there is good reason to suppose that transactions are associated with laundering activities, (c) Cooperation with law enforcement agencies - within any constraints imposed by rules relating to customer confidentiality, banks should co-operate fully with national law enforcement agencies including, where there are reasonable grounds for suspecting money laundering, taking appropriate measures which are consistent with the law.

Money-laundering - отмывание денег; laundered money - отмытые деньги; circulate / extend - распространять; authorize - узаконить; restrict - ограничивать; transfer - перемещение; concealment - утаивание; illicit - незаконный; deny [di'nai] - не допускать; reasonable - разумный; true [tru:] - подлинный; identity [ai'dentiti] - опознание личности; verify [verifai] - удостоверить подлинность; bona fides - добросовестность, честность; law compliance - соблюдение закона; constraints - ограничения; confidentiality - конфиденциальность; consistent - согласующийся; mistaken identity - принятие одного лица за другое.

1) What is commonly referred to as money laundering? 2) What was circulated to all banks in 1989? 3) What does the Statement of Principles extend to? 4) How many principles are included in the Statement of Principles? 5) What is the first one? 6) What is the second one? 7) What is the third one?

► *Ex. II. Agree or disagree with the following statements.*

1) Banks should determine the customer's mistaken identity. 2) Banks should not check the bona fides of new customers. 3) If you check someone's bona fides, you check that they are who they say they are. 4) Banks should ensure that business is conducted in a way that obeys rules. 5) Banks should make it certain that a service is not provided where there are laundering activities. 6) Banks should disobey law enforcement agencies. 7) Banks should take correct or suitable measures against money laundering.

► *Ex. III. Translate the following words, phrases and statements from Russian into English.*

Ошибочное опознание личности; применение; разумный; подлинный; опознание личности; удостоверить подлинность; добросовестность; соблюдение закона; обеспечивать; соответствие; предоставлять; предполагать; распространять; трансферт; утаивание; незаконный; мошенничество; искать; не допускать; сделка; отмывание денег; узаконить; отмытые деньги; ограничивать; ассоциироваться; полицейский орган; ограничения; конфиденциальность; согласующийся.

Отмытые деньги - это средства, посланные последовательно через большое число депозитарных институтов в попытке скрыть источник денег. Гангстеры отмывают деньги для придания видимости легальности нелегальным источникам своего обогащения.

► *Ex. IV. Complete the following statements. Choose one topic to speak about Money laundering a) its first principle; b) its second principle; c) its third principle. Retell the text Money laundering.*

1) Criminals use ... 2) These activities are referred to as ... 3)... was circulated to ... 4) The Statement of Principles does not restrict ... but extends to ... 5) Banks should make ... 6) Banks should have ... for verifying ... 7) Banks should ensure that business is ... 8) Banks should ensure that a service is ... 9) Banks should co-operate ... including taking ...

BANKING

A banker is a man who lends you umbrella when the weather is fair, and takes it away from you when it rains.

Your vocabulary

Banks

- financial institutions that offer the widest range of financial services - especially credit, savings, and payment services – and perform the widest range of financial functions of any business firm in the economy.

Affiliated bank

- bank whose stock has been acquired by a bank holding company.

Bankers' banks

- groups of banks that are given a legal permit to create regional service firms in order to facilitate the delivery of certain customer services, such as rapid transfer and investment of customer funds and the execution of orders to buy or sell securities.

Bank holding company

- a corporation chartered for the purpose of holding the stock (equity shares) of one or more banks.

Correspondent banking

- a system of formal and informal relationships among large and small banks established to facilitate the exchange of certain services, such as clearing checks.

Nonbank banks

- financial service firms that either offer checking account services or grant commercial loans but not both of these services.

Unit banks

- banks that offer the full range of their services from one office, though a small number of services (such as taking deposits or cashing checks) may be offered from limited-service facilities (such as drive-in windows and automated teller machines).

Ex.1. *Translate the following sentences. Pay attention to the italicized words.*

1. Don't *bank on* going abroad this summer, we may not have enough money.
2. The morning began fine, but now clouds are *banking up*.
3. I have always banked with the *Royal Bank*.
4. They have an access to huge *banks* of public data or library information.
5. The only way out is to ask your *bank* for a loan.
6. I am not sure if I should buy this suit. - Come on! It won't *break the bank*.
7. Mr. Smith had *bankrolled* them when they had nothing.

Ex. 2. Match the term with its definition.

Discount house, deposit, loan, charter, lend, borrow, denomination, claim, installment, repository.

1. A place where you keep objects of a particular type.
2. A sum of money lent for an agreed period of time and at an agreed rate of interest.
3. Demand or request for a thing considered one's due.
4. A document granting rights, issued by a legislature.
5. Any of several usually equal payments for something.
6. Money left with an organization for safe keeping or to earn interest.
7. Class of measurement of money.
8. Company or bank on the discount market that specializes in discounting bills of exchange.
9. Acquire temporarily, promising or intending to return.
10. Allow the use of money at interest.

Ex. 3. Study the following words and word combinations. Make your own sentences, using each of them. Translate the sentences into Russian.

Risk; riskless; risky; desirable risk-return features; risk-taker; low-risk securities; risk-exposure; riskiness; insurable risk; at risk; put at risk; ran a risk; take a risk; risk capital; calculated risk; risk on.

TERMS TO KNOW

damage	повреждение, ущерб, убыток
injury	вред
loss	убыток
absorb losses from risks	покрывать убытки от рисков
subject	подвергаться
handle	управлять, осуществлять контроль, справиться
inventory	товарно-материальные запасы
theft	воровство, кража
flood	наводнение
hurricane	ураган
riots	беспорядки
liability to employees	обязательство перед служащими
safety	безопасность
liability to the public	ответственность перед общественностью
be liable for	быть обязанным возместить вред; быть ответственным за что-либо
apply to	касаться, применить

retail establishment	предприятие розничной торговли
excessive loss	чрезмерный убыток
bad debts	безнадежные долги
extend credit	продлевать кредит
collect accounts receivable	взыскивать счета к получению
loss through dishonest employees	убыток от нечестных служащих
securities	ценные бумаги
cope with	справиться с чем-либо
financial hardship	финансовые затруднения
cause	служить поводом, вызывать
go out of the business	ликвидировать предприятие
prospects	перспективы
lack of liquidity	отсутствие ликвидности
marketing risk	рыночный риск
cover	покрывать, обеспечивать денежное покрытие
fall in value	понижаться в стоимости
drop	падать, снижаться, понижаться
location	местонахождение, расположение
style	вид, модель
fall out of favor	не пользоваться спросом
self-insurance	самострахование
set aside	оставлять
reserve fund	резервный фонд, резервный капитал
losses incurred	понесенные потери
insurance policy	страховой полис
shift the risk to smb	переложить риск на кого-либо
hedging	хеджирование, страхование от потерь
quote	назначать цену, котировать
commodity exchange	товарная биржа
keep informed	держат в курсе
price trend	тенденция цен
adverse trend	неблагоприятная тенденция
be aware of	знать, сознавать
appeal to	обратиться к; прибегнуть, апеллировать (обращаться за советом, поддержкой)
deal in futures	сделки на срок (фьючерсные сделки)
insure	страховать
statute law	статутное право; право, выраженное в законодательных актах
pay off	полностью рассчитаться, оплатить
assume responsibility	взять на себя ответственность
outsell	продавать больше, чем конкуренты
erosion	разрушение, эрозия

take the market share from smb
bring forward
extend a payback period
average rate of return
breakeven point

sales target

отнять долю рынка от кого-либо
перенести на более ранний срок
продлевать период окупаемости
средний коэффициент окупаемости
точка критического объема
производства
плановое задание по реализации
продукции

WORD STUDY

1. Match the words with their definitions.

inventory, property, account receivable, hedging, profit, damage, legislation, expensive, securities, self-insurance

- 1) The difference between the price received for a product and the amounts paid as rewards to the factors of production.
- 2) An operation adopted by merchants and others in the commodity markets who deal in futures to protect themselves against risk of loss, caused by future changes in price.
- 3) Any thing that has value and can be owned, including things having substance, such as land, money, etc.
- 4) Investments generally, especially stocks, shares and bonds which are bought as investments.
- 5) The accumulation of a fund of money as a reserve to provide for possible losses in the future that could easily have been insured with in insurance company.
- 6) Stocks held by a business for sale to its customers; a detailed list of things.
- 7) Dear; costing much money; needing great expense; high priced.
- 8) Laws, especially statute laws, i.e. Acts of Parliament in Britain, Acts of Congress in USA.
- 9) A sum of money due to be received from a customer in the ordinary course of trade but not yet paid.
- 10) Harm; loss of value caused by being broken or spoilt.

