



ALFRED NOBEL UNIVERSITY

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HANDBOOK

ON EFFECTIVE BUSINESS ENGLISH

EXAM PREPARATION



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Kozhushko S.P.

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SECTION 1

TOPICS OF SPECIFIC PROFESSIONAL ORIENTATION: READING AND DISCUSSION

PRACTISE READING AND DISCUSSING THE FOLLOWING TEXTS

TEXT 1

Over to you: Before starting a business career and making your choice whether to set up your own business or work for a company what factors would you take into account?

BUSINESS OPPORTUNITIES AND HOW TO IDENTIFY THEM



With so many business opportunities available, it is often difficult to determine whether a particular opportunity shows great promise or is likely to **fail**. Your goal is to learn how to tell a good opportunity from a bad one. Here are some tips that will help you assess the potential of any business opportunity that comes your way and make the right decision.

One of the first factors to consider is the stability of the company associated with the opportunity. In the case of a new business that does not have a proven track record yet, you want to know who is behind the launch or who is supplying this company with operating capital until the business begins to generate profits. Essentially, you want some amount of **assurance** that the company will be around long enough for you to **benefit** from a relationship with the opportunity, especially in terms of recouping any investment of time or other resources.

Keep in mind that a new business or a plan to start a business may be riskier than going with a company with an established **track record**. However, business opportunities of this kind are not automatically suspect. If the funding is there and the organization is structured properly, the opportunity is well worth your consideration.

Assessing the good or service offered by the business is also important. The best business opportunities involve companies that offer something consumers will need or desire over all other competing products. It is not a problem if the product is aimed at a niche market. Business opportunities of this type are often great moneymakers, since they address needs that are often overlooked by others. In addition, the competition is probably less fierce in a niche market, a situation that will allow the company you are evaluating to establish itself as the industry standard in that market.

Along with having a solid financial base and a product that is sure to attract attention, the best business opportunities also have a **comprehensive** and well defined system for getting the products to consumers. This includes such factors as a **reliable** process for producing the good or service, excellent sales and marketing strategies, and an efficient delivery to the buyer. Without the ability to satisfy orders quickly and efficiently, even the best product is less likely to build a loyal client base.

The **return** you will receive is also very important when considering different business opportunities. Will you earn an equitable return in comparison to what you invest in the business in terms of time and other resources? If so, then there is a good chance the opportunity is worth pursuing. If you are not sure, keep looking for something better.

You will find that in today's market, it is worth your time to consider a home-based business as well as a more traditional business setting. Business opportunities of this type often start with business ideas that are new and fresh in terms of **approach** or some aspect of the products offered. If you see merit in a given business idea and think it has a good chance of succeeding, then look it over carefully. That home based business may be the ideal investment vehicle for you.

TASK 1. Match the terms from the text with their corresponding definitions.

1. fail	a) receive an advantage; profit
2. assess	b) having or displaying a violent or ferocious aggressiveness
3. assurance	c) consistently good in quality or performance; able to be trusted
4. benefit	d) evaluate or estimate the nature, ability, or quality
5. track record	e) including or dealing with all or nearly all elements or aspects of something
6. fierce	f) a way of dealing with a situation or problem
7. comprehensive	g) be unsuccessful in achieving one's goal
8. reliable	h) a profit from an investment

9. return	i) the past achievements or performance of a person, organization, or product
10. approach	j) a positive declaration intended to give confidence; a promise

TASK 2. Match the words to make collocations and make your own sentences with them.

generate satisfy fierce proven pursue make (x4) earn
 recoup attract (x2) take fulfil tough weak excellent
 place identify draw miss pay yield cut-throat

..... investment ¹	..... ..... track record ⁵
..... a decision ²	..... ..... an order ⁶
..... an opportunity ³	..... ..... attention ⁷
..... competition ⁴	..... ..... a profit ⁸

TASK 3. Identify whether the following statements are TRUE or FALSE.

1. Determining a good business opportunity is rather easy since one can find a limited number of them.

2. A company which has a proven track record is more reliable in comparison with a new business.

3. Some amount of assurance is needed if you see a business opportunity in a new business.

4. The risk of starting a business is worth taking in case of appropriate funding and proper organization.

5. Aiming at a niche market can hinder a company to make a big profit because of the market narrowness.

6. Tough competition is characteristic of a niche market.

7. Having a sound financial base and an attractive product is much more important than getting the products to consumers in a proper way.

8. Building a loyal client base depends, first of all, on the quality of the product.

9. The return on investment is one of the most crucial factors when considering various business opportunities.

10. A home-based business is unlikely to succeed in conditions of today's market.

TASK 4. Comprehension check.

1. What are the main advantages of a company with a proven track record over a new business?

2. In what cases is it possible to benefit from a relationship with a new business?

3. What are the main advantages of operating on the niche market?

4. What are the main factors of a comprehensive system for getting the products to consumers and how do they contribute to success of the company?

5. Why can a home-based business be successful in the current market conditions?

TASK 5. Prepare as many ideas as possible to give a short talk on the business topic. Discuss them in small groups and choose the three most important.

What is important when ...?

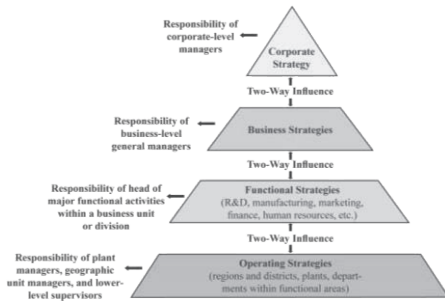
Choosing between setting up your own business or working for a company

- _____
- _____
- _____

TEXT 2

Over to you: What is the role of a company strategy in success of a business? What do you think are the main features of a successful strategy?

DEVELOPING YOUR STRATEGY: FINDING YOUR PATH TO SUCCESS



A company **strategy** is a term that is used to describe the combination of policies, processes, and procedures that are employed to help a company operate according to its **mission statement** and achieve its short-term and long-term goals. An overall business strategy is multi-layered, since it involves the coordination of the operations of every department and division within the company structure.

In a for-profit company, for which **competition** and profitability are important, your goals will differ from those of a nonprofit or **government** department. For example, depending on scope and **circumstances**, you may want to develop strategies to increase profitability, gain more market share, increase approval ratings, or boost customer satisfaction, and complete a project under **budget**.

To determine your strategy, you must understand fully the internal and external environmental factors that affect you. With that understanding, you can identify your clear advantages and use these to be successful. From there, you can make informed choices and **implement** your strategy effectively.

So, strategy creation follows a three-stage process: 1) analyzing the context in which you're operating; 2) identifying strategic options; 3) evaluating and selecting the best options.

Stage 1: Analyzing Your Context and Environment

In this first stage, you ensure that you fully understand yourself and your environment. Do the following:

Analyze Your Organization. Firstly, examine your resources, liabilities, capabilities, strengths, and weaknesses. A SWOT analysis is a great tool for uncovering what you do well and where you have weaknesses, providing that you use it rigorously. It's much easier to achieve your objectives when your strategy uses your strengths without exposing your weaknesses.

Analyze Your Environment. Now you need to examine your current operating environment to predict where things are moving. It shows where you

have a strong position within the larger environment, and where you may have issues. As you prepare to create your strategy, make sure that you're working in a way that's aligned with changes in your operating environment, rather than working against them.

Analyze Your Customers and Stakeholders. Your strategy defines how you'll win, and winning is typically framed by how well you satisfy your customers. For-profit companies must keep their customers and **shareholders** happy. Governments, nonprofits, and project teams all have other **stakeholders** to satisfy as well. Strategy creation must consider these needs. Identify your clients and stakeholders. What do your clients want? And who are the key stakeholders in your success?

Analyze Your Competitors. In a traditional for-profit company, you must understand how your products compare with competitors' products, and what your competitors' competencies are. How easy, or difficult, is it to enter your market? What alternatives do customers have? USP Analysis helps you identify ways in which you can compete effectively.

Stage 2: Identifying Strategic Options

Now it's time to think about the different things that you could do to create a clear advantage, and meet your objectives. Here are some fundamental activities that can help you make this decision.

Brainstorm Options. Use creativity tools like brainstorming to explore projects that you could run to develop competitive advantage.

Examine Opportunities and Threats. Your SWOT analysis identified some of the main opportunities and threats you face. Using this as a starting point, brainstorm additional ways to maximize your opportunities, minimize your threats, or perhaps even turn your threats into opportunities.

Solve Problems. A problem-solving approach can also help at this stage. If your problem is that you're not achieving your goals, ask yourself how you can ensure that you do.

Stage 3: Evaluating and Selecting Strategic Options

The final stage is to **evaluate** strategic options in detail, and select the ones that you want to pursue.

Evaluate Options. By this stage, you've probably identified a range of good projects that you could run. You must now evaluate these to choose the best strategic options. Consider every option you've identified, but don't make a final judgment until you've completed your assessment.

Choose the Best Way Forward. With your evaluation complete, you now must choose the best strategic option or strategic options, making sure that you don't choose so many options that you spread your resources too thinly. Check your ideas for consistency with your organization's Vision, Mission and Values, and update these if necessary.

Implementing Strategy. It's no good developing a strategy if you don't implement it successfully, and this is where many people go astray.

Your strategy tells you how you'll achieve success, no matter how that success is defined. And whether you're developing a strategy at the personal, team or organizational level, the process is as important as the outcome. Identify your unique capabilities, and understand how to use these to your advantage while minimizing threats.

TASK 1. Match the terms from the text with their corresponding definitions.

1. evaluate	a) the group of people who officially control a country
2. strategy	b) a person with an interest or concern in something, especially a business
3. government	c) to make a law, system, plan, etc start to happen or operate
4. competition	d) someone who owns shares in a company
5. mission statement	e) form an idea of the amount, number, or value of; assess; to consider or study something carefully and decide how good or bad it is
6. implement	f) facts or events that make a situation the way it is
7. circumstances	g) a short written description of the aims of a business, charity, government department, or public organization
8. budget	h) a plan that shows how much money you have and how you will spend it
9. shareholder	i) a situation in which someone is trying to win something or be more successful than someone else; people you are competing against, especially in business
10. stakeholder	j) a plan that you use to achieve something

TASK 2. Match the words to make collocations and make your own sentences with them.

- | | | | | | |
|-----------|------------|--------------|---------|----------|---------|
| develop | dominate | implement | gain | set | explore |
| determine | satisfy | abandon (×2) | enter | spread | examine |
| meet (×2) | monopolize | minimize | face | create | retain |
| penetrate | leave | get out of | achieve | complete | pursue |

..... a goal¹
 a market⁵
 a strategy² threats⁶
 environment³ resources⁷
 customers⁴ a project⁸

TASK 3. Identify whether the following statements are TRUE or FALSE.

1. A company strategy is developed to assist the company to operate successfully and gain its goals.
2. For-profit and nonprofit companies develop similar strategies because they want to achieve the same goal of increasing profitability.
3. It is necessary to analyze internal as well as external factors influencing your company to develop an effective strategy and implement it.
4. Analyzing your organization and your environment helps you to identify the strengths and weaknesses that will facilitate your struggle against changes in the operating environment.
5. Satisfaction of customers and shareholders is a key priority of for-profit and nonprofit companies.
6. Analyzing your competitors you define characteristics of your competitors' products and your market, as well as options which your customers have in order to define the ways to become more competitive in the market.
7. The stage of identifying strategic options is aimed at finding the ways to develop competitive advantage and problem-solving.
8. At the final stage you need to identify the best strategic option or options after careful analysis of all the selected options.
9. The more options you choose, the better chances of success you have because you allocate your resources in different directions.
10. Implementation of the company strategy is more important than the process of its development.

TASK 4. Comprehension check.

1. What is a company strategy?
2. What can a developed strategy be aimed at?
3. What are the main stages of strategy creation?

4. What actions are taken at each stage?
5. Why is successful strategy implementation so important?

TASK 5. Prepare as many ideas as possible to give a short talk on the business topic. Discuss them in small groups and choose the three most important.

What is important when ...?

Developing a strategy

- _____
- _____
- _____

TEXT 3

Over to you: Why should a company analyze its strengths, weaknesses, opportunities and threats? Who is involved in conducting a SWOT analysis?

USING A SWOT ANALYSIS AS A KEY BUSINESS TOOL



Change is an inevitable part of community organizing. If you know how to take stock of the **strengths, weaknesses, opportunities, and threats**, you are more likely to plan and act effectively. SWOT provides a **tool** to explore both internal and external factors that may influence your work.

SWOT stands for **Strength, Weakness, Opportunity, Threat**. A SWOT analysis guides you to identify your organization's strengths and weaknesses, as well as broader opportunities and threats. Developing a fuller **awareness** of the situation helps with both strategic planning and decision-making. The SWOT method was originally developed for business and industry. The strengths of this method are its simplicity and application to a variety of levels of operation.

A SWOT analysis can offer helpful perspectives at any stage of an effort. You might use it to:

- Explore possibilities for new efforts or solutions to problems.
- Make decisions about the best path for your initiative. Identifying your opportunities for success in context of threats to success can clarify directions and choices.
- Determine where change is possible. If you are at a juncture or turning point, an **inventory** of your strengths and weaknesses can reveal priorities as well as possibilities.
- Adjust and refine plans mid-course. A new opportunity might open wider avenues, while a new threat could close a path that once existed.

SWOT also offers a simple way of communicating about your **initiative** or program and an excellent way to organize information you've gathered from studies or **surveys**. Remember that the purpose of conducting a SWOT analysis is to reveal positive forces that work together and potential problems that need to be recognized and possibly addressed.

There are several formats you can use to do a SWOT analysis, including a basic SWOT form that you can use to prompt analysis, but whatever format you use, don't be surprised if your strengths and weaknesses don't precisely match up

to your opportunities and threats. You might need to refine, or you might need to simply look at the facts longer, or from a different angle.

Listing Your Internal Factors: Strengths and Weaknesses (S, W)

Internal factors include your resources and experiences. General areas to consider:

- Human resources – staff, volunteers, board members, target population.
- Physical resources – your location, building, equipment.
- Financial – grants, funding agencies, other sources of income.
- Activities and processes – programs you run, systems you employ.
- Past experiences – building blocks for learning and success, your reputation in the community.

Listing External Factors: Opportunities and Threats (O, T)

Cast a wide net for the external part of the assessment. No organization, group, program, or neighborhood is immune to outside events and forces. Consider your connectedness, for better and worse, as you compile this part of your SWOT list.

Forces and facts that your group does not control include:

- Future trends in your field or the culture.
- The economy – local, national, or international.
- Funding sources – foundations, donors, legislatures.
- Demographics – changes in the age, race, gender, culture of those you serve or in your area.
- The physical **environment** (Is your building in a growing part of town?).
- **Legislation** (Do new legal requirements make your job harder or easier?).
- Local, national or international events.

The most common users of a SWOT analysis are team members and project managers who are responsible for decision-making and strategic planning. But don't overlook anyone in the creation stage! An individual or small group can develop a SWOT analysis, but it will be more effective if you take advantage of many stakeholders. Each person or group offers a different perspective on the strengths and weaknesses of your program and has different experiences of both. Likewise, one staff member, or volunteer or stakeholder may have information about an opportunity or threat that is essential to understanding your position and determining your future.

As you consider your analysis, be open to the possibilities that exist within a weakness or threat. Likewise, recognize that an opportunity can become a threat if everyone else sees the opportunity and plans to take advantage of it as well, thereby increasing your competition. A realistic recognition of the weaknesses and threats that exist for your effort is the first step to countering them with a robust set of strategies that build upon strengths and opportunities. A SWOT analysis identifies your strengths, weaknesses, opportunities and threats to assist you in making strategic plans and decisions.

TASK 1. Match the terms from the text with their corresponding definitions.

1. strength	a) something that <u>helps</u> you to do a <u>particular activity</u>
2. weakness	b) a good or beneficial quality or attribute of a person or thing
3. threat	c) knowledge or perception of a situation or fact
4. tool	d) the surroundings or conditions in which a person, animal, or plant lives or operates
5. awareness	e) the possibility of trouble, danger, or ruin
6. initiative	f) a disadvantage or fault
7. inventory	g) an examination of people's opinions or behaviour made by asking people questions
8. survey	h) a complete list of items such as property, goods in stock, or the contents of a building; (in accounting) the entire stock of a business, including materials, components, work in progress, and finished product
9. environment	i) laws, considered collectively
10. legislation	j) a plan or activity that is done to solve a problem or improve a situation

TASK 2. Match the words to make collocations and make your own sentences with them.

develop determine implement offer open handle
 refine communicate abandon face share (x2) explore
 take solve conduct make reveal (x2) adjust
 address organize recognize do

.....
.....	possibilities ¹	.....	.....	a problem ⁵
.....	a perspective ²	.....	.....	future ⁶
.....	..... analysis ³	.....	.....	advantage ⁷
.....
.....	..... information ⁴	.....	.....	.....
.....	.....	.....	.....	a plan ⁸

TASK 3. Identify whether the following statements are TRUE or FALSE.