2. Supply the sentences with the missing words

risk, damaged, responsibility, premises, debt, protection, liquidity, set aside, hedging, commodity

- 1) It was evident that it had created ... problems.
- 2) In 1991 the firm moved to new ... in Bethnal Green.
- 3) Labour is bought and sold like any other
- 4) Such a response would be an irrational
- 5) Their failures in this area have ... their self-confidence and credibility.
- 6) This deposit provides a way of ... against fluctuating interest rates.
- 7) You must spend less until your ... are paid off.
- 8) I made a mistake and I will assume ... for it.

- 9) This policy gives you ... against loss of earnings due to sickness or unemployment.
- 10) The government ... barely thirteen percent of this money for health and education.

3. What are the opposites from the text of the following words?

maximum	illegal	rarely
exclude	carelessly	ability
cheap	bad	favourable
disadvantage	many	decrease
wrong	withdraw	failure

4. What are the synonyms from the text of the following words?

venture	regularly	obligation
kind	significance	bonds
for example	unfavourable	ruin
raise	qualified	entire
function	fix	boundary

5. Which key word is missing from these extracts (singular or plural).

a) ... transfer is paying losses with funds that originate outside the organization. By purchasing insurance, companies transfer the ... of loss to an insurance firm, which agrees to pay for certain types of losses. In exchange, the insurance firm collects a fee known as a premium. Proper ... management nearly always requires a combination of at least one ...-control technique and at least one ...-financing technique.

b) In ... management, it is useful to distinguish between insurable and uninsurable Outside insurers are not eager to promise that they will pay for losses unless there is some reasonable expectation that they won't have to. Most (but not all) pure ... are insurable; in general, speculative ... are not insurable.

TEXT 4. Risks and how to deal with them

Risk can be defined as the chance of **damage**¹, injury, or loss. Every business firm operates with daily risks, and the small firm is no exception. The small firm is characteristically less able to absorb losses from risks. These facts make it very important that every small firm understands the risks to which it is subject. Once these are known, a policy can be established on how best to **handle**² the risks so as to keep losses to a minimum.

Risks faced by the small firm:

-damage to property. The property of most small firms is represented by its **inventory**³ and its building if it is owned by the firm. The building and the inventory are constantly subject to the risks of damage and loss from fire, theft, floods, hurricanes, and **riots**⁴.

-**liability**⁵ to employees. All employers are responsible for the health and safety of employees while they are performing their duties for the firm. Legislation giving employers such responsibility has been one of the greatest developments in social responsibility in recent years.

-liability to the public. This type of risk is often illustrated by the proverbial slip on a banana peel by a customer in the store. Store owners are liable for injuries received by persons on their premises. This liability applies to apartment houses, factories, and wholesale establishments as well as to retail establishments. This risk includes not only physical injuries, but also damage to the property of others.

-excessive loss from bad debts. We have noted the importance of extending credit carefully and on the basis of a well-established procedure. Losses due to inability to collect **accounts receivable**⁶ can be severe. Protection against such losses can be expensive.

-loss through dishonest employees. No business-people like to admit they have dishonest employees. However, countless cases of employee theft are reported every year. Such losses can be in the form of cash, **securities**⁷, or merchandise. This is another real risk that must be recognized and coped with.

-financial hardship. Financial hardship has probably caused more small firms to go out of business than any other single risk, it is especially sad to see a firm with otherwise excellent prospects suffer because the lack of liquidity has been allowed to dominate its financial condition.

-marketing risks. Marketing risks cover such things as having an inventory of merchandise suddenly fall in value because the market price has dropped. Having a location lose its value is also a marketing risk. In the sale of style merchandise, situations occur when **the style**⁸ has fallen out of favor and the remaining merchandise on the owner's shelves has lost most of its value.

When the existing risks are known, business owners may turn their attention to the matter of what to do about them. They will realize that some risks are easier to control than others. In all cases good management will do some of the following:

- Remove the cause.

- Create **self-insurance**⁹. Under a self-insurance plan, a specified amount is **set aside**¹⁰ in a reserve fund «each year to be available to cover any losses incurred.

- Purchase Outside Insurance. An **insurance policy**¹¹ shifts the risk to the insurance company. Insurance can be purchased from established insurance firms to cover many of the risks listed here. These are considered nor-

mal business risks. In addition, Lloyd's of London will insure almost any nonbusiness risk - for a price.

- Practice **hedging**¹². Any small firm that buys quantities of products quoted on the nation's well-established commodity exchanges should know about hedging and should practice it to protect normal profits. Hedging is often misunderstood as a device to make profits, but it is only to protect normal profits.

- Good management. Good planning and good management are probably the best protection against most of the other risks that have been considered. For instance, good management will keep itself informed of price trends; good accounting records and study of operations against a budget will warn of any developing adverse trends. The risk of financial hardship can best be coped with by proper financial planning and financial management.

Notes: 1. ущерб, убыток; 2. управлять, осуществлять контроль; 3. товарные запасы; 4. беспорядки; 5. ответственность; 6. счета к получению; 7. ценные бумаги; 8. вид, модель; 9. самострахование; 10. оставлять; 11. страховой полис; 12. хеджирование, страхование от потерь.

COMPREHENSION

1. Answer the following questions.

- 1) How can risks be defined?
- 2) What risks are faced by the small firms?
- 3) What is the best way to protect a business against the risk of financial hardship?
- 4) What can be done to handle the risks?
- 5) What are the most effective ways of keeping losses to a minimum?
- 6) What is meant by "shifting the risk" as a means of coping with possible loss?

2. In each of the following, select the word or phrase that best completes the statement or answers the question.

1) What of most small firms is represented by its inventory and buildings?

- | | |
|------------------|----------------|
| a. the property | c. the capital |
| b. the workforce | d. the fund |

2) Who gives employers responsibility for the health and safety of employees when they are performing their duties?

- | | |
|----------------|----------------|
| a. the firm | c. the state |
| b. the manager | d. legislation |

3) Protection against losses due to inability to collect accounts receivable can be

- | | |
|-------------------|----------|
| a. well-organized | c. cheap |
|-------------------|----------|

b. expensive

d. well-done

4) Losses through dishonest employees can be in the form of

a. cash

c. securities

b. merchandise

d. all of these

5) When business owners are aware of the existing risks they may

a. appeal to the insurance company

b. pay their attention to the matter of how to handle them

c. run their business successfully

6) A self-insurance plan is

a. a plan to cope with losses

b. a capital spending plan

c. a specified amount set aside in a reserve fund each year

7) Fire Insurance is property insurance that covers risks of

a. the damage of water

c. the damage of smoke

b. fire

d. all of these

8) Hedging is a device to

a. run business

c. make profits

b. protect profits

d. keep accounting records

GRAMMAR FOCUS

1. Complete the following sentences with an appropriate modal verb.

1) Entrance is forbidden. You ... not enter.

2) Success is possible. We ... be successful.

3) Participation is compulsory. We ... to take part.

4) Permission is given. You ... take the afternoon off.

5) Success is probable. We ... succeed.

6) He has the ability. He ... win the competition.

7) Participation is voluntary. We ... to go to the reception.

8) Failure is impossible. We ... fail.

9) Permission is not given. You ... leave the building.

2. Put the following sentences into the past.

1) We have cut prices dramatically.

2) They are outselling us in all sectors of the market.

3) We may lose our dominant position.

4) We have seen a gradual erosion of our position.

5) We will take market share from our competitors.

6) We are bringing forward our monthly meeting.

3. Complete the following sentences by putting the verbs in the right form.

1) If the project (fail), we (lose) a lot of money.

2) We (can) extend the payback period if we (adopt) an ARR method (Average rate of return).

3) We (get) a truer picture if we (take) into account present values of money.

- 4) We (not invest) unless we (foresee) a realistic chance of long-term profits.
- 5) As long as the project (be financed) from outside sources, we (have to) ensure a much higher rate of return.
- 6) If we (lose) money in the first two years, we (start) to doubt the viability of the project.
- 7) Unless we (be committed) to the project long-term, we (not carry) it through.
- 8) Breakeven point (come) a year earlier if we (manage) to reach these sales targets.

WRITING

1. Write a summary of the text.

TEXT 5. BANKING

A. Preliminary discussion

1. What banking facilities do you use?
2. What other services do commercial banks offer?
3. What changes have there been in personal banking recently?

B. Pre-reading exercises

B.1. Skim the text and give its key idea.

B.2. Scan the text for the following information.

1. How have banks and thrifts made banking more convenient?
2. What could endanger the stability of the banking system?
3. What has technological progress led to?

C. Reading

C. Read the text and answer the questions.

1. Why are the shares of total financial assets of banks and thrifts declining?
2. How have banks and thrifts responded to the relative decline in traditional banking?
3. What do banks want changes in the law for?
4. What are the consequences of the increased integration of world financial markets?
5. How does E-cash work?

Recent Developments in Money and Banking

C R. McConnell, S. L. Brue

The banking industry is undergoing a series of sweeping changes, spurred by competition from other financial institutions, globalization of banking, and advances in information technology.

The Relative Decline of Banks and Thrifts

Banks and thrifts are just two of several types of firms offering financial services. Although banks and thrifts remain the main institutions offering checkable deposits, their shares of total financial assets (value of things owned) are declining.

Pension funds, insurance companies, securities-related firms, and especially mutual funds have all expanded their shares of financial assets. Clearly, US households and businesses are channeling relatively more savings away from banks and thrifts and toward other financial institutions, mainly because these ones generally offer higher rates of return than do banks and thrifts. They are able to do so largely because they can participate more fully than banks and thrifts in national and international stock and bond markets. Banks and thrifts have responded to the relative decline in traditional banking in several ways.

Expansion of Services. In recent years, banks and thrifts has begun offering a variety of new services. For example, banks have increased their lending for commercial real estate projects such as housing developments, apartments, and office buildings. Banks and thrifts have developed new loan "products" such as home equity loans (loans based on the value of one's house) and low- or zero-down-payment mortgages. They also now offer a variety of interest-bearing accounts such as money market deposit accounts. Banks and thrifts have made banking more convenient by opening up full-service branch banks in suburbs and "minibanks" in shopping malls and grocery stores. Supplementing these branches has been an explosion in the number of bank-owned automatic teller machines (ATMs) which allow customers to withdraw cash, deposit checks, move money between accounts, and make other banking transactions. They have also introduced "bank-by-telephone" and, more recently, "bank by Internet" services.

Push for Regulatory Reform. In 1994 Congress ended Federal restrictions on banks' branching into other states, and a 1996 reform partially ended the legal separation of the banking industry and the securities-related industry. Banks are now allowed to obtain up to one-fourth of their revenues from security transactions. This change set up a flurry of purchases of small security firms by banks. Banks have pressed for further latitude in engaging in security-related activities. They would like to offer stock accounts, much as mutual fund companies and security-related companies do now.

Banks point out that less-regulated firms have invaded traditional banking, while banks have been prohibited from offering non-banking products. For example, General Motors and AT&T now offer credit cards, and mutual fund companies now offer money market mutual funds, which pay relatively high interest and on which large checks (\$ 500 or more) can be written. To counter such encroachments, banks want changes in the law so that they can own and operate companies in any line of business. With such reform, a bank could merge with, say, an insurance company or even a manufacturer of cash

registers.

Critics of these reforms are concerned that increased participation by banks in non-banking businesses could endanger the stability of the banking system. Losses in other lines of business during times of recession might cause the firms to fail, collapsing their banking operations along with them. Such bank failures might undermine confidence in the entire banking system and in the Fed's ability to maintain an adequate supply of money.

Globalization of Financial Markets

Another significant banking development is the increased integration of world financial markets. Major foreign financial institutions have operations in the United States, and US financial institutions do business abroad. For example, VISA, MasterCard, and American Express offer worldwide credit card services. Moreover, US mutual fund companies now offer a variety of international stock and bond funds. Globally, financial capital increasingly flows in search of the highest risk-adjusted returns. As a result, US banks must increasingly compete with foreign banks for both deposits and loan customers. Recent advances in computer and communications technology mean the trend toward international financial integration is likely to accelerate. Nevertheless, we must not overstate the extent of this globalization. Studies indicate that the bulk of investment in the major nations is still financed through domestic savings within each nation.

Electronic Money

Technological progress has also led to a new form of money: electronic cash and "smart cards." Although still in their infancies, these innovations potentially are of great significance to commercial banks, thrifts, and central banks.

Electronic money, dubbed E-cash, is simply an entry in an electronic file stored in a computer. The Internet and the widespread availability of personal computers have made it possible for individuals to use E-cash instead of checks or currency in making transactions. E-cash is deposited, or "loaded," into the account through Internet payments such as a paycheck, retirement benefit, or stock dividend. It is withdrawn, or "unloaded," from the account through Internet, easing payments to others for a wide variety of goods and services.

In the future, account holders will be able to load sums from their E-cash accounts onto so-called stored-value cards. These smart cards are plastic cards containing computer chips which store information, including the amount the consumer has loaded. The amount of each purchase or other payment is then automatically deducted from the balance in the card's memory. Consumers will be able to transfer traditional money to their smart cards through their computers or telephones or at automatic teller machines. Thus, nearly all payments could be made with a personal computer or a smart card.

C.I. Decide whether these statements are True (T) or False (F).

1. Sweeping changes in the banking industry result from the lack of competition between banks and other financial institutions.
2. Banks spur housing developments, construction of apartments and offices.
3. Recently the number of automatic teller machines have dramatically decreased.
4. After a 1996 reform banks are allowed to obtain more than one-fourth of their revenues from security transactions.
5. Competition for deposits and loan customers has become tougher as a result of the increased integration of world financial markets.

D. Vocabulary

D.1. Learn the vocabulary and make up your own sentences.

sweeping changes – changes that affect many people and make a big difference

spur (*v*) – to urge or encourage forcefully to work harder, perform better, etc.

thrift (*n*) – in the US, a savings and loan association or savings bank

rate of return – the amount of profit that a particular investment will make, expressed as a percentage

real estate – land or buildings

housing development – a piece of land on which houses have been built, usually close together, in a planned way

home-equity loan – an additional loan that a borrower takes out on a particular property, as a way to obtain money

down payment – the first payment made in the repayment of a large debt such as a mortgage

money market deposit account – an account held on the money market

flurry (*n*) – sudden confusion or excitement

latitude (*n*) – freedom to do, say, etc. what one likes

money market mutual fund – fund that invests in certificates of deposit (= money put into banks for a particular period of time), commercial paper (= money lent to companies for short periods of time), and treasury bills (= government borrowing over short period of time) rather than shares, company bonds, etc.

encroachment (*n*) – gradually taking more control of someone's rights, property, responsibility, etc.

undermine (*v*) – to weaken or destroy gradually

overstate (*v*) – to state too strongly, making things appear better, worse, or more important than they really are

smart card – a small plastic card with an electronic chip that records and remembers information

dub (*v*) – to name humorously or descriptively

pay check – a check that pays someone's wages

D.2. Give English equivalents to the following words and expressions:

- ◆ смарт-карта; интеллектуальная карта;
- ◆ сберегательное учреждение (сберегательный банк или ссудо-сберегательная ассоциация);
- ◆ кредит, обеспеченный жилым домом по рыночной стоимости минус сумма первой ипотеки;
- ◆ окрестить, дать прозвище;
- ◆ радикальные/разительные перемены;
- ◆ чек на получение заработной платы;
- ◆ волнение; суэта, суматоха;
- ◆ побуждать, подстрекать;
- ◆ свобода; самостоятельность;
- ◆ жилая застройка, жилищное строительство;
- ◆ преувеличивать;
- ◆ недвижимое имущество, недвижимость;
- ◆ вторжение, захват (постепенный), посягательство;
- ◆ норма прибыли;
- ◆ инвестиционный фонд открытого типа;
- ◆ первая выплата, аванс;
- ◆ подрывать;
- ◆ депозитный счет денежного рынка.