1. A SWOT analysis mainly focuses on internal environment of the company though it can also include the external forces.
2. The SWOT method is limited to business and industry because of its complexity.
3. A SWOT analysis can be applied at different stages of business development to clarify the future directions.
4. It has to be reviewed regularly to make all necessary changes in business operations in accordance with the changes in internal and external environment.
5. Conducting a SWOT analysis helps the company to identify positive forces and potential problems to be ready to solve them.
6. In a properly conducted SWOT analysis strengths and weaknesses never match up to opportunities and threats.
7. If you analyze threats carefully, your company will be able to protect itself from external forces and take control over all outside forces.
8. Mainly team members and project managers who are responsible for decision-making and strategic planning conduct a SWOT analysis because other stakeholders can offer a completely different perspective on the strengths and weaknesses of the program and it can lead to conflicts.
9. It is necessary to bear in mind that opportunities can turn into threats and vice versa.
10. Your strategies must be built upon strengths and opportunities taking into account weaknesses and threats.

TASK 4. Comprehension check.

1. What does SWOT stand for?
2. How can a SWOT analysis help a business?
3. What is the purpose of conducting a SWOT analysis?
4. What do internal and external factors include?
5. Who is responsible for conducting a SWOT analysis and why?

TASK 5. Prepare as many ideas as possible to give a short talk on the business topic. Discuss them in small groups and choose the three most important.

What is important when ...?

Conducting a SWOT-analysis

- _____
- _____
- _____

TEXT 4

Over to you: What is the main goal of a company's operations? How is it possible to determine if a company is profitable or not?

PROFITABILITY AS A KEY INDICATOR OF FINANCIAL SUCCESS OF A BUSINESS



Profitability is ability of a company to use its resources to generate **revenues** in excess of its **expenses**. In other words, this is a company's capability of generating **profits** from its operations.

Profitability is one of four building blocks for analyzing financial statements and company performance as a whole. The other three are efficiency, **solvency**, and market prospects. Investors, creditors, and managers use these key concepts to analyze how well a company is doing and the future potential it could have if operations were managed properly.

The two key aspects of profitability are revenues and expenses. Revenues are the business income. This is the amount of money earned from customers by selling products or providing services. Generating income isn't free, however. Businesses must use their resources in order to produce these products and provide these services. Resources, like cash, are used to pay for expenses like employee **payroll**, rent, **utilities**, and other necessities in the production process. Profitability looks at the relationship between the revenues and expenses to see how well a company is performing and the future potential growth a company might have.

Profitability refers to the potential of a **venture** to be financially successful. This may be assessed before entering into a business or it may be used to analyze a venture that is currently operating. Although it may be found that one set of factors is not likely to be successful or has not been successful, it may not be necessary to abandon the venture. It may instead be feasible to change operational factors such as pricing or costs.

There are three basic situations that can describe a business's financial situation. It can be profitable, it can **break even**, or it can operate at a **loss**. In most cases, an organization's goal is to make a profit.

Profitability **ratios** are a class of financial metrics that are used to assess a business's ability to generate earnings compared to its expenses and other relevant

costs incurred during a specific period of time. For most of these ratios, having a higher value relative to a competitor's ratio or relative to the same ratio from a previous period indicates that the company is doing well.

Some examples of profitability ratios are profit margin, return on assets (ROA) and return on equity (ROE). Profitability ratios are the most popular metrics used in financial analysis.

Different profit margins are used to measure a company's profitability at various cost levels, including gross margin, operating margin, pretax margin and net profit margin. The margins shrink as layers of additional costs are taken into consideration, such as cost of goods sold (COGS), operating and non-operating expenses, and taxes paid.

The term return in the ROA ratio refers to net profit or net income, the amount of earnings from sales after all costs, expenses and taxes. The more assets a company has amassed, the more sales and potentially more profits the company may generate. As economies of scale help lower costs and improve margins, return may grow at a faster rate than assets, ultimately increasing return on assets.

ROE is a ratio that concerns a company's equity holders the most, since it measures their ability of earning return on their equity investments.

There may be a number of parties interested in the profitability of a particular venture. For example, sometimes people are owners of businesses but they are not operators, giving them a reason to be interested in the financial health and direction of the venture. Stakeholders who have money invested are also likely to be highly concerned with the profitability of a business. Employees, especially those at the managerial level, should also care because lack of profit can threaten job security and may damage a person's professional reputation.

There are many reports to use when measuring the profitability of a company, but external users typically use the numbers reported on the income statement.

TASK 1. Match the terms from the text with their corresponding definitions.

1. revenue	a) a business enterprise, typically one that involves risk
2. profit	b) a situation in which a company spends more money than it earns
3. expenses	c) the total amount of money paid to the people employed by a particular company
4. venture	d) an important service such as water, electricity, or gas that is provided for everyone, and that everyone pays for
5. solvency	e) the state of having enough money to pay everything that is owed to others

6. payroll	f) the relationship between two things expressed in numbers to show how much bigger one is than the other
7. utility	g) to reach a point in a business venture when the profits are equal to the costs
8. loss	h) a financial gain, especially the difference between the amount earned and the amount spent in buying, operating, or producing something
9. break even	i) the costs incurred in the performance of one's job or a specific task
10. ratio	j) large amounts of money received by a government as tax, or by a company

TASK 2. Match the words to make collocations and make your own sentences with them.

sell abandon analyze offer produce (x2) suffer provide
waste damage receive borrow establish earn invest
lend operating incur spend raise owe acquire
save generate minimize protect lower make (x3) yield

.....
.....	venture ¹	.....	.....	.....	.....	costs ⁵
.....	.....	.....	.....	.....	.....	reputation ⁶
.....	.....	.....	money ²	.....	.....	.....
.....	.....	.....	services ³	.....	.....	revenue ⁷
.....	.....	.....	products ⁴	.....	.....	a loss ⁸

TASK 3. Identify whether the following statements are TRUE or FALSE.

1. Profitability is one of the main components of analyzing company performance on the basis of the generated revenues and incurred costs.
2. If a venture is not profitable, it is necessary to abandon it immediately.
3. Three basic situations are used to describe a company's financial position, namely high, middle and low profitability.

4. In most cases, the higher profitability ratios of the company in comparison with a competitor's ratio or relative to the same ratio from a previous period are, the better the company performance is.

5. Profit margins increase when additional costs are taken into account.

6. There is a financial interrelation between the assets which a company has amassed and the sales and profits which the company may generate.

7. Economies of scale are a tool which can help a company to decrease costs and, as a result, raise return on assets.

8. Profitability of a particular venture may concern different groups of people including owners and shareholders.

9. Employees of a company usually don't care about their company's profitability since they are neither owners nor stockholders.

10. Professional reputation of employees as well as their job security can be damaged by poor performance of the company they are working for.

TASK 4. Comprehension check.

1. What are four main components for analyzing financial statements and company performance as a whole?

2. What are the main sources of revenue and what costs does a company usually incur?

3. What are three basic situations which describe the financial position of a company and which of them is/are favourable for a company?

4. What are the key profitability ratios and what do they mean?

5. Who may be interested in the profitability of a particular venture and why?

TASK 5. Prepare as many ideas as possible to give a short talk on the business topic. Discuss them in small groups and choose the three most important.

What is important when ...?

Determining profitability of the company

- _____
- _____
- _____

TEXT 5

Over to you: What functions does a typical manager perform? Does every manager have to perform all the functions simultaneously?

MANAGERIAL FUNCTIONS



Business managers exist in a variety of industries, and they can work in highly specialized ways, managing a single department, or they may work as managers or owners of smaller companies, doing just about everything needed to ensure that all aspects of the business and all its requirements are met. Sometimes the business manager is defined as the person who must **facilitate** the work without actually doing the work that is required. This isn't meant as a negative statement; it merely

means that the business manager is responsible for making sure employees are functioning at optimum levels, and that the manager effectively oversees, plans, and delegates.

The functions, which describe a managerial job, when put together, make up the management process. This process is analyzed into key functions of management: planning, organizing, staffing, directing and controlling. Planning, organizing and controlling which deal mostly with non-human aspects are known as mechanics of management, whereas staffing and directing which are primarily concerned with human aspects constitute dynamics of management. These functions have been discussed below:

1. Planning: Planning refers to anticipating the opportunity, problems and conditions and choosing from among the alternative future courses of action. The planning process generally includes the following activities:

- **Forecasting** is looking ahead to **anticipate** the opportunity, problems and conditions in a future period of time.
- **Establishing objectives** means setting the end results to be **accomplished** by directing organizational efforts.
- **Programming** is establishing sequence and priority of actions to be followed in the attainment of the objectives.
- **Scheduling** is deciding on time sequence for program steps.

- **Budgeting** is **allocation** of resources to minimize costs.
- **Establishing procedures** means developing and applying standardized methods of performing a specific work.
- **Developing policies** involves establishment and interpretation of standing decisions that apply to repetitive questions and problems of significance to the organization as a whole.

2. Organizing function: The organizing function of management is the process of defining and grouping activities and creating authority relationship among them. It consists of:

- **developing the organization structure** which involves identification of task and grouping them into units or departments for **performance**;
- **delegating authority** to the managers and making them responsible for group performance;
- **establishing relations** which create conditions necessary for mutually cooperative efforts of people in the organization.

3. Staffing: Planning the organization with suitable personnel constitutes the staffing function. It involves selection, training and development, compensation, and **appraisal** of subordinates by the manager. Manpower planning and manpower management looks after these activities and tries to ensure suitable methods of **remuneration** and performance appraisal of the employees.

4. Directing: It involves managing people and the work through the means of motivation, proper leadership, effective communication and coordination. A manager must develop ability to command. He/She should issue orders and instructions without arousing any resentment among the **subordinates**. He/She must be able to secure willing obedience from the subordinates without destroying their initiative and creativity. Moreover, it requires a sound communication system to enable exchange of ideas and information for common understanding.

5. Controlling: It enables management to ensure that achievement is in accordance with the established plans it involves:

- **establishing performance standards** for evaluating results;
- **performance** on the basis of records and reports on the progress of work;
- **performance evaluation** against the standards set;
- **corrective action** to regulate operations, remove **deficiencies** and improve performance.

If you're interested in the field of business management, there are many skills you will need. You should have an excellent understanding of business models, economy, and finance. You also need to have great people skills, since part of your job may be to motivate or inspire at least some, if not all employees.

TASK 1. Match the terms from the text with their corresponding definitions.

1. deficiency	a) money paid for work or a service
2. inspire	b) the action or process of carrying out or accomplishing an action, task, or function; a task or operation seen in terms of how successfully it is done
3. appraisal	c) a lack or shortage
4. remuneration	d) achieve or complete successfully
5. subordinate	e) regard as probable; expect or predict
6. performance	f) an assessment or estimation of the worth, value, or quality of a person or thing
7. allocation	g) make (an action or process) easy or easier
8. anticipate	h) a person under the authority or control of another within an organization
9. facilitate	i) the decision that something should be given to a particular person or used for a particular purpose
10. accomplish	j) fill (someone) with the urge or ability to do or feel something, especially to do something creative

TASK 2. Match the words to make collocations and make your own sentences with them.

inspire	establish (x3)	motivate	apply (x2)	create	set (x2)
improve (x3)	meet (x2)	allocate	appraise	evaluate	pool
develop (x2)	comply with (x2)				

.....	..... requirements ¹	.....	..... standards ⁵
.....	a method ²	.....	performance ⁶
.....	resources ³	.....	employees ⁷
.....	conditions ⁴	.....	relations ⁸

TASK 3. Identify whether the following statements are TRUE or FALSE.

1. Business managers can work in specialized areas as well as run a whole company if it is small.
2. There are five managerial functions but three of them are the most important: planning, organizing and controlling.
3. Managerial functions deal with either human or non-human aspects.
4. The planning function involves forecasting and implementation of the policies and procedures.
5. Time sequence for program steps is called forecasting.
6. The organizing function is related to the organization structure, authority delegation and relationships.
7. Creation of favourable conditions is crucial for mutually beneficial cooperation in the organization.
8. The staffing function includes manpower planning and manpower management within a company.
9. Issues of motivation, proper leadership, effective communication and remuneration are covered by the directing function.
10. Controlling deals with performance including setting performance standards, evaluation of performance and taking actions to improve the situation.

TASK 4. Comprehension check.

1. How many managerial functions do you know?
2. What is planning?
3. What does the controlling function involve?
4. What activities does staffing include?
5. What is an organizing function?

TASK 5. Prepare as many ideas as possible to give a short talk on the business topic. Discuss them in small groups and choose the three most important.

What is important when ...?

Performing functions of a manager

- _____
- _____
- _____

TEXT 6

Over to you: What styles of leadership do you know? In what cases can each of them be applied in the most efficient way?

LEADERSHIP STYLES AND PREREQUISITES OF THEIR EFFECTIVENESS



When developing a manager, it is important to know and understand the different types of leadership styles. In business, leadership styles generally refer to various kinds of strategies and methods used by managers, in order to produce the best results for the organization. Many managers take leadership seminars in order to learn some of the tricks of the trade that can potentially make their businesses more efficient and successful.

There are many different leadership styles that are employed in the corporate setting. Leaders can come in many forms, and the perfect style depends on the industry, the team being managed and the corporate strategy. Each leadership style has different strengths and methods, and some styles need specific environments to be effective. Leadership styles include autocratic, bureaucratic, democratic, laissez-faire and transformational. Once a person's leadership style is determined through a leadership test, training and coaching can begin.

The autocratic leader typically operates in a **dictatorship** style and has absolute power. These leadership types usually do not take suggestions from others, tend to rely on the force of personality and dominate their subordinates. Many employees **resent** this leadership style, which can lead to **staff turnover** and dissatisfaction. This style might be advantageous during crisis management and for micromanagement of passive, routine positions.

Bureaucratic leaders are commonly known as the “rule followers” of the different types of leaders. This kind of leader does everything according to the rules and regulations and makes sure the staff members follow suit. Typically successful when working with machinery, in construction or in finance, these leaders must have a levelheaded personality. Environments that require creativity and **flexibility** might not work well with this style.

When a leader is democratic, or participative, he or she usually invites the contributions of subordinates but makes the final decisions. This is one of the most effective leadership types when the organization depends on **collaboration**

and teamwork. The democratic style typically is a balance between micromanagement and non-engaged management. The democratic manager **emphasizes** team building and usually acts more like a coach than a boss. Many employees are motivated, feel valued and are able to develop new skills under this kind of leader.

The laissez-faire leader is usually very “hands off” with his employees. When managing self-disciplined or tenured employees, this can be one of the ideal leadership types. It might not work if the employees are junior, need constant **feedback** or are not highly motivated, however. This leadership style typically is more effective when combined with regularly scheduled meetings on a weekly or monthly basis to ensure clear communication with employees. This type of leader might be at risk of losing control of staff members if situations are not addressed properly and in a timely manner.

When an organization is starting or going through a major **transition**, the transformational style usually is one of the best leadership types to have at the forefront. The transformational leader typically is charismatic and naturally inspires others. These leaders are rare and have the **capacity** and **vision** to make big changes. They show new ways to solve problems and engage their followers intellectually and emotionally.

TASK 1. Match the terms from the text with their corresponding definitions.

1. flexibility	a) the rate at which people leave and are replaced
2. staff turnover	b) information about reactions to a product, a person’s performance of a task, etc. which is used as a basis for improvement
3. resent	c) absolute or supreme power or authority
4. transition	d) give special importance or value to (something)
5. vision	e) the process or a period of changing from one state or condition to another
6. feedback	f) the ability to be easily modified
7. capacity	g) the action of working with someone to produce something
8. emphasize	h) the ability or power to do or understand something
9. collaboration	i) feel bitterness or indignation
10. dictatorship	j) the ability to think about or plan the future with imagination or wisdom

TASK 2. Make phrases by matching an item from each column and complete the sentences below using the phrases in the correct form.

highly feel scheduled take solve take levelheaded clear follow develop	meetings personality suggestions communication seminars suit skills motivated problems valued
---	--

1. This position requires a ... with experience in managing risk.
2. There are many ways to ..., and it will depend on your situation, your experience, your knowledge, your attitude, and your problem to determine the best approach.
3. Being able to better ... in a workplace situation will allow you to absorb good practices and upskill yourself more effectively.
4. Spain cut its rates by half a percent but no other country
5. People who have worked on ... strong interpersonal ... are usually more successful in both their professional and personal lives.
6. Trying to become ... for your job is probably one of the toughest challenges one faces in the workplace.
7. The FOMC holds eight regularly ... during the year and other meetings as needed.
8. If you ... leadership ..., it will help you learn what a leader is and isn't, what senior management looks for in potential leaders, how to develop and use leadership skills.
9. The need for ... increases in direct proportion to the level of volatility an organization faces.
10. One of your most important duties as a manager is making your employees

TASK 3. Identify whether the following statements are TRUE or FALSE.