D.3. Choose an appropriate word or expression from the box to complete the following sentences.

flurry encroachments rates of return undermine
spurred latitude home-equity loans

1. Sweeping changes in the banking industry have been ... by competition from other financial institutions.
2. Other financial institutions generally offer higher ... than do banks and thrifts.
3. Banks and thrifts have developed new loan "products" such as ... (loans based on the value of one's house) and low- or zero-down-payment mortgages
4. This change has set up a ... of purchases of small security firms by banks.
5. Bank failures might... confidence in the entire banking system.
6. Banks have pressed for further... in engaging in security-related activities.
7. To counter... of mutual fund companies, banks want changes in the law.

D.4. Give synonyms for the italicized words in each sentence below, or briefly explain their meaning.

1. Although banks and thrifts remain the main institutions offering *checkable deposits*, their shares of total *financial assets* (value of things owned) are declining.

2. Pension funds, insurance companies, *securities-related firms*, and especially *mutual funds* have all expanded their shares of financial as sets.
3. They would like to offer *stock accounts*, much as mutual fund companies and security-related companies do now.
4. Globally, financial capital increasingly flows in search of the highest *risk-adjusted returns*.
5. In the future, account holders will be able to load sums from their E-cash accounts onto so-called *stored-value cards*.

VOCABULARY STUDY

Word List

<p>Nouns and noun phrases</p> <p>account – счет</p> <p>current account - общий счет</p> <p>deposit account – депозитный счет</p> <p>book – книга</p> <p>cheque book – чековая книжка</p> <p>saving book – сберегательная книжка</p> <p>borrower – заемщик, получатель ссуды</p> <p>depositor – депозитор, депонент, вкладчик</p> <p>holder – владелец, предъявитель, обладатель, держатель</p> <p>insurance – страхование, страховка</p> <p>intermediary – посредник</p> <p>loan – заем, ссуда</p> <p>profit – польза, выгода</p> <p>pursuit – преследование, погоня, поиски, занятие</p> <p>rate – ставка, норма, размер</p> <p>interest rate – процентная ставка</p> <p>robbery – грабеж</p> <p>security –pl. ценные бумаги, безопасность</p> <p>Adjectives</p> <p>attractive – притягательный, привлекательный</p> <p>cheap – дешевый</p> <p>expensive – дорогой, дорогостоящий</p> <p>fraught – полный, преисполненный, чреватый</p>	<p>reluctant – неохотный</p> <p>sound – здоровый, здравый, солидный, платежеспособный</p> <p>stagnant – застойный, инертный, вялый, косный</p> <p>Verbs</p> <p>cater – удовлетворять, угождать</p> <p>cause – вызывать</p> <p>circulate – распространять, передавать, циркулировать</p> <p>combat – бороться</p> <p>invest – помещать, вкладывать, инвестировать</p> <p>lend (lent, lent) – давать займы, одалживать</p> <p>occur – встречаться, случаться, происходить</p> <p>overdraw (overdrew, overdrawn) – превышать кредит</p> <p>pay (paid, paid) – платить</p> <p>quote – назначить (цену)</p> <p>seek (sought, sought) – искать</p> <p>shift – перемещаться</p> <p>withdraw (withdrew, withdrawn) – снимать, убирать, брать</p> <p>Adverbs</p> <p>cheaply – дешево</p> <p>dearly – дорого</p>
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I. Read and translate the following words and word combinations.

Mind the stress: a) on the first syllable; b) on the second syllable; c) on two syllables.

- a) Borrower, profit, robbery, sound, stagnant, combat, dearly, current;
- b) account, deposit, depositor, insurance, pursuit, security, attractive, expensive, reluctant, invest, occur, withdraw;
- c) intermediary, circulate, overdraw.

II. Match these words with the definitions below.

Bankruptcy, commodity, exchange rate, interest, profit, loan, share.

1. Any article exchanged in trade, but most commonly used to refer to raw materials, including such minerals as tin, copper and manganese, and bulk-produced agricultural products such as coffee, tea and rubber.
2. The orderly liquidation of a firm caused by a default on, or non-payment of its obligations.
3. A sum paid for the use of borrowed capital, usually expressed in terms of a rate or percentage of the capital involved (the interest "rate"), which is normally higher when the risk (including the probability of inflation) is greater.
4. The price at which one currency can be exchanged for another.
5. The amount which remains after all revenues have been added up and all expenses have been subtracted.
6. One of the equal parts into which the capital of a company is divided, entitling the holder of it to a proportion of the profits.
7. Lent, esp. a sum of money.

TEXT 6. BANKS

Read the following passage carefully then give it a title and summarise it in about 150 words.

Banks are as likely as any other business to suffer the consequences of an economic recession. Their business customers will suffer from falling sales and losses which will reflect in a surge of bad debts as business loans fail to be repaid. Their private customers are unlikely to fare better. For them the problem becomes redundancy and meeting the normal household bills.

The problem is compounded because banking is becoming increasingly international. The banks' customers are not confined to these shores. They are spread across the world. Even the resources of a giant banking group like Midland or National Westminster are not enough to finance oil exploration or the development of satellite communication systems and this explains the growth of banking consortia. Banks from all the developed countries of the world join forces to supply the capital required for some of the most ambitious (and risky) projects. Unless these international ventures are successful the banks are faced with the problem of collecting debts from customers in

countries which are often politically unstable. As if this were not enough, the banks in the UK are also confronted with foreign banks which are beginning to look covetously towards our domestic market for financial services. Another problem for the banks is the increasing competition between our various financial institutions. At one time there was a clear-cut distinction between the banks and the building societies. The building societies collected savings from ordinary members of the public and lent that money to people who wanted to buy their own homes. In the past banks were not interested in such long term loans, but in recent years they have shifted their ground. They are now increasingly prepared to grant loans to house purchasers, and in response the building societies are offering cheque facilities to their own depositors. The result is that the dividing line between banks and building societies is becoming blurred as the competition warms up. The public at large are the beneficiaries. Technology provides both opportunities and threats to the banking community. Credit cards have made it easier for the public to buy goods and services and in doing so to run up debts which, when converted into formal borrowings, are very profitable from the banks' point of view. Similarly, the cash dispensing units which give customers greater access to their funds are likely to be popular, particularly among «downmarket» customers. However, cash dispensing units are cheaper than cashiers and, while this may increase the profitability of banks, it is also putting pressure on the Staff Departments to review their recruitment policies. The major clearing banks report that half the cash withdrawn from branches is taken out of cash dispensing machines-dumb bankers as they are called. Ten years ago, for every National Westminster transaction through a cash dispenser, 15 were conducted over the counter. Now the two systems are level-pegging. The banks and building societies are both affected, but hope they will be able to use the staff freed to sell and service more sophisticated products such as insurance, unit trusts and private pension plans.

1. Give answers to the following questions.

1. What is the purpose of a cheque?
2. What happens to a cheque when you have passed it over to someone in payment?
3. What would be the danger in leaving around signed but otherwise blank cheques?
4. What would be the effect of your negligence if you lost your cheque book but did not tell the bank?
5. What would happen if you made out a cheque for more than the credit balance your account, not having made an application for an overdraft?
6. How would you deal with an alteration of the amount on a cheque?
7. What is the purpose of a paying-in slip?
8. What would you expect to happen to a paying-in slip after it had been pre-

sent to the cashier?

9. Why is it important to keep a copy of the slip stamped by the cashier?
10. What might happen if someone else's account was credited in error?
11. Bearing in mind the bank's duty for confidentiality, why do you think they might hesitate to tell you over the telephone the balance standing on your account? What confirmations might they require?
12. What action would you prescribe for a friend who wants to cancel one of his cheques?

II. Missing words. *There are a number of missing words in the following passage. You are asked to find appropriate words to complete the text.*

Every day, each banking branch receives from its head office all the cheques which have been drawn on that branch and paid in for the of accounts at other banks and branches. The staff now have to ensure that each cheque is drawn and that they have the to debit the customer's account. They have to that the customer has not countermanded (stopped payment) of the cheque, that the customer has funds in his account to meet the cheque or that facilities have been arranged, and that the signature is in order. A cheque may be returned unpaid for a variety of reasons. Perhaps the cheque is or alterations made to the cheque have not been initialled. Another reason for non-payment is that the value of the cheque given in words is different from that stated in the figures. The payee will be most upset if the cheque is returned because the ... has insufficient funds. The cheque is then as dishonoured.