1. Democracies have less freedom than dictatorships.
2. The authoritarian leadership works positively during emergency and stressful situations.

3. The authoritarian style of leadership is said to be synonymous with dictatorship.

4. An autocratic leader may at times render severe punishments for small mistakes to influence the employees.

5. In case of an autocratic style of leadership, the communication often moves in a unilateral bottom-to-top movement.

6. The bureaucratic leadership style is the most appropriate for creative and flexible environments.

7. The democratic style is associated with collaboration, teamwork, high motivation, personal development and noninterference.

8. Democratic leaders usually respond only when there is a problem because power is divided among different branches and entities.

9. The laissez-faire leader can be effective in case of the self-disciplined and highly motivated team otherwise he/she might lose control of the staff.

10. Transformational leaders are the most effective when it's time of change since they have necessary characteristics to motivate and inspire their staff.

TASK 4. Comprehension check.

1. What are the main disadvantages of the authoritarian leadership style?

2. What are the situations when the authoritarian leadership style proves effective?

3. What are the benefits of the democratic leadership style?

4. What main advantages of the bureaucratic leadership style are described in the text above?

5. What main advantages of the transformational leadership style are above-mentioned?

TASK 5. Prepare as many ideas as possible to give a short talk on the business topic. Discuss them in small groups and choose the three most important.

What is important when ...?

Choosing an appropriate style of leadership

- _____
- _____
- _____

TEXT 7

Over to you: Why is it so important to motivate staff properly? What can happen if staff are demotivated and dissatisfied? What would motivate you to work harder?

STAFF MOTIVATION



Employees are the building blocks of an organization. Organizational success depends on the collective efforts of the employees. The employees will collectively contribute to organizational growth when they are motivated. Motivation is the word derived from the word 'motive' which means needs, desires, wants or drives within the individuals. It is the process of stimulating people to actions to accomplish the goals. In the work goal context the psychological factors stimulating the people's behaviour

can be desire for money, success, **recognition**, **job satisfaction**, team work, etc.

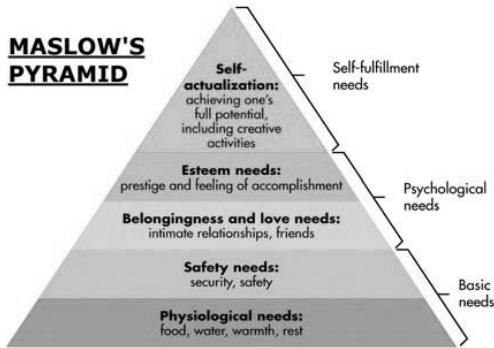
One of the most important functions of management is to create willingness amongst the employees to perform in the best of their abilities. Therefore, the role of a leader is to arouse interest in performance of employees in their jobs. The process of motivation consists of three stages:

1. A felt need or drive.
2. A stimulus in which needs have to be aroused.
3. When needs are satisfied, the satisfaction or accomplishment of goals.

Therefore, motivation is a psychological phenomenon which means needs and wants of the individuals have to be tackled by framing an incentive plan.

An **incentive** is an act or promise for greater action. It is also known as a stimulus to greater action. Incentives are something which is given in addition to **wages**. It means additional remuneration or benefit to an employee in recognition of achievement or better work. Incentives provide a spur or **zeal** in the employees for better performance. It is a natural thing that nobody acts without a purpose behind. Therefore, a hope for a **reward** is a powerful incentive to motivate employees. Besides monetary incentive, there are some other stimuli which can drive a person to better. This will include job satisfaction, job security, job **promotion**, and pride for accomplishment.

Therefore, management has to offer the following two categories of incentives to motivate employees:



1. Monetary incentives.

As the name implies, a monetary incentive is a money- based reward given when an employee meets or exceeds expectations. Monetary incentives can include cash bonuses, stock options, profit-sharing and any other type of reward that increases an employee's compensation. Money has been recognized as a key source of satisfying the

needs of people like basic and psychological ones that is why in many factories various wage plans and bonus schemes are introduced to motivate and stimulate the people to work.

2. **Non-monetary incentives.** Besides the monetary incentives, there are certain non-financial incentives which can satisfy the ego and **self-actualization** needs of employees. These are incentives which cannot be measured in terms of money. Non-monetary awards tend to come with the promise of an opportunity. Opportunities can include time off from work, flexible work schedules or even positive changes in the work environment. Non-financial incentives can be of the following types:

- **Security of service.** Job security is an incentive which provides great motivation to employees. If his job is secured, he will put maximum efforts to achieve the objectives of the enterprise. This also helps since he is very far off from mental tension and he can give his best to the enterprise.

- **Praise or recognition.** Praise or recognition is another non-financial incentive which satisfies the ego needs of the employees. Sometimes praise becomes more effective than any other incentive. The employees will respond more to praise and try to give the best of their abilities to a concern.

- **Suggestion scheme.** The organization should look forward to taking suggestions and inviting suggestion schemes from the subordinates. This inculcates a spirit of participation in the employees. This can be done by publishing various articles written by employees to improve the work environment and printed in the magazines of the company. This also is helpful to motivate the employees to feel important and they can also be in search for innovative methods which can be applied for better work methods. This ultimately helps in growing a concern and adapting new methods of operations.

- **Job enrichment.** Job enrichment is another non-monetary incentive in which the job of a worker can be enriched. This can be done by increasing his responsibilities, giving him an important designation, increasing the content and nature of the work. This way efficient workers can get challenging jobs in which they can prove their worth. This also helps in the greatest motivation of the efficient employees.

- **Promotion opportunities.** Promotion is an effective tool to increase the spirit to work in a concern. If the employees are provided with opportunities for the advancement and growth, they feel satisfied and contented and they become more **committed** to the organization.

The above non-financial tools can be framed effectively by giving due concentration to the role of employees. A combination of financial and non-financial incentives helps together in bringing motivation and zeal to work in a company though a monetary incentive is generally awarded for a job well done and is often something that the employee can strive for, while the purpose of a non-monetary incentive is to generally reward the employee after the fact of doing a good job.

TASK 1. Match the terms from the text with their corresponding definitions.

1. recognition	a) great energy or enthusiasm in pursuit of a cause or an objective
2. job satisfaction	b) loyal and willing to give your time and energy to something that you believe in
3. promotion	c) the realization or fulfilment of one's talents and potentialities, especially considered as a drive or need present in everyone
4. praise	d) appreciation or acclaim for an achievement, service, or ability
5. committed	e) a thing given in recognition of service, effort, or achievement
6. zeal	f) a fixed regular payment earned for work or services, typically paid on a daily or weekly basis
7. incentive	g) the feeling of pleasure and achievement that you experience in your job when you know that your work is worth doing
8. reward	h) the expression of approval or admiration for someone or something
9. wage	i) the act of raising someone to a higher or more important position or rank
10. self-actualization	j) a thing that motivates or encourages someone to do something

TASK 2. Make phrases by matching an item from each column and complete the sentences below using the phrases in the correct form.

building	needs
collective	use of
accomplish	environment
arouse	goals
satisfy	schemes
job	employees
bonus	efforts
make	security
motivate	interest
improve	blocks

1. No job can offer guaranteed ... these days.
2. The international community needs to make ... to confront the serious challenges before us.
3. The system will have to meet the requirements of employers for the quality of labour and ... to improve themselves continuously in order to compete in the labour market.
4. Meetings should start and end on time and there should be a realistic assessment of the frequency and duration of the meetings needed to
5. We offer 8 ... worth from 1 to 1000 Euros.
6. Effective use of ICT increases productivity, supports efficient services to customers, ... the working ... for staff and reduces costs.
7. If the stories relate to issues such as wages, goods and the provision of basic services, they are likely to ... across many levels of society.
8. Small and medium-sized exporters in particular are not able to ... hedging instruments in managing risks.
9. Important ... related to this capability are knowledge, skills, experience and networking abilities.
10. We have attempted within one resource to ... of two absolutely different groups of users: business partners and owners of cars (or those who only plan to purchase a car).

TASK 3. Identify whether the following statements are TRUE or FALSE.

1. Personnel are an important component of an organization whose success depends on staff motivation.

2. Motivation is the process of stimulating people to actions to achieve the goals of the company because individual efforts of each employee contribute to organizational growth.

3. Motivation is a psychological phenomenon because the main factors which stimulate the people's behaviour are psychological ones, for instance desire for money, success, recognition, job satisfaction, team work and others.

4. Incentives include wages and additional remuneration or benefit to staff as a sign of recognition of achievement or better work.

5. All people have a purpose behind their actions that's why a hope for a reward is a powerful stimulus which can motivate employees

6. Both monetary and non-monetary incentives can be effective in the workplace because they satisfy various types of employees' needs.

7. Job insecurity is an effective motivation tool because employees will put maximum efforts to accomplish the objectives of the company not to be laid off.

8. The sole purpose of suggestion schemes is to involve employees in finding innovative methods aimed at improving the working environment.

9. Job enrichment means delegating tasks and working overtime which leads to pay increase and opportunities for the advancement and growth.

10. Monetary and non-monetary incentives have the same purpose that is why they can be interchangeable.

TASK 4. Comprehension check.

1. What does motivation mean?
2. What are the stages in the motivation process?
3. What is an incentive and how does it work?
4. What are the main monetary incentives?
5. What are the main non-monetary incentives?

TASK 5. Prepare as many ideas as possible to give a short talk on the business topic. Discuss them in small groups and choose the three most important.

What is important when ...?

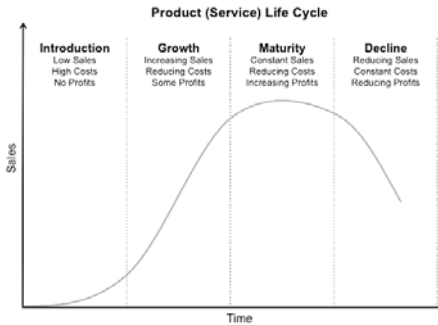
Choosing an effective method of staff motivation

- _____
- _____
- _____

TEXT 8

Over to you: Why does a company need to take into account the product life cycle while doing business? How does its activity differ at the different stages of PLC?

PRODUCT LIFE CYCLE



A business aiming to achieve its marketing objectives must be aware of the PRODUCT LIFE CYCLE. The product life cycle shows the different stages that a product passes through and the sales that can be expected at each stage. Most products pass through six stages: development, introduction, growth, maturity, saturation and decline.

Development.

During the development stage the product is being designed. Suitable ideas must be investigated, developed and tested. If an idea is considered worth pursuing then a prototype or model of the product might be produced. A decision will then be made whether or not to launch the product. A large number of new products never progress beyond this stage. This is because management is often **reluctant** to take risks associated with new products.

During the development stage it is likely that the business will spend to develop the product. As there will be no sales at this stage the business will initially be making a “loss” on the product.

Introduction. The introduction stage, following a product’s **launch**, generally involves slow growth. Only a few innovative people will buy it. There are probably no profits at this stage because of the heavy advertising, distribution and sales promotions expenses involved in introducing a product onto the market. Consumers must be made aware of the product’s existence and persuaded to buy it. Some producers will apply a **market-skimming** strategy, setting a high price in order to cover development costs. Others will employ a market-penetration strategy, selling the product at as low a price as possible, in order to attain a large market share. There is always a trade-off between high current **profit** and high market share.

The length of this stage will vary according to the product. It takes time for consumers to become confident that such products “work”.

After observing sales for a short period of time, marketers may decide to pull a product from the shelves, or work to create a demand for the product.

Growth. Once the product is established and consumers are aware of it, sales rise quickly, producing profits at the **growth stage**. This generally enables the producer to benefit from economies of scale. If a product proves to be popular with consumers, and there is a rapid growth in sales, competitors may enter the market and launch their own version. As competition increases, a product's price generally decreases.

Maturity. When the majority of potential buyers have tried or accepted a product, the market is saturated, and the product reaches its maturity stage. Sales will stabilize at the replacement purchase rate, or will only increase if the population increases. The marketing manager has to turn consumers' brand preference into brand loyalty.

Most products available at any given time are in the **maturity stage** of the life cycle. This stage may last many years, and contain many ups and downs due to the use of a succession of marketing strategies and tactics. Product managers can attempt to convert non-users, search for new markets and market segments to enter, or try to stimulate increased usage by existing users. Alternatively they can attempt to improve product quality and to add new features, sizes or models, or simply to introduce periodic stylistic modifications. They can also modify the other elements of the marketing mix, and cut prices, increase advertising, undertake aggressive **sales promotions**, seek new distribution channels, and so on, although here additional sales generally come at the cost of reduced profits.

Saturation. As more firms enter the market it will become saturated. Some businesses will be forced out of the market, as there are too many firms competing for customers. During the maturity and **saturation stages** of the product life cycle many businesses use extension strategies to extend the life of their products.

Decline. A product enters the decline period when it begins to be replaced by new ones, due to advances in technology, or to changes in fashions and tastes. When a product has clearly entered its **decline stage**, some manufacturers will abandon it in order to invest their resources in more profitable or **innovative** products. When some competitors choose to withdraw from a market, those who remain will obviously gain a temporary increase in sales as customers switch to their product.

Not all products have this typical life cycle. Some have an immediate rapid growth rather than a slow introductory stage. Others never achieve the desired sales, and go straight from introduction to maturity, although of course this should have been discovered during test marketing before a full-scale launch.

TASK 1. Match the terms from the text with their corresponding definitions.

1. growth stage	a) when the maximum possible quantity has already been sold, when market demand has been satisfied
2. maturity stage	b) the final stage in the product life cycle, when a product begins to be replaced by new ones
3. saturation stage	c) featuring new methods; advanced and original
4. decline stage	d) the stage of the product life cycle, when the market becomes saturated
5. launch	e) excess of revenues over expenses; an entrepreneur's reward for using factors of production in economic activity
6. reluctant	f) the stage of the product life cycle, when sales rise quickly
7. innovative	g) charging a high price for a new product, and making a profit from only a few customers
8. profit	h) the use of temporary incentives to make customers buy immediately
9. sales promotion	i) unwilling and hesitant; disinclined
10. market skimming	j) the introduction of a new product onto the market

TASK 2. Make phrases by matching an item from each column and complete the sentences below using the phrases in the correct form.

demand for	scale
withdraw from	ideas
improve	costs
switch to	a market
enter	a product
economies of	a market
cover	a strategy
attain	a product
pursue	quality
employ	a market share

1. Some businesses achieve increased sales, brand awareness and business stability by ... a new

2. The cocoa industry dwindled because it became increasingly difficult to
3. Halifax has a range of options for existing customers wanting to ... a new ...
4. Generating ... your ... requires much more than simply releasing it onto the market.
5. If you ever wondered how Wal-Mart can sell items so cheaply, it's because of ...
6. ... will save your firm money because you won't need to do things to cover up old mistakes.
7. As a company ... a bigger ..., it is likely to have a higher profit margin, a declining purchases-to-sales ratio, a decline in marketing costs as a percentage of sales, higher quality, and higher priced products.
8. A typical entrepreneur has more ideas than s/he knows what to do with so it is quite difficult to determine which ... you need to ..., and which ones deserve to be set aside for a rainy year.
9. It would do better to ... in which the goal is to shape the unpredictable environment to its own advantage before someone else does.
10. Some drugs ... because of risks to the patients.

TASK 3. Identify whether the following statements are TRUE or FALSE.

1. Most products pass through six stages: development, introduction, growth, maturity, saturation and decline.
2. During the development stage the product is being sold.
3. A large number of new products never progress beyond growth stage.
4. The introduction stage, following a product's launch, generally involves slow growth.
5. When the majority of potential buyers have tried or accepted a product, the market is saturated.
6. Most products available at any given time are in the introduction stage of the life cycle.
7. The development stage may last many years, and contain many ups and downs due to the use of a succession of marketing strategies and tactics.
8. A product enters the decline period when it begins to be replaced by new ones due to advance in technology, or to changes in fashions and tastes.
9. As more employees enter the market it will become saturated.
10. All products have the same life cycle.