III. Multiple choice. *Choose the word which best completes each sentence.*

1. Building ... lend money to people who want to buy houses, taking a mortgage of the property deeds until the loan is repaid.
 - A. companies
 - B. associations
 - C. societies
2. A bank will sometimes give you a loan if someone is prepared to stand as your guarantor, agreeing to ... the bank if you fail to do so.
 - A. resurrect
 - B. repay
 - C. resign
3. Persons are described as ... when they cannot meet their liabilities.
 - A. bankrupt
 - B. affluent
 - C. dishonest
4. Before you ... a cheque for more than you have on your account you must apply for an overdraft.
 - A. withdraw

- B. withhold
C. draw
5. You will be deemed negligent if you do not ... the bank when you have lost your cheque book.
A. inform
B. instruct
C. indemnify
6. The Bank of England is a ... bank and acts as banker for the government and the other banks.
A. data
B. central
C. local
7. When the payee signs on the back of a cheque it is described as an indorsement and can then be ... to another person.
A. debited
B. charged
C. transferred
8. If you wish to ... a large sum from your bank the branch manager may require authorisation from his Head Office
A. receive
B. convey
C. borrow
9. The banker is expected to treat any information he has in regard to his customer's affairs as confidential.
A. private
B. domestic
C. financial
10. A customer who his overdraft limit will have to pay additional bank charges as well as interest on the excess.
A. uses
B. exceeds
C. loses

Ex. 1. Mind the use of the words *price, rate, charge, fee* and *commission* which have certain similarities in meaning, but are not exactly the same.

1. The *price* is the amount of money you have to pay (usually for goods) in order to buy them:

What is the *price* of a carphone?

Share *prices* are quoted in the *Financial Times*.

1.1 *Price* is also a verb. If you *price* something you decide how much a purchaser will have to pay: We've *priced* the new model at \$ 1,300.

1.2 *To price yourself out of the market* is to offer your goods at such a high price that everyone will buy your competitors products: If we don't

work to a lower profit margin we'll be *pricing ourselves out of the market*.

2. The *rate* of interest or taxation is the percentage level: Interest *rates* have stabilized at around 15%.

The basic *rate* of income tax on 1990 was 25%.

2.1 We can also refer to the *rate of exchange* (or *exchange rate*) of a currency: Tourist *exchange rates* are published in most newspapers.

2.2 *Rate* can refer to an amount of something within a period of time.

The *rate* of unemployment fell in some European countries in the late 80s.

2.3 In insurance, the amounts charged to cover a risk are expressed as a percentage: A *rate* of J 1.75 per cent.

This means that you have to pay 1.75 for every 100 of the sum for which the goods are insured. *Rate* can also indicate the speed or frequency at which something happens: We're losing skilled workers at the *rate* of three a month.

3. *Charge* is used mostly in the context of paying for services: There will be a *charge* for confirming the letter of credit. No extra *charge* is made for maintenance.

3.1 *Charge* is also a verb:

We *charge* for delivery. (= There is a delivery *charge*.) The bank *charged* me 12% commission.

3.2 If something is *charged to an account* it is put on the bill for payment later: Please *charge* the bar bill *to my account*.

3.3 Occasionally, services *are free of charge*.

You may use the telephone in your room *free of charge*.

4. A *fee* is payable for services provided by the legal profession, consultants, accountants, etc.:

In the US, a lawyer is paid a contingency *fee* which is a proportion of the damages granted by the court.

4.1 When permission is granted to use intellectual property there may be a *fee*. It is also possible to refer to a *registration fee* and a *booking fee* when a charge is made for a reservation.

5. A *commission* is a payment to an agent or middleman, calculated as a percentage of sales made:

5.1 Salesmen are often paid a fixed salary plus *commission* on sales made: A higher *commission* increases the incentive to sell.

Commission is used as a synonym of *charge* in the context of banking: There is a small *commission/charge* for handling standing orders.

Complete these sentences.

1. The American Bar Association has warned lawyers that their _____ were getting so high that the profession might _____ itself out of the market.

2. Please pay the conference _____ directly to the Registrar.
3. As a salesman, the more _____ goods you sell, the more you make.
4. We were _____ 1850 for repairs to the switchboard.
5. What is the _____ of an overhead projector?
6. We're now producing the new model at the _____ of 100 a day.
7. There is a small _____ to cover handling costs.
8. A bear is a speculator who expects share _____ to fall.
9. The _____ of inflation is over 10%.
10. Could you _____ this to my expense account?

Ex. 2. Mind the use of the words borrow, lend, loan and overdraft.

Neither a borrower nor a lender be. (Shakespeare)

1. If you borrow money, somebody gives you it on a temporary basis:
He's always borrowing money but he usually pays it back quite quickly.
2. Lend is the opposite of borrow. It is an irregular verb: Could you lend me your car?
I lent him \$100 last week. The bank has lent us £250.000.
3. A bank loan is a sum of money which a bank will lend to a person or organization (the borrower) for a fixed period and usually with some kind of approved security. Those who borrow money in this way have to pay interest.
The interest payable on a personal loan is added to the sum at the start and the repayment is usually by equal monthly instalments.
4. In the UK, if you have an overdraft you are allowed to take out more money from your bank account than you have in it. The bank charges interest on a daily basis and usually less than for a loan.

Write YES or NO in the boxes.

FIXED SUM	KNOWN PERIOD	REGULAR REPAYMENTS	DAILY CALCULATION OF INTEREST
Loan			
Overdraft			

Ex. 3. Choose the words with similar meaning from the two groups and arrange them in pairs.

- A. Account, holder, profit, rate, security, share, attractive, sound, stagnant, to cause, to circulate, to combat, to invest, to occur, to seek, to shift.

B. To transfer, to happen, to look for, to fight, to put, to spread, bill, owner, benefit, size, safety, stock, magnetic, solvent, inert, to stimulate.

Ex. 4. What are the opposites?

Lender, profitless, danger, unattractive, cheap, fraught, sick, willing, developing, to part, to find.

TEXT 7. COMMERCIAL BANKS OF BRITAIN

Read the text to get the gist of it. Answer the following questions.

- a) Can the government stimulate the economy by means of the interest rate?
- b) How do the banks stimulate progress in industry and other fields of economy?

A bank is an intermediary between a depositor and a borrower. The interest rate which the commercial banks charge borrowers and pay to depositors will be influenced by the interest rate which is quoted from time to time by the Bank of England, which is, of course, controlled by the British government. If the Bank of England recommends that the interest rates will have to rise then the commercial banks and most other financial institutions will also raise their interests rates.

A rise in the interest rate will make borrowing more expensive and saving more attractive. A fall in the interests rate will make borrowing cheaper and saving less attractive.

The government may use the interest rate (sometimes called the Bank Rate) to regulate the economic climate of the country. By this we mean that if borrowing becomes more expensive, businessmen will become more reluctant to borrow and develop their business, but if it falls, then they will probably become more active.

If the economy becomes too active, there is usually a tendency for inflation to occur, and this is usually caused by too many goods being produced and too much money circulating in the economy.

To combat inflation the government will often raise the interest rate. If the economy was stagnant then the interest rate would probably be lowered to encourage it to expand and become more active. There are, of course, other factors which the government must consider before it influences the financial institutions to raise or lower their interest rates. Banks make a profit by:

1. Making loans to businessmen and private individuals.
2. Charging interest payments on overdrawn accounts.
3. Lending to the money market.
4. Investing in sound shares and securities.

The commercial bank offers its customers accounts of two types: the de-

posit account and the current account. The deposit account will probably pay a fixed rate of interest, and will sometimes issue the saver with a bank saving book. The current account pays no interest. A cheque book is used to make payments from an account and a paying-in book is used when money is paid into the account.

Banks will normally give statements to both deposit and current account holders about once every three months, or more frequently if required by the account holder. Statements give a detailed account, on a day to day basis, of all money and cheques which have either been paid into account or withdrawn from the account.

Money is the commodity that banks sell. A bank seeks to buy money cheaply and to sell it dearly. This is what the banks are busy doing. Naturally the banks put their money where it brings the highest profit. That is why they always keep up to date with the market situation by shifting money from one geographical region to another, the banks activity stimulates progress in industry, construction and agriculture.

Banks are interested in keeping most of their money in circulation so that it should bring them profit. They seek to reduce their lending rates in order to attract buyers. The cuts in interest rates are more than made up for by an increase in the amount of money in circulation.

In their pursuit of high profit, the banks sometimes get involved in risky operations fraught with bankruptcy. That is why the government takes measures to minimize the danger of banks going broke. Every bank is obliged to take out insurance against robbery or bankruptcy lest the clients should lose their money in any case.

The banks cater to big companies, small companies and to individuals.

I. Complete the sentences with the words from the box below.

Expensive, goods, a borrower, cheaper, money, customers, cheaply, dearly, stimulates, bankruptcy, commodity.
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1. A bank is an intermediary between a depositor and
2. A rise in the interest rate will make borrowing more
3. A fall in the interest rate will make borrowing
4. Inflation is usually caused by too many ... being produced and too much ... circulating in the economy.
5. Accounts of two types are offered to its ... by the commercial bank.
6. ... that banks sell is money.
7. A bank wants to buy money ... and to sell it... .
8. The banks activity ... progress in industry, construction and agriculture.
9. The banks sometimes get involved in risky operations fraught with

II. Translate into English.

1. Государство понижает процентную ставку, чтобы простимулировать застойную экономику.
2. При высокой процентной ставке предпринимателям может быть невыгодно развивать свой бизнес.
3. Ситуация, когда производится слишком много товара и слишком много денег циркулирует в экономике, приводит к инфляции.
4. Два вида счетов предлагается клиентам коммерческого банка: депозитный и текущий.
5. Банки помещают деньги туда, где можно получить самую высокую прибыль.
6. Каждый банк обладает страховкой, чтобы клиенты в случае его банкротства не потеряли свои деньги.
7. Правительство использует процентную ставку для улучшения экономической ситуации в стране.

III. Make up your own sentences using the following words and word combinations.

Inflation, to occur, too many goods, too much money, the interest rate, to pay, the commercial banks, to combat inflation, to raise the interest rate, to lower the interest rate, to encourage the stagnant economy.

IV. Choose the best endings to the following statements.

1. A bank is an intermediary between a depositor and
 - a) a creditor
 - b) a borrower
 - c) a lender
2. The Bank of England is controlled by... .
 - a) partnerships
 - b) the British government
 - c) the Queen
3. A rise in the interest rate will make saving
 - a) less attractive
 - b) impossible
 - c) more attractive
4. If borrowing becomes more expensive, businessmen will become ...
 - a) more reluctant to borrow
 - b) more active
 - c) indifferent
5. If the economy becomes too active, there is usually a tendency for
 - a) stagnation
 - b) inflation
 - c) expansion

6. The deposit account will pay
 - a) no interest
 - b) an increasing rate of interest
 - c) a fixed rate of interest
7. Banks will give statements to deposit and current account holders about...
 - a) once every three weeks
 - b) once every three months
 - c) twice every three months
8. Banks are interested in keeping most of their money in
 - a) circulation
 - b) other banks
 - c) in small companies
9. Every bank is obliged to take out... .
 - a) insurance
 - b) licence
 - c) shares

V. Complete the unfinished questions in column A that are answered in column B.

A	B
What... ?	Accounts of two types.
What... ?	The current account.
What... ?	A cheque book.
What... ?	A paying-in book.
What... ?	Statements.
What... ?	Money.
Where ...?	In risky operations.

VII. Speak about commercial banks of Britain and their role in economy.

TEXT 8. RAISING NEW CAPITAL

The large corporation has grown to its present size in part because it has found innovative ways to raise new capital for further expansion. Five primary methods used by corporations to raise new capital are:

◆ **ISSUING BONDS.** A *bond* is a written promise to pay a specific amount of money at a certain date in the future or periodically over the course of a loan, during which time interest is paid at a fixed rate on specified dates. Should the holder of the bond wish to get back money before the note is due, the bond may be sold to someone else. When the bond reaches "maturity," the company promises to pay back the principal at its face value.

Bonds are desirable for the company because the interest rate is lower than in most other types of – borrowing. Also, interest paid on bonds is a tax deductible business expense for the corporation. The disadvantage is that interest payments ordinarily are made on bonds even when no profits are earned. For this reason, a smaller corporation can seldom raise much capital by issuing bonds.

◆ **SALES OF COMMON STOCK.** Holders of bonds have lent money to the company, but they have no voice in its affairs, nor do they share in profits or losses. Quite the reverse is true for what are known as "equity" investors who buy common stock. They own shares in the corporation and have certain legal rights including, in most cases, the right to vote for the board of directors who actually manage the company. But they receive no dividends until interest payments are made on outstanding bonds.

If a company's financial health is good and its assets sufficient, it can create capital by voting to issue additional shares of common stock. For a large company, an investment banker agrees to guarantee the purchase of a new stock issue at a set price. If the market refuses to buy the issue at a minimum price, the banker will take them and absorb the loss. Like printing paper money, issuing too much stock diminishes the basic value of each share.

◆ **ISSUING PREFERRED STOCK.** This stock pays a "preferred" dividend. That is, if profits are limited, the owners of preferred stock will be paid dividends before those with common stock. Legally, the owners of this stock stand next in line to the bondholders in getting paid. A company may choose to issue new preferred stock when additional capital is desired.

◆ **BORROWING.** Companies can also raise short-term capital – usually working capital to finance inventories – in a variety of ways, such as by borrowing from lending institutions, primarily banks, insurance companies and savings-and-loan establishments. The borrower must pay the lender interest on the loan at a rate determined by competitive market forces. The rate of interest charged by a lender can be influenced by the amount of funds in the overall money supply available for loans. If money is scarce, interest rates will tend to rise because those seeking loans will be competing for funds. If plenty of money is available for loans, the rate will tend to move downward.

If corporate borrower finds that it needs to raise additional money, it can refinance an existing loan. In this transaction the lender is essentially lending more money to its debtor. But if interest rates have gone up during the period since the original loan was secured, borrowers pay a higher rate in order to hold additional funds. Even if the rate has gone down, the lender benefits by having increased the size of its original loan at a lower rate of interest.

◆ **USING PROFITS.** Some corporations pay out most of their profits in the form of dividends to their stockholders. Investors buy into these companies because they want a high income on a regular basis. But some other corporations, usually called "growth companies," prefer to take most of their

profits and reinvest them in research and expansion. Persons who own such stocks are content – to accept a smaller dividend or none at all, if by rapid growth the shares increase in price. These persons prefer to take the risk of obtaining a "capital gain," or rise in value of the stock, rather than be assured a steady dividend.

The typical corporation likes to keep a balance among these methods of raising money for expansion, frequently plowing back about half of the earnings into the business and paying out the other half as dividends. Unless some dividends are paid, investors may lose interest in the company.

Vocabulary

issue – эмиссия

bond – облигация; бонны

loan – заем

maturity – срок платежа по векселю

desirable – желательный, подходящий

borrowing – заем; заимствование

a tax deductible expense – расход (трата), не облагаемый налогом

common stock – акционерный капитал; акция

to lend – давать займы; одолжить, ссужать

affair – дело

to vote – голосовать

a board of directors – совет директоров

sufficient – достаточный

to absorb – поглощать, забирать

to diminish – уменьшать

inventory – товарно-материальные ценности

insurance company – страховая компания

scarce – недостаточный, скудный

to be content – быть согласным

to plow back – вкладывать

ASSIGNMENTS

I. Complete the following sentences using the information from the text.

1. A bond is _____.
 - a) a written promise to pay a definite sum of money in a year
 - b) an oral promise to pay a specific amount of money at a certain date in the future
 - c) a written promise to pay a specific amount of money which allows to pay it either at a certain date in the future or periodically over the course of a loan
2. Investors who buy common stock can _____.

- a) receive dividends
- b) manage a company
- c) vote for the board of directors

3. The corporations called "growth companies" usually _____.

- a) reinvest the most of their profits in research and expansion
- b) pay out the most of their profits in the form of dividends to their stockholders
- c) assure their stockholders a small but steady dividend

II. Find the false sentences and correct them using the information from the text.

1. Bonds are desirable for many companies because there is no interest rate in them.
2. Interest paid on bonds is a tax deductible business expense for the corporation.
3. As holders of bonds have lent their money to the company, they have voice in its affairs and can share all profits and losses.
4. When a company's assets are large, it can create capital by voting to issue additional shares of common stock.
5. The owners of a "preferred" stock are always paid first.
6. If there is little money, interest rates will move downward.
7. The typical corporation prefers to use all the principal methods of raising money for expansion.