TASK 4. Comprehension check.

1. What does the product life cycle show?

2. How many stages do most products pass through?
3. When might a prototype or model of the product be produced?
4. Who must be made aware of the product's existence and persuaded to buy it?
5. When may competitors enter the market and launch their own version?
6. When will the market become saturated?

TASK 5. Prepare as many ideas as possible to give a short talk on the business topic. Discuss them in small groups and choose the three most important.

What is important when ...?

Deciding on particular activities on the basis of product life cycle

- _____
- _____
- _____

TEXT 9

Over to you: **Think about an expensive brand and a less expensive alternative. What are the differences in the marketing mix for the two brands?**

MARKETING MIX



In order to achieve its marketing objectives as well as the overall objectives of the company, a business must consider its marketing mix. The **marketing mix** refers to those elements of a firm's marketing strategy which are designed to meet the needs of its customers. Originally there were four parts to the marketing mix – product, price, promotion and place. These are often known as the four Ps. To meet consumers' needs, businesses must produce the right product, at the right price, make it available at the right place, and let consumers know about it through promotion.

Product. Product refers to the actual, physical item that a company is trying to sell to the consumer. Marketers usually do not focus on product development as much as product presentation. Therefore, the marketing mix in this stage should consist of the name of the product, its packaging and how it will be differentiated from similar products in the store. Businesses must make sure their product is meeting the needs of their customers. This means paying close attention to a number of the features of the product: 1) How consumers will use the product. (A furniture manufacture, for example, would market different products for home use than it would for office use.) 2) The appearance of the product. (For example, there are many factors to be taken into account during the product's design. These include **shape**, taste, design and some others.) 3) Financial factors. 4) The product life cycle. 5) A product's unique selling proposition. 6) Market position.

Price is how much the company will charge consumers for the product. Typically, a lot of thought goes into pricing because setting a price too high can result in few sales. There are also dangers in setting a price too low, since such a price may make potential customers think the product lacks quality. Marketers use this knowledge to help determine price so that profit is made from the product. The marketing mix may also include special pricing incentives, like coupons.

Promotion is how the company spreads the word about a product. It involves working with stores to distribute samples, holding public relations events, and buying advertising – in the print media, the broadcast media or both. The role promotion plays

in the marketing mix depends on how much the company wants to publicize the product and how much money it has set aside to do so. Today, the Internet is also a market for product promotion, and online campaigns can be fairly inexpensive yet effective.

Placement is the art of putting the product in the right place at the right time. Proper placement is important, so that the consumer will see the product and want to have it. This is part of the marketing mix because marketers must attract retailers and get high-profile space in those stores, if they want their products to sell well. Placement can also involve determining, and reaching, a specific **target audience**. For example, a company that sells paint may set up a **sales booth** at a home improvement show in order to reach people wishing to learn about and buy paint.

The marketing mix is unique to each product or company. It often depends on the goals the organization would like to accomplish. This can range from selling as much product as possible to cultivating a reputation for making high-quality products.

Today some marketers talk about additional four Ps:

People: how your **staff** (or employees) are different from those in a competitor's organization, and how your clients are different from your competitor's clients.

Physical presence: how your shop or website looks.

Process: how your product is built and delivered, how your service is sold, delivered and **accessed**.

Physical evidence: how your service becomes **tangible**. For example, tickets and brochures create something the customers can touch and hold.

TASK 1. Match the terms from the text with their corresponding definitions.

1. marketing mix	a) all the people employed by a particular organization
2. product	b) a small temporary tent or structure at a market, fair, or exhibition, used for selling goods, providing information, or staging shows
3. shape	c) the right or opportunity to use or benefit from something
4. price	d) perceptible by touch
5. target audience	e) a combination of factors that can be controlled by a company to influence consumers to purchase its products
6. placement	f) the amount of money expected, required, or given in payment for something
7. a sales booth	g) the external form, contours, or outline of someone or something
8. staff	h) something that is produced and sold in large quantities, often as a result of a manufacturing process
9. access	i) the action of placing someone or something somewhere
10. tangible	j) the particular <u>group of people</u> to which an <u>advertisement</u> , a <u>product</u> , a <u>website</u> or a <u>television</u> or radio <u>programme</u> is <u>directed</u>

TASK 2. Make phrases by matching an item from each column and complete the sentences below using the phrases in the correct form.

meet	objectives
accomplish	products
target	quality
set	into account
lack	goals
pay	audience
achieve	needs
take	attention
unique	price
deliver	selling proposition

1. The bureaucracy is expanding to ... the ... of the expanding bureaucracy.

2. But there are times when even non-traders should ... to the markets, either because they're so bad they're affecting the rest of the economy, or because they're sending a signal about bad news around the corner.

3. Whether you outsource to a foreign country or another company, you lose complete control over labor and manufacturing and as a result the products can

4. We will ... your long years of service ... when we make our final decision.

5. Building your ... takes some effort, but it is absolutely worth it because of the added advantage you'll have in the market.

6. With a clearly defined ..., it is much easier to determine where and how to market your company.

7. To ... for a new product or service, start by creating a list of competing solutions from other providers.

8. Team support can encourage people to ... they may not have had the confidence to have reached on their own.

9. It is also important to work together on your learning and development plan to make sure you are developing the skills and knowledge needed to ... your

10. Small manufacturers may ... their ... directly to retail stores without warehousing.

TASK 3. Identify whether the following statements are TRUE or FALSE.

1. The marketing mix refers to those elements of a firm's marketing strategy which are designed to recruit customers.

2. Originally there were four parts to the marketing mix: product, price, promotion and place.

3. To meet consumers' needs, businesses must produce the right product, at the right price, make it available at the right place, and let consumers know about it through promotion.

4. Product refers to the advertisement that a company is trying to sell to the consumer.

5. Setting a price too high may make potential customers think the product lacks quality.

6. The marketing mix may also include special pricing incentives, like coupons.

7. Promotion is how the company spreads the word about a product.

8. The role promotion plays in the marketing mix depends on how much the company wants to publicize the product and how much money it has set aside to do so.

9. Today, online campaigns are rather expensive.

10. Placement is the art of putting the product in the right place at the right time.

TASK 4. Comprehension check.

1. Why must a business consider its marketing mix?

2. Do marketers usually focus on product development as much as product presentation?

3. What does promotion involve?

4. Why is proper placement important?

5. What does the marketing mix often depend on?

TASK 5. Prepare as many ideas as possible to give a short talk on the business topic. Discuss them in small groups and choose the three most important.

What is important when ...?

Creating an effective marketing mix of a product or service

- _____
- _____
- _____

TEXT 10

Over to you: What do you know about electronic commerce, its peculiarities, benefits and drawbacks?

THE KEY ISSUES OF E-COMMERCE AND ONLINE BANKING



The speed and convenience of the online experience makes it a perfect medium for buyers and sellers. The e-commerce model is an innovative way for businesses to make money and expand their customer base. Internet banking gives customers the ability and freedom to manage their finances without having to go to the bank. Advances in

technology and banking security have expanded the uses of Internet banking and have made it easier to conduct financial business on the go from virtually any mobile device.

E-commerce involves the buying and selling of products or services using an electronic payment processor. It can be either a business-to-business (B2B) or business-to-consumer (B2C) transaction. Doing business this way can be a benefit to both merchants and consumers. Advantages of e-commerce include **convenience**, expanded consumer bases, and cost reduction.

Being the owner of a physical business can be as inconvenient as it is to be a customer of this type of business. Owners of physical businesses are usually required to do a great deal of work before their site is even suitable to serve customers. This work can include finding a location, developing a design for the site, and being present to make sure the work is completed satisfactorily. Once the business site is completed, an owner often has to travel to and from that place to ensure that operations are running smoothly.

One of the advantages of e-commerce is that it **eliminates** this element of doing business. Since operations are conducted mostly online, the owner does not have to deal with any issues that surround choosing or **maintaining** a location to service her customers. This can save a great deal of time and decrease her workload substantially.

Operating online instead of from a physical location can also be beneficial for customers. One of the consumer advantages of ecommerce is that customers do not have to be burdened with travel or business hours. People often prolong transactions because conducting them is not convenient. E-commerce allows people to make purchases and utilize services according to their schedules instead of the **schedule** of the business.

Savings is another of the prime advantages of e-commerce. This also applies to both the business owner and the consumer. An e-commerce business owner is spared many overhead costs. These generally include rent for business space, various insurance fees, and wages or salaries. The savings can generally be passed on to consumers. In many cases, consumers recognize this and become repeat customers with higher spending averages.

Starting a business can require a substantial amount of money depending on the type of business. E-commerce generally opens opportunities to a wider range of people. Savings on **overheads** greatly contributes to this. In some cases, merchants never stock the items they sell. Instead, they can set up a storefront, process **purchases**, and allow a distant warehouse to handle inventory and shipping.

E-commerce can also expose a business to a wider consumer base. It is unlikely that many people will travel from one country to another to purchase a desired item at a store.

Another of the advantages of e-commerce, which is often understated, is automation. Live transactions can involve a lot of people doing a lot of manual work. Internet businesses are often linked to systems that make these tasks much easier. Money handling, for example, becomes much easier, because funds are dealt with quickly and electronically. Even a task that can be tedious, such as record maintenance and accounting, can be greatly simplified.

Online banking is the practice of making bank transactions or paying bills via the Internet. Banking online allows a customer to make deposits, **withdrawals**, and pay bills all with the click of a mouse.

For the online banking customer, the convenience factor rates high. No longer does a person have to wait for the bank statement to arrive in the mail to check account balances – he or she can check the balance every day just by logging onto the account. In addition to checking balances and transactions, customers can catch **discrepancies** in the account right away and deal with them swiftly. This can be done anywhere, as long as the person has Internet access.

Since the cost to the bank is minimal, the cost to the consumer, in many cases, is also minimal. While there may be a fee for some online banking transactions, they are often extremely low. Online banking also eliminates paper waste, which is an advantage not only for those who have to handle all the paperwork, but also for the environment.

Of course, there are also disadvantages. **Security** is always an issue with Internet transactions. Although information is encrypted, and the chances of an account being hacked are slim, it happens. Banks pay a lot of money to install high tech **firewalls**, however, and chances are good that a customer's money is in good hands.

People who do all of their banking via the Internet may also miss the personal service available at the bank. Instead, except for what's recorded on the account,

all the paperwork is the responsibility of the customer. Experts recommend that people always print copies of important transactions. Still, for most customers, the benefits far outweigh the risks and minor inconveniences.

TASK 1. Match the terms from the text with their corresponding definitions.

1. security	a) to continue or retain, keep in existence; to keep in proper or good condition
2. convenience	b) business expenses, such as rent, that are not directly attributable to any department or product and can therefore be assigned only arbitrarily
3. to eliminate	c) precautions taken to ensure against theft, espionage, etc
4. to maintain	d) a lack of compatibility or similarity between two or more facts
5. firewall	e) something that is bought with money; the act of buying
6. purchase	f) the state or quality of being suitable or opportune
7. schedule	g) a computer system that isolates another computer from the internet in order to prevent unauthorized access
8. overheads	h) an act or process of withdrawing; retreat, removal, or detachment
9. discrepancy	i) a list of times, esp of arrivals and departures, timetable; a list of tasks to be performed, esp within a set period
10. withdrawal	j) to remove or take out; get rid of

TASK 2. Make phrases by matching an item from each column and complete the sentences below using the phrases in the correct form.

pay	issues
handle	base
make	costs
overhead	customers
log onto	bills
manage	a purchase
customer	inventory
utilize	an account
deal with	finances
repeat	services

1. Do you think you could ... this ... from your computer?

2. This would strengthen our efforts at the national level to ... of population and development.

3. Such an asset-based, community-supported approach helps young people to learn to ... before starting their businesses.

4. Clubs, really, just don't appreciate ... the way they used to.

5. Unemployment increased throughout 2018 as establishments made efforts to reduce

6. For that reason, you will have to enter your codes and numbers again every time you

7. Staff can ... including written, video and web-based materials and individual career counseling.

8. ICTs are the most effective tools for developing countries to market their tourism offer and increase their

9. The Engineering Assistant would be assigned to the warehouse to ..., receipt and issuance of items, maintenance of records to ensure that items in the warehouse are consistent with inventory records.

10. Without resources, it was impossible to get decent housing or

TASK 3. Identify whether the following statements are TRUE or FALSE.

1. Online deals are fast and convenient which makes them a perfect medium for purchasing and selling.

2. Using e-commerce supposes decrease of costs, expanded consumer bases and convenient trade.

3. Being the owner of a physical business can be inconvenient, hard and time-consuming but it is very beneficial to be a customer of this type of business.

4. In addition to convenience for both business owners and customers, one more advantage beneficial for both sides is savings.

5. Nevertheless, in spite of automation, manual work remains critical for e-commerce.

6. The main services provided by online banking include making deposits, withdrawals, and paying bills all with the click of a mouse.

7. It is possible to check the account balance every day just by logging onto the account provided that you have Internet access.

8. All online banking transactions are, as a rule, free of charge.

9. Security is an issue of high priority with Internet transactions nowadays but there are some technical means applied by banks to minimize the risk of hacking.

10. E-commerce supposes lack of paperwork which is one more advantage for customers.

TASK 4. Comprehension check.

1. What is e-commerce?
2. What types of e-commerce can you name?
3. What are the main benefits of e-commerce for its owners and customers?
4. What services are provided by online banking?
5. What are advantages and disadvantages of online banking?

TASK 5. Prepare as many ideas as possible to give a short talk on the business topic. Discuss them in small groups and choose the three most important.

What is important when doing business online?

- _____
- _____
- _____

TEXT 11

Over to you: What are the key aspects of financial management?

FINANCIAL MANAGEMENT – MEANING, OBJECTIVES AND FUNCTIONS



Meaning of Financial Management

Financial Management means planning, organizing, directing and controlling the financial activities such as procurement and utilization of funds of the enterprise.

It means applying general management principles to financial resources of the enterprise.

Scope/Elements

1. Investment decisions include investment in **fixed assets** (called as capital budgeting). Investment in current assets is also a part of investment decisions called as working capital decisions.

2. Financial decisions relate to the raising of finance from various resources which will depend upon decision on type of source, period of financing, cost of financing and the returns thereby.

3. Dividend decisions relate to the net profit distribution. Net profits are generally divided into two:

- a. dividend for shareholders (dividend and its rate has to be decided);
- b. **retained profits** (amount of retained profits has to be finalized which will depend upon expansion and diversification plans of the enterprise).

Objectives of Financial Management

The financial management is generally concerned with **procurement**, allocation and control of financial resources of a concern.

The objectives can be:

1. to ensure regular and adequate supply of funds to the concern;
2. to ensure adequate returns to the shareholders which will depend upon the earning capacity, market price of the share, expectations of the shareholders;
3. to ensure optimum funds utilization, once the funds are procured, they should be utilized in the maximum possible way at least cost;
4. to ensure safety on investment, i.e., funds should be invested in safe ventures so that adequate rate of return can be achieved;
5. to plan a sound capital structure, there should be sound and fair composition of capital so that a balance is maintained between debt and equity capital.

Functions of Financial Management

1. Estimation of capital requirements. A finance manager has to make estimation with regards to capital requirements of the company. This will depend upon expected costs and profits and future programmes and policies of a concern. Estimations have to be made in an adequate manner which increases **earning capacity** of enterprise.

2. Determination of capital composition. Once the estimation has been made, the capital structure has to be decided. This involves short-term and long-term debt-equity analysis. This will depend upon the proportion of **equity** capital a company possesses and additional funds which have to be raised from outside parties.

3. Choice of sources of funds. For additional funds to be procured, a company has many choices like:

- a. issue of shares and **debentures**;
- b. loans to be taken from banks and financial institutions;
- c. public deposits to be drawn in form of **bonds**.

The choice of factor will depend on relative merits and demerits of each source and period of financing.

4. Investment of funds. The finance manager has to decide to allocate funds into profitable ventures so that there is safety on investment and regular returns are possible.

5. Disposal of surplus. The net profits decision has to be made by the finance manager. This can be done in two ways:

- a. dividend declaration – it includes identifying the rate of dividends and other benefits like bonus;
- b. retained profits – the volume has to be decided which will depend upon expansion, innovation and diversification plans of the company.

6. Management of cash. Finance manager has to make decisions with regard to cash management. Cash is required for many purposes like payment of wages and salaries, payment of electricity and water bills, payment to creditors, meeting current **liabilities**, maintenance of enough stock, purchase of raw materials, etc.

7. Financial controls. The finance manager has not only to plan, procure and utilize the funds but he also has to exercise control over finances. This can be done through many techniques like ratio analysis, financial forecasting, cost and profit control, etc.

TASK 1. Match the terms from the text with their corresponding definitions.

1. procurement	a) an official document produced by a company showing how much
----------------	--

2. fixed assets	b) an official document promising that a government or company will pay
3. retained profits	c) land, buildings, or equipment that a business owns and uses
4. capital requirements	d) the earnings kept in the company rather than paid out to shareholders as a dividend
5. debentures	e) the act of buying
6. bonds	f) the amount of money that a country or company has left after it has paid for all the things it needs
7. surplus	g) the amount of money someone should be able to earn
8. earning capacity	h) the amount of money a business needs for its normal operations
9. liabilities	i) the value of the shares issued by a company
10. equity	j) a thing for which someone is responsible, especially an amount of money owed

TASK 2. Make phrases by matching an item from each column and make your own sentences with them.

cash to raise financial to allocate to take working net to apply to meet to exercise	liabilities capital principles finance profit control forecasting management funds a loan
---	--

TASK 3. Identify whether the following statements are TRUE or FALSE.

1. Financial management means five functions of management, i.e. planning, organizing, directing, staffing and controlling, applied to the financial activities.
2. Financial management involves decision-making in a number of areas including investment, financial and dividend decisions.
3. Deciding on investment in the current assets needed for the firm, which is called capital budgeting, is a key step in the investment decision.

4. A finance manager has to estimate capital requirements of the company on the basis of its expected costs and profits and future programmes and policies.
5. The debt-equity ratio is a financial indicator of a company's capital structure.
6. Choosing sources of funds a company mainly takes into account advantages of each of them.
7. The finance manager makes decisions on allocation of funds into lucrative ventures regardless of safety on investment and possible regular returns.
8. Retained profit is a sum of money paid regularly by a company to its shareholders out of its profits.
9. Cash management is a thing of the past because cash is rarely required in business due to electronic payments and transactions.
10. The finance manager has to plan, procure and utilize the funds while his deputy has to exercise control over finances.

TASK 4. Comprehension check.

1. What is the sense of financial management?
2. What primary goals of financial management can you name?
3. How can you estimate the capital requirements of the company and what do they depend on?
4. In what ways can the company raise additional funds?
5. Why does the company need cash?

TASK 5. Prepare as many ideas as possible to give a short talk on the business topic. Discuss them in small groups and choose the three most important.

What is important when ...?

Dealing with financial management

- _____
- _____
- _____

TEXT 12

Over to you: What are the effects of taxes?

TAXATION



Money provided by taxation has been used by states and their functional equivalents throughout history to carry out many functions. Some of these include expenditures on war, the enforcement of law and public order, protection of property, economic infrastructure (roads, legal tender, enforcement of contracts, etc.), public works, social engineering, and the operation of government itself. Governments also use taxes to fund welfare and public services. A portion of taxes also goes to pay off the state's debt. These services can include education systems, health care systems, pensions for the elderly, unemployment benefits, and public transportation. Energy, water and waste management systems are also common public utilities.

Most people would agree that some taxation is necessary, but the question of which taxes and in what amounts, can lead to considerable disagreement.

All taxes are paid out of income. Two principles of taxation deal with the equity in distributing tax burdens. The benefit-received principle of taxation states that those who benefit from government programme are the ones who ought to pay for it. The ability-to-pay principle states that taxes ought to be paid by those who can best afford them, regardless of the benefits they receive.

Most taxes can be classified as progressive, regressive and proportional. A progressive tax takes a larger percentage of a higher income and a smaller percentage of a lower income. A regressive tax is one that takes a higher percentage of a low income and a lower percentage of a high income. A proportional tax takes the same percentage of all incomes, regardless of size.

A sales tax is a general tax levied on consumer purchases of nearly all products; it is added to the final price paid by the consumer. Sales taxes are collected by individual merchants at the time of the sale and are turned over weekly or monthly to the proper government agency. Most states allow merchants to keep a small portion of what they collect to compensate for their time and book-keeping costs.

Sales taxes have a regressive effect because they take a larger share of earnings from a low-income taxpayer than from a high-income taxpayer. A value-added tax and excise tax are similar to a sales tax and they are also regressive.

An income tax, a property tax and an inheritance tax are progressive taxes. Much of the government's revenue comes from income and property taxes. The

property tax is a tax on real property and tangible and intangible personal property. Real property includes land, buildings and anything else permanently attached to them. Tangible property is tangible items of wealth not permanently attached to land or buildings, such as furniture, clothing, automobiles and the stock of goods in retail stores. Intangible personal property includes shares, bonds, mortgages and bank accounts.

An ad valorem tax is one where the tax base is the value of a good, service, or property.

In order to have an effective tax system, government must have criteria or standards. One such criterion is that a tax yields enough revenue. A second criterion is clarity. A third criterion is ease of administration. This criterion also includes convenience and efficiency. A final criterion is fairness.

Taxation is a very sensitive issue: on the one hand, taxes are absolutely necessary to finance government activities, control the economy and achieve greater equality of incomes and wealth; on the other hand, they represent one of the most visible and painful forms of government interference in the private sphere.

People would probably allow less resistance to high taxes if they felt that their money was being used carefully and for reasonable purposes.

TASK 1. Match the terms from the text with their corresponding definitions.

1. welfare	a) a service such as gas or electricity provided for people to use
2. utilities	b) a type of consumption tax that is placed on a product whenever value is added at a stage of production and at final sale
3. expenditure	c) an indirect tax charged on the sale of a particular good
4. to levy on	d) help that is provided for people who have personal or social
5. book-keeping	e) a thing or things belonging to someone; possessions
6. value-added tax	f) simply the recording of financial transactions
7. excise tax	g) the spending of money on something, or the money that is
8. property	h) to officially say that people must pay a tax or charge
9. taxation	i) money or property which you receive from someone who's died
10. inheritance	j) the system by which a government takes money from people and spends it on things such as education, health, and defence

TASK 2. Make phrases by matching an item from each column and make your own sentences with them.

to enforce	care
to finance	benefits
to carry out	a debt
to levy on	a tax
unemployment	a law
to collect	utilities
tax	a tax
to pay off	activities
health	a function
public	burden

TASK 3. Identify whether the following statements are TRUE or FALSE.

1. Money provided by taxation is spent exceptionally with the view of paying off the country’s debts.
2. The majority of people agree on the necessity of taxes and their amounts.
3. The benefit-received principle of taxation and the ability-to-pay principle are the ones that deal with the equity in distributing tax burdens.
4. A progressive tax is one that takes a higher percentage of a low income and a lower percentage of a high income.
5. A sales tax is added to the cost price of the product and paid by the consumer.
6. The property tax is a tax on real property and tangible personal property since intangible property is not taxable.
7. Intangible personal property includes securities, mortgages and bank accounts.
8. To have an effective tax system government needs to set standards and criteria that have to be met.
9. Some people consider taxes as government’s interference in the private sphere.
10. A tax policy rarely plays an important part in presidential campaigns.

TASK 4. Comprehension check.

1. What do the terms progressive, regressive and proportional mean?
2. What taxes on income, goods and services do you know?
3. What types of ad valorem tax can you name?
4. What does government use taxes for?
5. Why is taxation a sensitive issue?

TASK 5. Prepare as many ideas as possible to give a short talk on the business topic. Discuss them in small groups and choose the three most important.

What is important when ...?

Analyzing effectiveness of the taxation system.

- _____
- _____
- _____

TEXT 13

Over to you: What problems can companies face when they go international?

THE MAIN FORMS OF INTERNATIONAL BUSINESS ACTIVITY



Once a company decides to operate in the global marketplace, it must decide on the level of involvement it is willing to undertake. Common forms of international business activities are *importing and exporting, licensing, franchising, strategic alliances and joint ventures*, and *foreign direct investment*. Each has a varying degree of ownership, **financial commitment**, and risk.

Importing, the buying of goods or services from a supplier in another country, and *exporting*, the selling of products outside the country in which they are produced, have existed for centuries. In the last few decades, however, the increased level of these activities has caused the economies of the world to become tightly linked.

Exporting, one of the least risky forms of international business activity, permits a firm to enter a foreign market gradually, assess local conditions, and then tune its product to meet the needs of foreign consumers. In most cases the firm's financial exposure is limited to market research costs, advertising costs, and the costs of either establishing a direct sales and distribution system or hiring **intermediaries** - *export management companies*, domestic firms that specialize in performing international marketing services on a commission basis, and *export trading companies*, general trading firms that will buy your products for resale overseas as well as perform a variety of importing, exporting, and manufacturing functions. Still another alternative is to use foreign distributors - such intermediaries can provide you with the connections, expertise, and market knowledge you will need to conduct business in a foreign country. In addition, many countries now have foreign trade offices to help importers and exporters interested in doing business within their borders.

International Licensing is another popular approach to international business. License agreements **entitle** one company to use some or all of another firm's **intellectual property** (patents, trademarks, brand names, copyrights, or trade secrets) in return for a **royalty payment**.

Many firms choose licensing as an approach to international markets because it involves little out-of-pocket costs. A firm has already **incurred the costs** of developing the intellectual property to be licensed. Pharmaceutical firms, for

instance, routinely use licensing to enter foreign markets. Once a pharmaceutical firm has developed and patented a new drug, it is often more efficient to grant existing local firms the right to manufacture and distribute the patented drug in return for royalty payments. Of course, licensing agreements are not restricted to international business. A company can also license its products or technology to other companies in its domestic market.

International Franchising. Some companies choose to **expand** into foreign markets by franchising their operation. International franchising is among the fastest-growing forms of international business activity today. Under this **arrangement**, a franchisor enters into an agreement whereby the franchisee obtains the rights to duplicate a specific product or service (a restaurant, photocopy shop, etc) and the franchisor obtains a royalty fee in exchange. Smaller companies have also found that franchising is a good way for them to enter the global marketplace. By franchising its operations, a firm can minimize the costs and risks of global expansion and bypass certain trade restrictions.

A strategic alliance is a long-term partnership between two or more companies to jointly develop, produce, or sell products in the global marketplace. It's a popular way to expand one's business globally. To reach their individual but complementary **goals**, the companies typically share ideas, expertise, resources, technologies, investment costs, risks, management, and profits. In other words, companies that form a strategic alliance with a foreign partner can often compete more effectively than if they entered the foreign market alone.

A joint venture is a special type of strategic alliance in which two or more firms join together to create a new business **entity** that is legally separate and distinct from its parents. In some countries, foreign companies are prohibited from owning facilities outright or from investing in local business. Thus, establishing a joint venture with a local partner may be the only way to do business in that country. In other cases, foreigners may be required to move some of their production facilities to the country to earn the right to sell their products there.

Foreign Direct Investment (FDI) is an investment made by a company or entity based in one country, into a company or entity based in another country. Entities making direct investments typically have a significant degree of influence and control over the company into which the investment is made. Open economies with skilled workforces and good growth prospects tend to attract larger amounts of foreign direct investment than closed, highly regulated economies.

TASK 1. Match the terms from the text with their corresponding definitions.

1. financial commitment	a) a set amount of money that a business franchise owner must pay to be part of a franchise system
-------------------------	--

2. intermediary	b) a person, partnership, organization, or business that has a legal and separately identifiable existence
3. intellectual property	c) to meet or fall in with extra expenses
4. royalty fee	d) a third party who facilitates a deal between two other parties
5. goal	e) a certain agreement between parties
6. incur the costs	f) an undertaking to commit substantial expenditure at a future date
7. entity	g) an observable and measurable end result having one or more objectives to be achieved within a more or less fixed time frame
8. arrangement	h) knowledge, creative ideas, or expressions of human mind that have commercial value and are protected under copyright, patent, service mark, trademark, or trade secret laws from imitation, infringement, and dilution
9. entitle	i) become or make larger or more extensive
10. expand	j) give (someone) a legal right or a just claim to receive or do something

TASK 2. Make phrases by matching an item from each column and make your own sentences with them.

to bypass	expansion
to share	conditions
skilled	economy
production	trade restrictions
highly regulated	business
enter	exposure
conduct	expertise
global	workforces
to assess	facilities
financial	a foreign market

TASK 3. Identify whether the following statements are TRUE or FALSE.

1. In order to operate in the global marketplace businesses may choose any reasonable form of international business activity depending on the objectives.
2. Importing and exporting are known as the most expensive forms of dealing internationally.

3. The right (agreement) to use entirely all the company's intellectual property by another company is legalized as international licensing.

4. Licensing agreements are mainly restricted to international business since a company is not allowed to license its products or technology to other companies in its domestic market according to the law.

5. The costs and risks of global expansion as well as certain trade restrictions can be significantly reduced while franchising the company's operations.

6. Under franchising, a franchisor enters into an agreement whereby the franchisee obtains the rights to duplicate a specific product or service and the franchisor pays a royalty fee for this arrangement.

7. Strategic alliances with foreign partners assist companies to withstand global competition easier.

8. A joint venture doesn't typically depend on its parent company.

9. Those who make overseas investments can hardly supervise and impact businesses they invest in.

10. Open economies with skilled labour force and good growth prospects are not as attractive for foreign investors as closed, highly regulated economies.

TASK 4. Comprehension check.

1. What are common forms of international business activity?

2. Why is exporting considered to be one of the least risky forms of international business activity?

3. What are the mentioned types of intermediary activity that export entails?

4. Why is international licensing a popular approach to international business?

5. How do companies benefit when they establish strategic alliances and joint ventures?

TASK 5. Prepare as many ideas as possible to give a short talk on the business topic. Discuss them in small groups and choose the three most important.

What is important when ...?

Choosing a form of international business activity for a company which wants to go international

- _____
- _____
- _____

TEXT 14

Over to you: **What well-known MNCs do you know? Where are they headquartered?**

WHAT IS A MULTINATIONAL CORPORATION?



As the name implies, a multinational corporation is a business concern with operations in more than one country. These operations outside the company's **home country** may be linked to the parent by merger, operated as **subsidiaries**, or have considerable autonomy. Multinational corporations are sometimes perceived as large, utilitarian enterprises with little or no regard for the social and economic well-being of the countries in which they operate, but the reality of their situation is more complicated.

The top multinational corporations are **headquartered** in the United States, Western Europe, and Japan; they have the capacity to shape global trade, production, and **financial transactions**. Multinational corporations are viewed by many as favoring their home operations when making difficult economic decisions, but this tendency is declining as companies are forced to respond to increasing global competition.

Multinational corporations are viewed as being exploitative of both their workers and the local environment, given their relative lack of association with any given locality. This criticism of multinationals is valid to a point, but it must be remembered that no corporation can successfully operate without regard to local social, labor, and environmental standards, and that multinationals in large measure do **conform to** local standards in these regards.

Multinational corporations are also seen as acquiring too much political and economic power in the modern business environment. Indeed, corporations are able to influence public policy to some degree by threatening to move jobs overseas, but companies are often prevented from employing this tactic given the need for highly trained workers to produce many products. Such workers can seldom be found in low-wage countries. Furthermore, once they enter a market, multinationals are bound by the same **constraints** as domestically owned concerns, and find it difficult to abandon the infrastructure they produced to enter the market in the first place.

The modern multinational corporation is not necessarily headquartered in a wealthy nation. Many countries that were recently classified as part of the

developing world, including Brazil, Taiwan, Kuwait, and Venezuela, are now home to large multinational concerns.

Multinational corporations follow three general procedures when seeking to access new markets: merger with or direct **acquisition** of existing concerns; sequential market entry; and **joint ventures**.

Merger or direct acquisition of existing companies in a new market is the most straightforward method of new market penetration employed by multinational corporations. Such an entry, known as foreign direct investment, allows multinationals, especially the larger ones, to take full advantage of their size and the economies of scale that this provides. The rash of mergers within the global automotive industries is illustrative of this method of gaining access to new markets and, significantly, was made in response to increased global competition.

Multinational corporations also make use of a procedure known as sequential market entry when seeking to penetrate a new market. Sequential market entry often also includes foreign direct investment, and involves the establishment or acquisition of concerns operating in niche markets related to the parent company's product lines in the new country of operation. Finally, multinational corporations often access new markets by creating joint ventures with firms already operating in these markets. In such joint ventures, the venture partner in the market to be entered retains considerable or even complete autonomy, while realizing the advantages of technology transfer and management and production **expertise** from the parent concern. The establishment of joint ventures has often proved awkward in the long run for multinational corporations, which are likely to find their venture partners are formidable competitors when a more direct **penetration** of the new market is attempted.

Multinational corporations are thus able to penetrate new markets in a variety of ways, which allow existing concerns in the market to be accessed a varying degree of autonomy and control over operations.