III. Match the beginnings of the sentences to their ends using the information from the text.

1. Five main methods used by corporation to raise new capital are...
2. A bond is...
3. Interest paid on bond is...
4. Issuing too much stock ...
5. A preferred stock is...
6. Short-term capital is...
7. If plenty of money is available for loans...
8. A "growth company" is...

- A. a written promise to pay a specific amount of money at a certain date in the future or periodically over the course of a loan.
- B. diminishes the basic value of each share.
- C. a stock which dividends are paid before those with common stock.
- D. issuing bonds, issuing preferred stock, borrowing, sales of common stock and using profits.
- E. a corporation which takes most of its profits and reinvests them in research and expansion.

- F. a tax deductible business expense for the corporation.
- G. the rate will tend to move downward.
- H. working capital to finance inventories.

IV. Give the Russian equivalents for the following words and phrases.

To raise new capital; to issue; a specific amount of money; a bond; a loan; "maturity"; desirable; borrowing; a tax deductible expense; common stock; to lend; affair; to vote for; a board of directors; to diminish; inventory; to plow back; to pay out.

V. Find the antonyms to the following words and phrases in the text.

- to give back money –
- to disagree –
- scarce –
- profits –
- long-term capital –
- to pay out –

VI. Work with a partner to complete the missing parts of the lecture on economics.

There are five main ways used by companies to _____. They are issuing bonds, sales of common stock, issuing preferred stock, _____ and using profits. Bonds are for the company because the interest rate is lower than in most other types of borrowing. The corporation doesn't pay taxes on bonds, it is a tax _____ for the company. Though holders of bonds _____ money to the company, they can't share in _____ and _____ and vote for the _____.

VII. Answer the following questions.

1. What do many companies raise new capital for?
2. What methods of raising new capital do you know?
3. Why are bonds desirable for the company?
4. Do holders of bonds have a voice in company's affairs?
5. What rights do the investors who buy common stock have?
6. What happens when a company issues too much stock?
7. When are the owners of the preferred stock paid?
8. Where can a company borrow its working capital?
9. What is the money policy of the "growth companies"?

VIII. Work with a partner and decide how you would explain these notions to an outsider.

- ◆ a bond
- ◆ a loan
- ◆ "maturity"
- ◆ a common stock
- ◆ a holder
- ◆ dividends
- ◆ "growth companies"

Your vocabulary

Raise capital/ finance

Stock market/ exchange

Bourse

Shares/ stock/ stocks/ equities

Listed/ quoted

Financial centres: City or Square Mile (in London) and **Wall Street** (in New York)

Trade

Securities: shares and **bonds**, investment certificates with a fixed rate of interest.

Commodities: such as cereals and precious metals

Currencies: such as dollars, pounds, and francs on the **foreign exchange** or **forex** markets.

Blue chip shares/ stocks: the safest share investments in leading companies.

Traders, dealers and **brokers** buy and sell on behalf of **investors**, traditionally seen as looking for long-term gains, and **speculators**, traditionally seen as looking for short-term ones.

Market makers are wholesalers of shares who keep supplies of the shares in which they deal, making a continuous market for buyers and sellers.

Securities houses are large financial institutions offering a number of investment services.

Market players – people and institutions involved in a financial market.

1. Market players. Match the two parts of these extracts.

- 1 According to City brokers, the results were better than expected. One leading market player said last night:
- 2 "With Packer's private interests now thought to be well in excess of *J* 1 billion,
- 3 Trading on little specific information,

- 4 But some market players still think earthquake speculation could have more impact on the oil markets.
 - 5 There was a series of steps to soften big stock drops by interrupting trading
 - 6 Investments in gold and dollars have risen sharply since mid-September
 - 7 Sensible stock market players buy for the long term,
- a. the shrewd stock market player has spent more than A\$250 million to take a 10 per cent stake in the troubled bank just as it appears to have hit Stalrock bottom.
 - b. 'The question is,' said Mr Barakat, 'was there any structural damage to the pipelines or anything else?'
 - c. 'The underlying profitability is very strong. The share price fell because it has been so strong over the last few weeks.'
 - d. because of market players' growing fears that the new cruzado is losing its value.
 - e. especially small investors who can lose most of their profit in dealing costs if they buy and sell too often.
 - f. market players in Tokyo began bidding up oil prices.
 - g. to give market players time to pause and reconsider positions.

share issues When companies raise finance by selling shares they make
share flotation share issues, share flotations, or share offerings.
share offering

float Companies making share issues and listed for the first time are floated on the stock market.

Companies looking for more finance may make a **rights issue** by offering new shares to existing share holders at a discount. Rights issues are referred to informally as **cash calls**.

Buying **warrants** gives the right to buy a certain number of a company's shares for a given price at a later date.

When a company distributes earnings in the form of a dividend, holders of **preference shares** get priority over holders of **ordinary shares**. If a company goes into liquidation, preference shareholders are paid off before ordinary shareholders.

Insider dealing

insider dealing Insider dealing or insider trading is the buying or selling
insider trading of securities by people who have more knowledge than
Chinese walls others of the company involved because they are connected with it in some way.

Financial institutions are supposed to take measures to prevent knowledge gained in one department from being

used in other departments to trade in shares at an unfair advantage. These measures are informally known as Chinese walls.

1. Wrongdoing I. This article from *The Times* is about accusations of insider dealing in gilt-edged securities or gilts: British government bonds. Complete the article with the expressions listed. Each expression is used once.

- a Chinese walls c inside e dealers g complaints
 b trades d insider dealing f allegations h leak

LOAN LEAK RUMOUR SWEEPS MARKET

The Bank of England is believed to be looking into complaints that several banks this week traded on _____(1) information about the Government's J7.25 billion loan, announced on Thursday. Last night, National Westminster, one of the banks that arranged the loan, firmly denied there had been any _____ (2) from its syndicated loan department or that it had made any unusual _____(3) in the gilt-edged market.

Martin Owen, chief executive of Natwest Markets said: 'We have had no complaints ourselves and no indication of any _____ (4) from the Bank of England. Our syndicated lending happens behind _____ (5), and we had no abnormal trading figures in the days before the loan. Claims like these happen when people are losing money and they love to say that someone else had preferential knowledge about an event.'

_____ (6) of _____ (7) swept through the City all day, encouraged by gilt _____ (8) and market makers who were caught out by the sharp rise in prices on Thursday afternoon, after the announcement of the government loan. ...

2. Wrongdoing 2. Match these types of wrongdoing to their definitions.

bribery	1. bribery	a. Making or faking false documents, or artworks. These are called forgeries or fakes.
embezzlement	2. embezzlement	b. Illegally giving someone money so that they act in your favour
fake forgery forgeries	3. forgery	c. Any illegal money-making activity.
fraud	4. fraud or racket or scam	d. Fixing the price of something illegally.

market rigging	5. market rigging	e. Illegally taking money from the organization you work for.
money laundering		f. Disguising the criminal origin of money such as drug money.
racket scam	6. money laundering	

TEXT 9.

A.

► *Ex. I. Scan through the text. Restore the word order in the questions that follow and answer them. Translate into Russian in written form.*

European Bank for Reconstruction and Development. The European Bank, with its headquarters in London, was established in May 1990. It is the first international financial institution of the post-Cold War period. Its purpose is to foster the transition towards open market oriented economies and to promote private and entrepreneurial initiative in the countries of Central and Eastern Europe. The European Bank will endeavour to help the economies of these countries integrate into the international economy, with particular concern for strengthening democratic institutions, respect for human rights and for environmentally sound policies. In fulfilling its purpose, the Bank performs a wide range of functions designed to assist countries with operations to implement structural economic reforms, including demonopolization, decentralization and privatization. The European Bank has the following departments: merchant banking (merchant bank - a bank that provides banking services for business), development banking, finance, personnel and administration, project evaluation, secretary general, chief economist, communications and press, internal audit. The Bank has 59 members: 57 countries and two institutions - the European Investment Bank (EIB) and the Economic Community (EC), known as the European Economic Community or Common Market.