TASK 1. Match the terms from the text with their corresponding definitions.

1. acquisition	a) one that restricts, limits, or regulates
2. headquarters	b) a business agreement in which parties agree to develop, for a finite time, a new entity and new assets by contributing equity
3. constraint	c) a company that is publicly-traded but has more than half its stock owned by another company, known as the parent company
4. market penetration	d) a center of operations or administration

5. financial transaction	e) the activity or condition of striving to gain or win something by defeating or establishing superiority over others
6. joint venture	f) a corporate action in which a company buys most, if not all, of the target company's ownership stakes in order to assume control of the target firm, often made as part of a company's growth strategy
7. competition	g) the proportion of the total number of potential purchasers of a product or service who either are aware of its existence or actually buy it
8. subsidiary	h) an agreement, communication, or movement carried out between a buyer and a seller to exchange an asset for payment
9. conform (to)	i) expert skill or knowledge in a particular field
10. expertise	j) comply with rules, standards, or laws

TASK 2. Make phrases by matching an item from each column and make your own sentences with them.

to conform to	jobs
economic market	global trade
low-wage	transfer
technology	scale
shape	standards
economies of	expertise
to move	countries
management	entry
	well-being

TASK 3. Identify whether the following statements are TRUE or FALSE.

1. A multinational corporation is a business concern with operations in more than three countries.
2. Foreign subsidiaries never have considerable autonomy, completely depending on the parent company.
3. MNCs have certain impact on world trade, manufacturing processes and deals.
4. MNCs can successfully operate without any regard to local, social, labor and environmental standards.
5. Highly trained workers are in demand and can almost never be found in low-wage countries.

6. Headquarters of MNCs are located either in developed or developing countries.

7. Market penetration implemented by mergers or direct acquisitions employed by multinational corporations is the only efficient way to access new markets.

8. Sequential market entry, which includes foreign direct investment, implies solely establishments of new concerns in niche markets.

9. Venture partners in joint ventures provoke strong competition for multinational corporations in the long run as experience proves.

10. There is a limited number of the ways to penetrate new markets successfully.

TASK 4. Comprehension check.

1. What is a multinational corporation?
2. What are main locations of MNCs headquarters?
3. Do these corporations need to respond to local standards? Why?
4. How do MNCs access new markets?
5. Which way of penetrating new markets proves to be complicated in the long run?

TASK 5. Prepare as many ideas as possible to give a short talk on the business topic. Discuss them in small groups and choose the three most important.

What is important when ...?

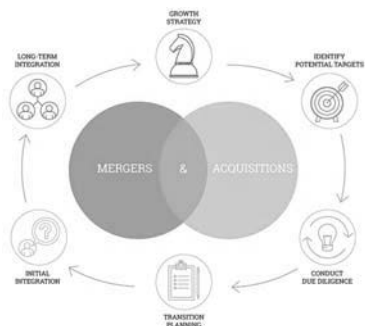
Analyzing the impact of MNCs on the global and national economies

- _____
- _____
- _____

TEXT 15

Over to you: Why do companies enter into mergers and acquisitions? What are the possible benefits and risks of M&A?

CROSS-BORDER MERGERS AND ACQUISITIONS AND IMPLICATIONS OF THEIR ACTIVITY



One plus one makes three: this equation is the special alchemy of a **merger** or an **acquisition**. The key principle behind buying a company is to create shareholder value over and above that of the sum of the two companies. Two companies together are more valuable than two separate companies – at least, that’s the reasoning behind M&A.

This **rationale** is particularly alluring to companies when times are tough. Strong companies will act to buy other companies to create a more competitive, cost-efficient company. The companies will come together hoping to gain a greater market share or to achieve greater **efficiency**. Because of these potential benefits, target companies will often agree to be purchased when they know they cannot survive alone. Although they are often uttered in the same breath and used as though they were synonymous, the terms merger and acquisition mean slightly different things.

When one company takes over another and clearly establishes itself as the new owner, the purchase is called an acquisition. From a legal point of view, the target company ceases to exist, the buyer “swallows” the business and the buyer’s stock continues to be traded. In the pure sense of the term, a merger happens when two firms, often of about the same size, agree to go forward as a single new company rather than remain separately owned and operated. This kind of action is more precisely referred to as a “merger of equals”. Both companies’ stocks are **surrendered** and new company stock is issued in its place. For example, both Daimler-Benz and Chrysler ceased to exist when the two firms merged, and a new company, DaimlerChrysler, was created.

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

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

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

The dominant rationale used to explain M&A activity is that acquiring firms seek improved financial performance. Despite the goal of performance improvement, results from mergers and acquisitions (M&A) are often disappointing. Mergers can fail for many reasons including increased competition, political uncertainty, currency **fluctuations**, a lack of management **foresight**, the inability to overcome practical challenges and loss of revenue **momentum** from a neglect of day-to-day operations. In 2016 executives rated the top 15 risk factors facing buyers during and after mergers and acquisitions:

- overpaying for deals;
- insufficient operational diligence;
- maintaining strategic clarity and focus;
- current valuations;
- culture assimilation challenges;
- fuzzy growth strategy or specific deal rationale;
- employee anxiety, morale, and/or engagement issues;
- limited access to target company;
- underestimation of time and resources required for **synergy**;
- insufficient financial **due diligence** rigor;
- underestimation of integration work;
- synergy capture not a priority for operating team;
- target company management team operating capability;
- IT infrastructure capability, transition costs;
- inconsistent M&A planning and execution.

The success of mergers depends on how realistic the dealmakers are and how well they can integrate two companies while maintaining day-to-day operations.

TASK 1. Match the terms from the text with their corresponding definitions.

1. merger	a) the quality of being able to do a task successfully, without wasting time or energy
-----------	--

2. fluctuation	b) a comprehensive appraisal of a business undertaken by a prospective buyer, especially to establish its assets and liabilities and evaluate its commercial potential
3. efficiency	c) the impetus and driving force gained by the development of a process or course of events
4. surrender	d) a set of reasons or a logical basis for a course of action or belief
5. hostile	e) an occasion when two or more companies join together to make one larger company
6. rationale	f) the combined power of a group of things when they are working together that is greater than the total power achieved by each working separately
7. foresight	g) to give up certain rights under a policy, or give up the policy itself
8. momentum	h) unfriendly, antagonistic; opposed by the company to be bought
9. synergy	i) the ability to predict what will happen or be needed in the future
10. due diligence	j) an irregular rising and falling in number or amount; a variation

TASK 2. Make phrases by matching an item from each column and make your own sentences with them.

a key a target to cease negative currency management to overcome current operating	valuation fluctuation company capability to exist principle foresight a challenge connotations
--	--

TASK 3. Identify whether the following statements are TRUE or FALSE.

1. The reasoning behind M&A is that a separate business has its value.
2. The terms merger and acquisition are not synonymous.
3. Strong companies will never act to buy other companies to create a more competitive, cost-efficient company.

4. If a business isn't able to survive anymore in the marketplace, it is ready to recognize potential benefits and be purchased.

5. When one stronger company "swallows" another, a merger happens.

6. The real difference between a merger and an acquisition lies in the way the companies' management perceives the deal.

7. Financial improvement is the main reason for companies to merge or take over.

8. Mergers and acquisitions rarely fail thanks to careful planning and management foresight.

9. The reasons which can cause failure of mergers and acquisitions are mainly connected with management incompetence.

10. Maintaining day-to-day operations is among the key factors influencing the success of mergers and acquisitions.

TASK 4. Comprehension check.

1. What principle is the basis of mergers' and acquisitions' establishment?

2. What do companies aim to gain?

3. What is the difference between a merger and an acquisition?

4. Why do some companies prefer to proclaim the deal as a merger but not an acquisition?

5. What are possible reasons that cause failure of mergers and acquisitions?

TASK 5. Prepare as many ideas as possible to give a short talk on the business topic. Discuss them in small groups and choose the three most important.

What is important when ...?

Deciding on feasibility of a merger or an acquisition

- _____
- _____
- _____

TEXT 16

Over to you: Why do countries try to protect their trade? Do you think protectionism has more benefits or drawbacks for economic development on the national and global scale?

TRADE PROTECTIONISM



Trade protection is the deliberate attempt to limit imports or promote exports by putting up barriers to trade. Despite the arguments in favour of free trade and increasing trade openness, **protectionism** is still widely practised.

The main arguments for protection are:

Protect sunrise industries

Barriers to trade can be used to protect *sunrise industries*, also known as *infant industries*, such as those involving new technologies. This gives new firms the chance to develop, grow, and become globally competitive.

Protection of domestic industries may allow them to develop a **comparative advantage**. For example, domestic firms may expand when protected from competition and benefit from economies of scale. As firms grow they may invest in real and human capital and develop new capabilities and skills. Once these skills and capabilities are developed there is less need for trade protection, and barriers may be eventually removed.

Protect sunset industries

At the other end of scale are *sunset industries*, also known as *declining industries*, which might need some support to enable them to **decline** slowly, and avoid some of the negative effects of such decline. For the UK, each generation throws up its own declining industries, such as ship building in the 1950s, car production in the 1970s, and steel production in the 1990s.

Protect strategic industries

Barriers may also be erected to protect *strategic industries*, such as energy, water, steel, armaments, and food. The **implicit** aim of the EU's Common Agricultural Policy is to create *food security* for Europe by protecting its agricultural sector.

Protect non-renewable resources

Non-renewable resources, including oil, are regarded as a special case where the normal rules of free trade are often abandoned. For countries aiming to rely on oil exports lasting into the long term, such as the oil-rich Middle Eastern economies, limiting output in the short term through production quotas is one method employed to conserve resources.

Deter unfair competition and save jobs

Barriers may be erected to deter *unfair competition*, such as **dumping** by foreign firms at prices below cost. Protecting an industry may, in the short run, protect jobs, though in the long run it is unlikely that jobs can be protected indefinitely.

Help the environment and limit over-specialisation

Some countries may protect themselves from trade to help limit damage to their environment, such as that arising from CO₂ **emissions** caused by increased production and transportation. Also many economists point to the dangers of **over-specialisation**, which might occur as a result of taking the theory of *comparative advantage* to its extreme. Retaining some **self-sufficiency** is seen as a sensible economic strategy given the risks of global **downturns**, and an over-reliance on international trade.

In addition to the economic arguments for protection, some protection may be for political reasons.

TASK 1. Match the terms from the text with their corresponding definitions.

1. dumping	a) a particular area of knowledge or the process of becoming an expert in a particular area
2. self-sufficiency	b) actions of a government to help its country's trade or industry by putting taxes on goods bought from other countries or by limiting the amount of goods that can be imported
3. emission	c) suggested but not communicated directly
4. specialisation	d) to become less, worse, or lower in value
5. infant industry	e) an advantage a country has over another country because it can produce a particular type of product more efficiently
6. protectionism	f) a reduction in the amount or success of something, such as a country's economic activity
7. implicit	g) a new industry that is in its earliest stage of development
8. comparative	h) the fact of being able to provide everything you need for yourself,
9. advantage	especially food, without buying from or being helped by others
10. decline	i) the act of sending out gas, heat, light, etc.
11. downturn	j) the practice of selling goods in another country so cheaply that companies in that country cannot compete fairly

TASK 2. Make phrases by matching an item from each column and make your own sentences with them.

to put up	resources
to protect	run
globally	competition
unfair	resources
to remove	human capital
non-renewable	industries
in the long	competitive
production	barriers
to conserve	barriers
to invest in	quotas

TASK 3. Identify whether the following statements are TRUE or FALSE.

1. Trade protection occurs unintentionally which leads to either limiting imports or promoting exports.
2. Free trade and protectionism are the terms which refer to the same economic phenomenon.
3. Trade protectionism has a purely negative influence on the global and national economies.
4. Protection of infant industries gives these industries a chance to develop, grow, and become globally competitive.
5. If trade barriers are put up for particular domestic industries, they might be eventually removed when necessary skills and capabilities have been developed.
6. Infant industries and strategic ones need trade protectionism whereas there is no need to protect declining industries since the negative result is inevitable.
7. Protection of non-renewable resources is a short-term measure aimed at conserving resources in the long run.
8. Protectionism is a reasonable method to deter unfair competition and save jobs in the long run.
9. Trade protectionism leads to a decrease in production and transportation which, in turn, limits damage to environment in these countries.
10. Retaining some self-sufficiency as a result of protectionism can mitigate the risks of global downturns and an over-reliance on international trade.

TASK 4. Comprehension check.

1. What is trade protection?
2. What industries is it reasonable to protect?
3. What are the other economic reasons to apply protectionism?
4. What do you think can be the political reasons behind protectionism?
5. What are possible negative consequences of protectionism?

TASK 5. Prepare as many ideas as possible to give a short talk on the business topic. Discuss them in small groups and choose the three most important.

What is important when substantiating the scope of the international trade regime: protectionism vs free trade?

- _____
- _____
- _____

TEXT 17

Over to you: What do you know about barriers to international trade and reasons for their application?

WHAT ARE COMMON BARRIERS TO INTERNATIONAL TRADE APPLIED IN THE WORLD PRACTICE?



Trade barriers are constraints to trade that usually create some type of financial burden that raises the cost of either exporting or importing goods.

As global trade is common today, a trade barrier can function as a regulatory measure that will prevent the economy of any nation from becoming too dependent on domestic or international business. The goal today is to strike an equitable balance in world trade that is positive for each country while also benefiting overall world economy.

At first glance a trade barrier may seem like a negative approach, many countries impose some type of exchange controls in order to attempt to create a trade balance.

The most common sorts of trade barriers are things like subsidies, tariffs, quotas, duties, and embargoes. The term *free trade* refers to the theoretical removal of all trade barriers, allowing for completely free trade. In practice, however, no nation fully embraces free trade, as all nations utilize some assortment of trade barriers for their own benefit.

Tariffs are a fairly common form of trade barriers, and are essentially taxes on goods as they cross the borders of a nation, brought as imports or sold as exports. Historically, tariffs were a large source of government revenue, as they could easily be collected as a tax on ships as they landed in the nation.

Some tariffs are placed simply to earn money for the government. Other tariffs exist as a form of protectionism, to make imported goods more expensive than they might otherwise be, in order to protect domestic industries.

Quotas are quantitative restriction on imports and exports as a direct administrative form of government regulation of foreign trade.

Subsidies are one more type of the common trade barriers, and are often placed to protect domestic industries. Subsidies may actually be intended simply to make certain key goods affordable to citizens of the nation, but the end result can still be to make imports non-competitive.

An *embargo* can be seen as the most extreme of the trade barriers. Embargoes basically prohibit the import or export of anything with another country. This

is often done as a form of punishment, or to try to force the country to undergo radical change internally as a result of a weakened economic state. Historically, the embargo was used as a war tactic, and so was often considered a declaration of war.

Trade barriers can also be classified into non tariff barriers to trade (NTBs) that restrict imports but are not in the usual form of a tariff. Non tariff barriers to trade include import quotas, special licenses, unreasonable standards for the quality of goods, bureaucratic delays at customs, export restrictions, limiting the activities of state trading, export subsidies, countervailing duties, technical barriers to trade, sanitary measures, rules of origin, etc.

Their use has risen sharply after the WTO rules led to a very significant reduction in tariff use. Some non-tariff trade barriers are permitted in very limited circumstances, when they are deemed necessary to protect health, safety, or sanitation. In other forms, they are criticized as a means to evade free trade rules such as those of the World Trade (WTO), the European Union (EU), or North American Free Trade Agreement (NAFTA) that restrict the use of tariffs.

Some of non tariff barriers are not directly related to foreign economic regulations, but nevertheless they have a significant impact on foreign economic activity and foreign trade between countries.

TASK 1. Match the terms from the text with their corresponding definitions.

1. to impose	a) a duty placed on imported goods that are being subsidized by the importing government. This helps to even the playing field between the domestic producers and the foreign producers receiving subsidies.
2. government revenue	b) actions aimed at the preservation of health and maintain hygiene
3. quantitative restriction	c) to fail to fulfill regulations
4. affordable	d) to forbid by authority
5. to prohibit	e) to establish or apply something as compulsory; levy
6. countervailing duties	f) the income of a government from all sources appropriated for the payment of public expenses
7. sanitary measures	g) a constraint on the possible amount of goods, for example
8. to evade rules	h) having financial means for something
9. customs	i) an official order to stop trading with a particular country or in particular goods
10. embargo	j) the place at an airport, port, or border where goods that people bring into a country are examined to make sure they are legal and whether any tax should be paid on them; the government department that deals with taxes on goods coming into and leaving a country

TASK 2. Make phrases by matching an item from each column and make your own sentences with them.

financial	free trade
to strike	rules
to undergo	a balance
to cross	control
regulatory	the border
to embrace	regulations
to impose	revenue
government	measure
economic	burden
to evade	change

TASK 3. Identify whether the following statements are TRUE or FALSE.

1. Trade barriers always impact imports or exports costs.
2. An equitable balance is the goal for some countries.
3. Barriers to trade are never used by nations for their own benefit.
4. Tariffs are essentially taxes on goods brought as imports or sold as exports.
5. Quotas are used as an indirect administrative form of government regulation of foreign trade.
6. Subsidies protect domestic and foreign industries.
7. Embargo limits the activities of trading by total prohibition of importing or exporting.
8. The significance of non tariff barriers to trade has been reduced due to the WTO rules.
9. Non-tariff trade barriers are sometimes considered as a means to avoid free trade regulations that restrict the use of tariffs.
10. Leading international organizations as the WTO, the EU or NAFTA strongly support the tariff policy applied in world trade.

TASK 4. Comprehension check.

1. What are barriers to world trade?
2. What is important to achieve in world trade for each country as well as world economy?
3. What are common barriers to international trade?
4. What source of government revenue has always been considered the largest?
5. What do non tariff barriers to trade include?

TASK 5. Prepare as many ideas as possible to give a short talk on the business topic. Discuss them in small groups and choose the three most important.

What is important when ...?

Choosing a particular trade barrier to protect the domestic industries

- _____
- _____
- _____

TEXT 18

Over to you: **What factors contribute to the intensification of migration?**

THE ROLE OF INTERNATIONAL LABOUR MIGRATION FOR THE COUNTRIES



International migration occurs when a person moves from one country to another to undertake an activity for payment in a country of which they are not a national. Recent decades have seen an increase in the volume of migration as well as the reasons people migrate. The number of international migrants is at its greatest level ever with about 214 million people living outside their country of birth. International migration is partly a result of global **income inequality**, as the benefits of integration of the global economy have not been evenly distributed around the world. At the same time, advanced industrialised economies are facing an ageing population and shrinking **labour supply**. Increases in migration have been facilitated by developments in technology: more people have access to information about the global labour market, such as available job opportunities, how to apply for them and how to obtain a work visa; transport technology has improved making travel cheaper and easier; and people have access to more information about differences in incomes, working conditions and living standards around the world. Migrants from developing countries are found in most types of jobs, are typically found at the bottom and top end of the labour market, but the majority are found at the bottom end, performing jobs that are often dangerous, ‘dirty’ and low paid. The majority of migrant professionals (75%) move between industrialised countries and are usually transferees within transnational corporations (TNCs). Still, a significant number of professional migrants move to poor countries along with foreign investment, contributing their knowledge and skills and so **enhancing** economic development.

Migrant workers are of *economic importance to their country of origin*, because they are a major source of income to families via **remittance** of wages, which can be used for daily living, investment and job creation; migrants who return are a source of new technologies and ideas; international migration can lead to a ‘**virtuous circle**’ such as in India where ‘recruitment, remittances and returns’ led to the development of the IT sector in that country, an important source of export income; migrant workers can benefit from better employment opportunities,

higher wages, skill development, learning new technologies and ideas, higher living standards. Migrant workers are also of *economic importance to their host country*, because they contribute productive effort, creating goods and services, increasing economic growth; bring new ideas, improving technology and business and work practices; introduce new industries, such as food and restaurants, expanding the range of goods and services for the population and improving quality of life; often have great ambition and drive, working hard to succeed, which improves productivity and stimulates economic growth; pay taxes, contributing to government revenue; perform jobs that nationals don't want to do.

International migrants can face a number of difficulties, particularly migrants from developing countries with limited skills or qualifications. Temporary workers often have restricted **legal rights** and most can only access employment in low wage industries and are often unable to access welfare assistance if they lose their jobs. Global trends towards more flexible employment place migrants in **vulnerable** positions; for example people who do not speak the language of the **host country** would find it difficult to negotiate an individual employment contract or migrant women face gender discrimination often without recourse due to lack of legal rights.

Global challenges ahead: Migration has become one of the key issues for the global economy now and into the future. Growth in international migration is rising faster than ever before. Falling **fertility rates** and ageing populations in particular mean that international migration will be an important source of economic growth and development for all countries, rich and poor, around the world. **Immigration** can be an important part of addressing ageing populations in some countries around the world, in terms of providing an adequate supply of labour ensuring continued economic growth and maintaining and improving welfare levels for those no longer in the workforce.

TASK 1. Match the terms from the text with their corresponding definitions.

1. income inequality	a) the sending of money, checks, etc., to a recipient at a distance
2. labour supply	b) to intensify or increase in quality, value, power, etc.
3. to enhance	c) the expected number of children born per woman in her child-bearing years
4. host country	d) legally guaranteed powers available to a legal entity in realization or defense of its just and lawful claims or interests (e.g. freedom)

5. remittance	e) a process of moving and settling in a country or region to which they are not native
6. legal rights	f) availability of suitable human resources in a particular labor market
7. fertility rate	g) nation in which individuals or organizations from other countries or states are visiting due to government invitation or meeting
8. immigration	h) a measurement of the distribution of income that highlights the gap between individuals or households making most of the income in a given country and those making very little
9. vulnerable	i) exposed to the possibility of being attacked or harmed, either physically or emotionally
10. virtuous circle	j) a recurring cycle of events, the result of each one being to increase the beneficial effect of the next

TASK 2. Make phrases by matching an item from each column and make your own sentences with them.

ageing living to obtain to negotiate to undertake to face to stimulate employment government to improve	opportunities quality standards difficulties population revenue an activity a visa a contract economic growth
--	--

TASK 3. Identify whether the following statements are TRUE or FALSE.

1. The number of migrants is increasing significantly on a regular basis.
2. Global income inequality is the main reason for migration.
3. Developing economies are facing an ageing population and shrinking labour supply which leads to increased migration.
4. Advances in technologies have simplified search for jobs and application procedures on the global labour market.
5. Professional migrants rarely move to developing countries in order to contribute not only their knowledge but also enhance economic development.

6. Migrant workers bring a lot of economic benefits to their country of origin but harm the economic development of the host country.

7. Migrant workers have a lot of benefits as well as difficulties in host countries.

8. Contributing a lot into the economy of the host country, migrant workers do not have restricted legal rights and necessity to pay taxes.

9. International migration will be an important source of economic growth and development for all countries around the world due to rising fertility rates and ageing populations.

10. It is emigration that will assist in fostering economic growth and maintaining welfare levels for those no longer in the workforce.

TASK 4. Comprehension check.

1. When does international migration occur?
2. What facilitates international migration nowadays?
3. What types of positions do migrants from developing countries usually take?
4. Why are migrant workers of economic importance to their country of origin?
5. What are typical difficulties that international migrants can face?

TASK 5. Prepare as many ideas as possible to give a short talk on the business topic. Discuss them in small groups and choose the three most important.

What is important when ...?

Determining the role of international labour migration for the countries

- _____
- _____
- _____

TEXT 19

Over to you: **Why do countries strive for integrating?**

ECONOMIC INTEGRATION



An economic integration is an arrangement between different regions marked by the reduction or elimination of trade barriers and the coordination of monetary and fiscal policies. The aim of economic integration is to reduce costs for both consumers and producers, as well as to increase trade between the countries taking part in the agreement.

By integrating the economies of more than one country, the short-term benefits from the use of tariffs and other trade barriers is diminished. At the same time, the more integrated the economies become, the less power the governments of the member nations have to make adjustments that would benefit themselves.

In periods of economic growth, being integrated can lead to greater long-term economic benefits; however, in periods of poor growth being integrated can actually make things worse.

There are several stages in the process of economic **integration**, from a very loose association of countries in a preferential trade area, to complete economic integration, where the economies of member countries are completely integrated.

A regional trading **bloc** is a group of countries within a geographical region that protect themselves from imports from non-members in other geographical regions, and who look to trade more with each other. Regional trading blocs increasingly shape the **pattern** of world trade – a phenomenon often referred to as regionalism.

Preferential Trade Areas (PTAs) exist when countries within a geographical region agree to reduce or eliminate tariff barriers on selected goods imported from other members of the area. This is often the first small step towards the creation of a trading bloc. Agreements may be made between two countries (**bilateral**) or several countries (multilateral).

Free Trade Areas (FTAs) are created when two or more countries in a region agree to reduce or eliminate barriers to trade on all goods coming from other members. The North Atlantic Free Trade Agreement (NAFTA) is an example of such a free trade area, and includes the USA, Canada, and Mexico.

A **customs union** involves the removal of tariff barriers between members, together with the **acceptance** of a common (unified) external tariff against non-members.

Countries that export to the customs union only need to make a single payment (duty), once the goods have passed through the border. Once inside the union goods can move freely without additional tariffs. Tariff revenue is then shared between members, with the country that collects the duty retaining a small share.

A **common (or single) market** is the most significant step towards full economic integration. In the case of Europe, the single market is officially referred to as the 'internal market'.

The key feature of a common market is the extension of free trade from just tangible goods, to include all economic resources. This means that all barriers are eliminated to allow the free movement of goods, services, capital, and labour.

In addition, as well as removing tariffs, non-tariff barriers are also reduced and eliminated.

For a common market to be successful there must also be a significant level of harmonisation of micro-economic policies, and common rules regarding product standards, monopoly power and other anti-competitive practices. There may also be common policies affecting key industries, such as the Common Agricultural Policy (CAP) and Common Fisheries Policy (CFP).

Full economic union is a term applied to a trading bloc that has both a common market between members, and a common trade policy towards non-members, although members are free to pursue independent macro-economic policies. The European Union (EU) is the best known Economic union, and came into force on November 1st 1993, following the **signing** of the Maastricht Treaty (formally called the Treaty on European Union.)

A **monetary union** is the first major step towards macro-economic integration, and enables economies to **converge** even more closely. Monetary union involves scrapping individual currencies, and adopting a single, shared currency, such as the Euro for the Euro-17 countries, and the East Caribbean Dollar for 11 islands in the East Caribbean. This means that there is a common exchange rate, a common monetary policy, including interest rates and the regulation of the quantity of money, and a single central bank, such as the European Central Bank or the East Caribbean Central Bank.

A **fiscal union** is an agreement to harmonise tax rates, to establish common levels of public sector spending and borrowing, and jointly agree national budget **deficits** or **surpluses**. The majority of EU states agreed a fiscal **compact** in early 2012, which is a less binding version of a full fiscal union.

Economic and Monetary Union (EMU) is a key stage towards complete integration, and involves a single economic market, a common trade policy, a single currency and a common monetary policy.

Political union represents the potentially most advanced form of integration with a common government and were the sovereignty of a member country is

significantly reduced. Only found within nation states, such as federations where there is a central government and regions having a level of autonomy.

Complete economic integration involves a single economic market, a common trade policy, a single currency, a common monetary policy, together with a single fiscal policy, including common tax and benefit rates – in short, complete harmonisation of all policies, rates, and economic trade rules.

As the level of economic integration increases, so does complexity. This involves a set of numerous regulations, enforcement and arbitration mechanisms. Complexity comes at a cost that may undermine the competitiveness of the areas under economic integration. Devolution of the economic integration could occur if the complexity it creates is no longer judged to be acceptable by its members.

TASK 1. Match the terms from the text with their corresponding definitions.

1. bloc	a) the act of agreeing to something such as an offer or invitation
2. pattern	b) the total amount by which money spent by a business or government is more than the money it receives
3. bilateral	c) a formal agreement between two or more people, organizations, or countries
4. deficit	d) to write your name, usually on a written or printed document, for example to show that you agree with its contents or have written or created it yourself
5. surplus	e) the process of combining two or more things into one; the process of becoming part of a group of people
6. compact	f) the amount of money that you have left when you sell more than you buy, or spend less than you receive
7. converge	g) a group of countries who share the same economic and financial aims, and who do business with each other with reduced taxes
8. sign	h) involving or affecting two different organizations, countries, etc.
9. integration	i) a particular way in which something usually happens or is done
10. acceptance	j) become or be made more similar to each other

TASK 2. Make phrases by matching an item from each column and make your own sentences with them.

to come into	practices
trade	barriers
key	currency
member	area
to collect	rate
to eliminate	a payment
to make	countries
anti-competitive	industries
exchange	force
single	a duty

TASK 3. Identify whether the following statements are TRUE or FALSE.

1. The aim of economic integration is to reduce costs for consumers and producers as well as trade between the countries taking part in the agreement.
2. When a country's economy becomes more integrated, the number of barriers to trade is reduced.
3. The process of economic integration consists of a number of stages depending on the degree of integration.
4. A regional trading bloc is a group of countries within a geographical region that protect themselves from imports from the other members of the bloc in other geographical regions.
5. Free Trade Areas are created when two or more countries in a region agree to reduce or eliminate barriers to trade on selected goods coming from other members, whereas Preferential Trade Areas appear when countries within a geographical region agree to reduce or eliminate tariff barriers on all goods imported from other members of the area.
6. Countries that export to the customs union do not need to make any payments when the goods pass through the border, and the goods can move freely without additional tariffs inside the union.
7. A common market is not limited to tangible goods but also includes free trade of all economic resources.
8. A monetary union involves adopting a single currency but a common monetary policy is a feature of the next stage, i.e. a fiscal union.
9. Complete economic integration, in fact, implies complete harmonisation of all policies, rates, and economic trade rules.

10. Economic integration is an irreversible process otherwise it would have no economic sense.

TASK 4. Comprehension check.

1. What does integration mean?
2. What are advantages and disadvantages of economic integration?
3. Is integration a beneficial process for countries in all the periods of economic development? Why?
4. What stages of integration do you know?
5. What does each of the stages of economic integration involve?

TASK 5. Prepare as many ideas as possible to give a short talk on the business topic. Discuss them in small groups and choose the three most important.

What is important when ...?

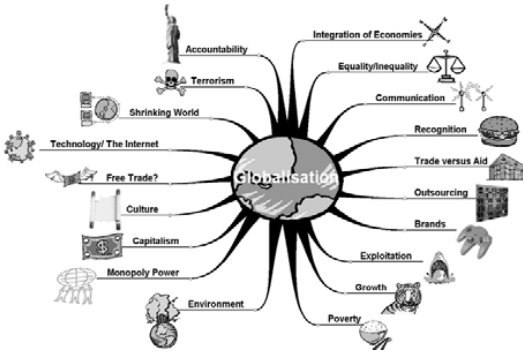
Deciding on the country's participation in the integration processes

- _____
- _____
- _____

TEXT 20

Over to you: What are the results of globalization in Ukraine?

GLOBALIZATION AS A WORLD PHENOMENON: BENEFITS AND RISKS GENERATED BY IT



Globalization is a buzz word that refers to the trend for people, firms and governments around the world to become increasingly dependent on and integrated with each other. This can be a source of tremendous opportunity, as new markets, workers, business partners, goods and services and jobs

become available, but also of competitive threat, which may **undermine** economic activities that were viable before globalization.

The term first surfaced during the 1980s to characterize huge changes that were taking place in the international economy, notably the growth in international trade and in flows of capital around the world. Globalization has also been used to describe growing income inequality between the world's rich and poor; the growing power of multinational companies relative to national government; and the spread of capitalism into former communist countries. Usually, the term is synonymous with international integration, the spread of free markets and policies of **liberalization** and free trade. The process is not the result simply of economic forces. The decisions of **policymakers** have also played an important part, although not all governments have embraced the change warmly.

The driving force of globalization has been multinational companies, which since the 1970s have constantly, and often successfully, lobbied governments to make it easier for them to put their skills and capital to work in previously protected national markets.

It actually affects every aspect of life, like cultural, social, psychological and of course, political. While globalization is seen as a sign of a hopeful future by some, there are others who believe that it can cause tremendous **disaster** for the world economy.

Benefits of Globalization

- With globalization, there is a global market for companies to trade their products and a wider range of options for people, to choose from among the products of different nations.

- Developing countries benefit a lot from globalization, as there is a **sound** flow of money and thus, a decrease in the currency difference.
- To meet the increasing demands that follow globalization, there is an increase in the production sector. This gives loads of options to the manufacturers as well.
 - Competition keeps prices relatively low, and as a result, inflation is less likely to occur.
 - The focus is **diverted** and segregated among all the nations. No country remains the single power head; instead there are compartmentalized power sectors. The decisions at higher levels are meant for the people at large.
 - Communication among the countries is on the rise, which allows for better understanding and broader vision.
 - As communication increases amongst two countries, there is interchange of cultures as well. We get to know more about the other's cultural preferences.
 - As we feed to each other's financial needs, the ecological imbalance is also meted out. Governments of countries show **concern** about each other.