Foster - благоприятствовать; transition - переход; entrepreneur - предприниматель; endeavour - пытаться; environmentally sound - относящийся к борьбе с загрязнением окружающей среды; range - ряд; implement ['impliment] - осуществлять; demonopolization - демонополизация; decentralization - децентрализация; privatization - приватизация; banking - банковские услуги; personnel administration - управление кадрами; evaluation - оценка; internal audit - внутренняя ревизия.

- 1) When the European Bank was established? 2) Where its headquarters is?
- 3) What its purpose is? 4) What the European Bank will endeavour to do?
- 5) What the European Bank's requirements to integrate into the international economy are? 6) What the European Bank perform in fulfilling does its purpose? 7) What departments the European Bank does have? 8) What members the European Bank have does?

► *Ex. II. Agree or disagree with the following statements.*

1) The European Bank's headquarters is in Paris. 2) The European Bank was founded in 1980. 3) The European Bank's ambition is to favour the 'transition to a planned economy. 4) The European Bank's aim is to promote business initiative. 5) The European Bank will help less developed countries join into the international economy. 6) Industrial nations should strengthen democratic institutions. 7) Commonwealth countries must respect human rights. 8) The countries of European Union have to conduct environmentally sound policies. 9) The European Bank brings the underdeveloped countries to ruin with privatization. 12) The European Bank assists the open market oriented economies with monopolization. 13) The European Bank lends the open market oriented economies a helping hand with centralization.

► *Ex. III. Translate the following words, phrases and statements from Russian into English.*

Пытаться; оценка; особый; забота; укреплять; уважение; ряд; осуществлять; торговый; проект; благоприятствовать; частная инициатива; банковские услуги; экономическое развитие; штаб-квартира; учреждать; переход; ориентированный на; предприниматель; управление кадрами; внутренняя ревизия; относящийся к борьбе с загрязнением окружающей среды.

1) Европейский банк реконструкции и развития был учреждён в 1990 году. 2) Его цель состоит в том, чтобы благоприятствовать переходу к рыночной экономике. 3) Банк осуществляет множество функций. 4) Банк помогает странам осуществить приватизацию. 5) Банк имеет множество отделов. 6) Банк предоставляет долгосрочные кредиты развивающимся странам.

► *Ex. IV. Complete the following statements. Choose one topic to speak about the European Bank for Reconstruction and Development a) its establishment and its headquarters; b) its purpose; c) its functions; d) its departments. Retell the text **European Bank for Reconstruction and Development.***

1) The European Bank has its headquarters in ... 2) It was established ... 3) It is the first ... 4) Its purpose is ... 5) The European Bank will endeavour ... 6) Its particular concern is ... 7) The Bank performs ... 8) These functions are designed to assist ... 9) The European Bank has ... departments and ... members.

B.

► *Ex. I. Scan through the text. Restore the word order in the questions that follow and answer them. Translate into Russian in written form.*

European Investment Bank (EIB). The EIB was formed in 1958 with its headquarters in Luxembourg. It is administered by a Board of Governors which consists of a Minister (usually the Finance Minister) of each member country, that lays down general directives on credit policy, approves the balance sheet, decides on capital increases and appoints directors and members of the management and audit committees. The Board of Directors has overall responsibility for deciding on loans and setting interest rates. The EIB makes loans for a wide range of projects. The pattern of lending depends on demand, the viability of the projects and their consistency with the European Economic Community's policies. Almost all the funds necessary to finance its lending operations are raised by borrowing on capital markets, mainly through public bond issues. While its traditional product is fixed rate loans, adjustable fixed-rate and variable-rate loans are also available. Maturities range between 4-20 or more years with repayment of principal and interest normally in equal six-monthly installments. Depending on the borrower's preferences and the EIB's holdings, loans are disbursed in a single currency, such as the ECU (Euro), or the borrower's own currency, or in a mix of several currencies. The European Investment Bank does not charge commitment, management or other fees.

Directives; increase - рост; viability - жизнеспособность; consistency - согласованность; adjustable - регулируемый; variable - переменный; maturities - сроки платежа; disburse - платить; charge - требовать; commitment fee - комиссия за обязательство предоставить кредит.

1) When the EIB was formed? 2) Where its headquarters is? 3) What it administered by is? 4) Whom the Board of Governors does consist of? 5) What the functions of the Board of Governors are? 6) What the Board of Directors have does? 7) What the EIB does make? 8) What the pattern of lending depend on does? 9) Where the EIB take its funds does? 10) What are loans available by the EIB? 11) What the EIB's maturities do range? 12) How the EIB's loans are disbursed? 13) Does the EIB any fees charge?

► *Ex. II. Agree or disagree with the following statements.*

1) The Board of Directors formulates general directives on credit policy. 2) The Board of Directors sanctions the balance sheet. 3) The Board of Directors decides on capital decreases. 4) The Board of Directors ousts directors. 5) The Board of Directors doesn't assume responsibility for deciding on loans. The EIB makes investments for a wide range of projects. The EIB's pattern of lending depends on market. 8) Borrowing on capital markets cuts the EIB's funds. 9) The EIB's traditional product is variable-rate loans. 10) The EIB's loans are paid in a single currency. 11) The EIB charges commitment and management fees.

► *Ex. III. Translate the following words, phrases and statements from Russian into English.*

Формулировать; жизнеспособность; согласованность; рынок капитала; облигация; эмиссия; кредит с фиксированной процентной ставкой; регулируемый; переменный; сроки платежа; колебаться в пределах; основная сумма, на которую начисляются проценты; очередной платеж при рассрочке платежа; предпочтения; вклады; платить; требовать; комиссия за обязательство предоставить кредит; указания; балансовый отчет; рост; всеохватывающий; процентная ставка.

1) Европейский инвестиционный банк был создан в 1958 году. 2) Банк заимствовал средства на рынке капитала. 3) Банк субсидировал многие проекты. 4) Банк не требовал комиссию за обязательство предоставить кредит. 5) Банк не требовал комиссию за обязательство предоставить менеджмент. 6) Кредит с фиксированной процентной ставкой означает заем с фиксированной ставкой процента, установленной на весь срок его действия, предоставляемый на фиксированный период времени.

► *Ex. IV. Complete the following statements. Choose one topic to speak about EIB a) its establishment; b) its Board of Governors; c) its pattern of lending; d) its funds; e) its traditional product; f) its maturities; g) its currency; h) its fees. Retell the text The EIB.*

1) The EIB was formed ... 2) Its headquarters is ... 3) The EIB is administered by ... 4) The Board of Governors lays down ... 5) The EIB makes ... 6) The EIB's pattern of lending depends on ... 7) The EIB's funds are raised ... 8) The EIB's traditional product is ... 9) The EIB's maturities range ... 10) The EIB's loans are disbursed ... 11) The EIB does not charge ...

Translation. Translate the following passages into English.

Выдача ссуды

Банки извлекают прибыль, принимая денежные средства у вкладчиков и предоставляя их в виде ссуд заемщикам. Банки назначают более высокую процентную ставку по ссудам, чем ту, которую они выплачивают по вкладам. Этого превышения должно хватить на покрытие текущих расходов и обеспечение прибыли. В ряде случаев банки получают дополнительный доход в качестве оплаты своих услуг по кредитованию и по проведению других банковских операций. Банки также получают доход, когда вкладывают часть своих активов в ценные бумаги. В этом случае они ничем не отличаются от обыкновенных акционеров и получают доход от дивидендов.

В банк вкладывают свои денежные средства много людей. Все они не придут одновременно в банк за своими деньгами. По сути дела, ежедневное изъятие депозитов равняется такой же сумме вкладов,

которые производят клиенты. Депозиты вкладчиков становятся фактическими резервами банка. Из них он вычитает обязательные резервы, которые по закону должны быть положены на резервный счет в Банке России.

Банковские депозиты представляют собой большей частью расчетные счета и вклады до востребования. Они подлежат немедленной оплате по первому требованию вкладчика. В случае «банковской паники», когда большая часть вкладчиков будет снимать свои денежные средства с депозитов, банк может использовать эти обязательные резервы для оплаты. На свои избыточные резервы банк может выдать кредиты. Обычно ссуда выдается простым переводом кредитной суммы на ссудный счет заемщика. В банке остается лишь долговое обязательство заемщика. Это долговое обязательство, переданное банку, – не деньги, так как оно не является общепринятым средством обращения. Банк же, создав ссудный счет, создал деньги. Именно посредством расширения банковского кредита и создается большая часть денег, используемых в экономике.