Drawbacks of Globalization

- Globalization is causing Europeans to lose their jobs as work is being **outsourced** to the Asian countries. The cost of labor in the Asian countries is low as compared to other countries.
 - The high rate of profit for the companies, in Asia, has resulted in a pressure on the employed Europeans, who are always under the threat of the business being outsourced.
 - Companies open their **counterparts** in other countries. This results in transferring the quality of their product to other countries, thereby increasing the chances of **depreciation** in terms of quality.
 - There are experts who believe that globalization is the cause for the invasion of communicable diseases and social degeneration in countries.
 - It is often argued that poor countries are exploited by the richer countries where the workforce is taken advantage of and low wages are implemented.

TASK 1. Match the terms from the text with their corresponding definitions.

1. liberalization	a) to cause anxiety or uneasiness in something
2. to undermine	b) one that has the same functions and characteristics as another
3. policymaker	c) the act of allowing more freedom in laws, systems, or opinions
4. to divert	d) an event or fact that has unfortunate consequences

5. sound (flow of money)	e) an individual who has the authority to set the policy framework of an organization
6. to concern	f) to destroy property or hinder normal operations
7. counterpart	g) something (capital) that is financially safe or stable
8. disaster	h) to turn aside from a course or direction; to distract
9. outsource	i) a reduction in the value of an asset over time, due in particular to wear and tear
10. depreciation	j) obtain (goods or a service) by contract from an outside supplier

TASK 2. Make phrases by matching an item from each column and make your own sentences with them.

to lobby	the threat
broad	range
to meet	force
to take	government
under	vision
driving	an activity
to lose	advantage (of)
social	degeneration
to undermine	a job
wide	demands

TASK 3. Identify whether the following statements are TRUE or FALSE.

1. Globalization is not only a beneficial phenomenon, but also the one that impacts economic activity.
2. The terms “integration” and “globalization” usually mean the same concepts.
3. Multinational corporations have been the driving force of globalisation which started in 1970 due to successful lobbying governments to open the borders and remove trade barriers.
4. Globalization is perceived by all as a sign of a hopeful future due to its influence on cultural, social, psychological aspects of life.
5. Intercultural exchange is developing significantly under the conditions of globalization expansion.
6. Developed countries benefit from globalization more than developing ones.

7. Globalization prevents any single country from being the single power head; instead there are compartmentalized power sectors.

8. The European businesses are under the threat to be outsourced by those in the Asian countries.

9. Quality assurance and keeping the same quality standards are the main benefits of outsourcing.

10. Poorer nations are becoming to be exploited less by richer countries and get more chances for higher wages.

TASK 4. Comprehension check.

1. Why is globalization considered to be a “buzz” word?
2. What did this phenomenon mean initially?
3. What does globalization affect?
4. What main advantages of globalization are described in the text above?
5. What main disadvantages of globalization are above-mentioned?

TASK 5. Prepare as many ideas as possible to give a short talk on the business topic. Discuss them in small groups and choose the three most important.

What is important when ...?

Analyzing the influence of globalization

- _____
- _____
- _____

QUESTIONS FOR REVISION

What is important when:

1. choosing between setting up your own business or working for a company;
2. developing a strategy;
3. conducting a SWOT-analysis;
4. determining profitability of the company;
5. performing functions of a manager;
6. choosing an appropriate style of leadership;
7. choosing an effective method of staff motivation;
8. deciding on particular activities on the basis of product life cycle;
9. creating an effective marketing mix of a product or service;
10. doing business online;
11. dealing with financial management;
12. analyzing effectiveness of the taxation system;
13. choosing a form of international business activity for a company which wants to go international;
14. analyzing the impact of MNCs on the global and national economies;
15. deciding on feasibility of a merger or an acquisition;
16. substantiating the scope of the international trade regime: protectionism vs free trade;
17. choosing a particular trade barrier to protect the domestic industries;
18. determining the role of international labour migration for the countries;
19. deciding on the country's participation in the integration processes;
20. analyzing the influence of globalization?

SECTION 2

BUSINESS LETTER WRITING USEFUL TIPS

SECTION 2

BUSINESS LETTER WRITING USEFUL TIPS

There are *various types of letters such as: letters of complaint, letters asking for/giving information, letters of request, letters asking for/giving advice, letters of invitation, letters accepting/refusing an invitation, letters expressing congratulations/thanks/regret/sympathy, letters giving news, letters of apology, letters of application for a job, etc.*

A good letter should consist of:

- a) **an appropriate greeting** (*Dear Peter, Dear Mr Ford, Dear Sir/ Madam*);
- b) **an introduction** clearly stating the reason you are writing;
- c) **a main body** in which the subject is developed. Begin a new paragraph for each main point;
- d) **a final paragraph** in which you sum up the topic or express your wish for something to be done ; and
- e) **an appropriate ending** (*Yours/Best wishes, + first name, Yours sincerely/ Yours faithfully, + full name*).

Style in Letters

The characteristics of **formal style** in letters are:

- the greeting (*Dear Mrs Lee, Dear Sir*);
- frequent use of the passive;
- formal language (complex sentences, non-colloquial English);
- no abbreviated forms;
- the ending (*Yours sincerely,/ Yours faithfully, Jason McNeil*). **Yours sincerely, Yours faithfully** and **Yours truly** (*American English*) are endings in formal letters. These endings are not used in e-mails. **(Best) regards** is more usual as an ending in e-mails.

The characteristics of **informal style** in letters are:

- the greeting (*Dear Alex, Dear Dad*);
- informal language and style (idioms, colloquial English);
- abbreviated forms;
- pronouns omitted;
- the ending (*Yours/Love/Best wishes/Regards, Anthony*).

Layout of formal letters

Letters are made up of different parts:

1. The Greeting

If you know the name of the person you are writing to, begin:

- Dear Mr Jones, (to a man)
- Dear Mrs Jones, (to a married woman)
- Dear Ms Jones, (to a woman)
- Dear Miss Jones (not used much these days)

If you don't know the name of the person you are writing to, begin:

- Dear Sir, (to a man)
- Dear Madam, (to a woman)
- Dear Sir or Madam, (when you don't know which)

2. The opening paragraph

This paragraph (1 or 2 sentences) contains a clear statement of your reason for writing. Some typical openings are:

- I am writing in/with reference to.....
- I am writing in response to....
- I am writing to complain about...

3. The body of the letter

The body can contain 1-3 paragraphs, very rarely would it contain 4 or more paragraphs. The body contains all relevant information.

4. Signalling the end

The final sentence or paragraph often indicates that the letter is going to finish. Some typical sentences are:

- I look forward to receiving your reply.
- Thank you in advance for your time and consideration.
- I look forward to hearing from you.
- Please find enclosed a copy of my CV for your perusal.

5. The closing

This phrase puts an end to the letter.

If you know the name of the person you are writing to, end with Yours sincerely, if you don't know the name of the person you are writing to, end with Yours faithfully.

6. The signature

In a formal letter it is common to print your name under your signature.

«GOLDEN RULES» for writing letters

– Give your letter a heading if it makes it easier for the reader to understand your purpose in writing.

– Decide what you are going to say before you start to write or dictate a letter because if you don't do this, the sentences are likely to go on and on and on until you think of a good way to finish. In other words, you should always plan ahead.

– Use short sentences.

– Put each separate idea in a separate paragraph. Number each of the paragraphs if it helps the reader to understand better.

– Use short words that everyone can understand. Think about your reader.

Your reader:

- must be able to see exactly what you mean:

your letters should be CLEAR;

- must be given all the necessary information:

your letters should be COMPLETE;

- is probably a busy person with no time to waste:

your letters should be CONCISE. Your letters must be written in a sincere, polite tone:

your letters should be COURTEOUS.

Your reader should not be distracted by mistakes in grammar, punctuation or spelling:

your letters should be CORRECT.

Because writing a letter in English is much harder than writing one in your own language, careful planning is essential. Imagine, for example, you have to write a letter introducing your company to a prospective customer.

Highlight what you think are the most important points in this text and then compare your ideas with a partner.

Planning a Letter: 7 Steps

1. Write down your AIM: what is the purpose of this letter?

2. ASSEMBLE all the relevant information and documents: copies of previous correspondence, reports, figures, etc.

3. ARRANGE the points in order of importance. Decide which points are irrelevant and can be left out. Make rough notes.

- Write an OUTLINE in note form. Check it through considering these questions:

- Have you left any important points out?

- Can the order of presentation be made clearer?

- Have you included anything that is not relevant?

4. Write a FIRST DRAFT, leaving plenty of space for changes and revisions.

5. REVISE your first draft by considering these questions:

- Information. Does it cover all the essential points? Is the information

RELEVANT, CORRECT and COMPLETE?

- ENGLISH. Are the grammar, spelling and punctuation correct?

- STYLE. Does it look attractive? Does it sound natural and sincere? Is it CLEAR, CONCISE and COURTEOUS? Will it give the reader the right impression?

Is it the kind of letter you would like to receive yourself?

6. Write, type or dictate your FINAL VERSION.

STANDARD BUSINESS LETTER

If known, include the name, title, position, organization and address of the person you are writing to, and a reference number or heading where appropriate.

BLACKEE PLC
25, High Street,
The Broadway, London SE16
Tel: (071) 321 1888
Email: jblackee@gmail.com
www.blackeebusiness.com

Your company's name and address

27 August 2020

*The date
This may also be written 27/08/20.
This is a British English form of date. American English always puts the month first, i.e. August 27 or 08/27/2020.*

Salutations/greetings

Avril Stapleton
52, Knighton Drive
Leicester
Midlands

Dear Sirs

if you are writing to a company or organization.

Dear Sir/ Madam

if you don't know the person's name.

Dear [name]

if you know the person's name.

Common titles

Mr for men

Mrs for married women

Ms for women if you don't know, or prefer not to specify, marital status

Signing off

If you begin Dear Sir, end Yours faithfully;

if you begin Dear Ms Stapleton or Dear Avril, end Yours sincerely.

Sign your name, then print your name and position under the signature.

Dear Ms Stapleton,

I am replying to your letter of August 18. I am pleased to hear of your interest in our new atlas and delighted that it has been so well received by your more senior students.

Our company does have representatives in your area and they frequently give presentations of our new publications to colleges and schools. One of our sales staff would certainly be willing to visit you and your students to talk about the atlas and answer any questions you may have. If you are interested, could you please call me on (071) 321 1888, ext. 205. I will then put you in contact with the coordinator of our field visits.

I enclose our most recent brochure since you may wish to have information about some of our other publications. We have, for example, produced an excellent encyclopedia (see page 56) which is now widely used in schools and has been greatly praised by teachers and pupils.

Once again, thank you for the positive comments you made about our atlas. We always enjoy receiving letters like yours!

Yours sincerely,

Stewart French
Stewart French
Administrative Assistant

TYPES OF LETTERS

According to the purpose of the letter there may be quite a number of different kinds, e.g. a letter of complaint, letters - offers, enquiry letters, letters orders, etc.

Enquiry letter

An enquiry usually states the name of the goods and terms and conditions on which the Buyer would like to have the goods, such as quantity and quality of the goods, the model (trade mark), the price, terms of delivery and terms of payment.

Replies to enquiries

It is impolite to leave the letter unanswered even if at the moment you are not ready to give a definite reply. You should send an intermediate answer, thanking for the letter received and stating that as soon as the matter is cleared, a detailed reply will be sent.

Letters of complaints and claims

They usually arise from the delivery of wrong goods, damaged goods or not enough goods. There is also the matter of the goods not being of the kind expected, i.e. not being according to the sample or description. Delay in delivery is another cause for complaints.

Letters of apology

There are occasions when you should apologize for a mistake, error or oversight. Do it promptly with an explanation but without any lame excuse. Express your regrets and assurances that it will not happen again.

Letters of application

A letter of application may be written when we apply for a permanent / temporary job or educational course. It is usually formal, therefore, the appropriate language and expressions should be used.

Letters Requesting Information (Enquiry)

Letters written to request information must do just that. You write the letter because you want to receive additional detailed information on a certain matter. These letters are always formal. As in all formal letters these should be organised in paragraphs:

- opening paragraph: state why you are writing;
- body (usually not more than 3-4 paragraphs including all relevant information: reasons for making the request and expected results/ consequences);
- the last paragraph: signal the end of the letter; this consists in a short sentence;
- closing paragraph: conclude using an appropriate sentence.

Useful Language for Enquiries

To begin letters (opening remarks and introducing the first request):

I am writing to inquire about/ in connection with...

I am writing to ask if you would be so kind/ generous as to...

I am writing to request your assistance concerning the matter of...

I wonder if you could possibly/ if it would be possible for you to help me...

I would (greatly) appreciate it if you could...

I would (greatly) appreciate some information about...

I would be most grateful if you could...

I am writing to ask/ enquire if/ whether you could possibly tell/ inform/ send me...

I am writing to ask if/ whether I might (perhaps) be permitted/ allowed to...

I am writing to request your kind permission for.../ (for me) to...

I wonder if I might ask you for/ request your valuable advice on/ concerning...

I would particularly like to know...

I would be interested in having more details about...

Could you tell me something about...?

I would be (most) grateful if...

To introduce further requests:

Could you also please send me...

Another matter I need information on is...

I would also like some information on...

To end letters (closing remarks):

I hope that my request will not inconvenience you too much.

I must apologize for/ I hope that you will forgive me for troubling you with this matter/ taking up your valuable time.

I look forward to hearing from you/ receiving your reply as soon as possible.

I would appreciate it if you could inform me as soon as possible.

Thank you in anticipation of your/ in advance for your kind cooperation.

Use formal conjunctions: furthermore/ moreover/ in order to/ therefore/ nevertheless.

Example of an answer (enquiry)

Dear Ms Peabody,

I am writing in reference to the advertisement I saw about the language courses you offer abroad. I would like to attend a course for the first two weeks in July and need more detailed information.

I would particularly like to know how many students attend the school, and how many students there are in a class. I would also like to know something more specific about the resources the school has. Is there a language laboratory and a library where I could study in the evenings? Do students have free access to internet? Are students permitted to use all the learning facilities available even on weekends?

Moreover, are all the teachers on staff qualified native speakers? Furthermore, I would like to receive more details of the social and sports programmes you offer. I am keen on football and tennis. Are these activities part of your sports programme? If so, are they included in the price of the course? Could you tell me about the cost of accommodation and what it includes?

Finally, could you tell me what amenities there are near the school? For instance, is there an Internet café and a theatre within walking distance of the school?

I look forward to receiving your reply.

Yours sincerely,
Robert Black

Reply to Enquiry

Any letter of enquiry to an organization should be responded to/ replied promptly. A prompt reply is the basic etiquette that an organization should follow. Promptness should be assessed from the view point of sender of the enquiry.

The reply to an enquiry should have the courteous thanking feature, thanking the sender for his/ her interest. The reply to an enquiry should be so prompt and correct that it should change a routine enquiry into a firm order. The reply should provide all the answers to the questions in the enquiry letter. It should even answer implied questions and unasked questions.

The tone should be cheerful and the information complete. Details of dates, price, quality and quantity etc., should be exact and correct. In short, the reply to an enquiry letter should not give scope for the enquirer to ask for more clarifications and further details. The reply should have a clinching effect.

Useful Language for Replies to Enquiries

Opening remarks:

Thank you for your inquiry regarding our product or service.

Thank you for your letter of... inquiring (asking for information) about...

We would like to thank you for your letter of... inquiring (asking for information) about...

Thank you for your interest in our product or service.

We would like to thank you for your letter inquiring about our product.

We truly appreciate your letter asking for information about our service.

It was a pleasure to receive your inquiry about the product/ service of our company.

Main body:

To provide requested items:

According to your inquiry, we have enclosed ____.

In response to your inquiry, please find attached in this email ____.

To answer your question, here are ____.

To address your request, here are ____.

We are pleased to satisfy your demand with the attached information.

We are pleased to enclose...

Enclosed you will find...

To give additional stuff:

In addition to the information above, we have also attached ____.

Besides the given information, we have also enclosed ____.

In order to fully answer your request, we would like to give you some further details.

There is some other information we believe may be useful to you.

You can find some relevant items below.

To provide additional information:

We would also like to inform you...

Regarding your question about...

In answer to your question (inquiry) about...

Closing remarks:

Suggest a call/meeting:

I hope you are satisfied with the information above.

Hopefully, the information attached is sufficient for you.

We hope that the details mentioned were useful to you.

In case you would like to have more information, we are happy to arrange a call and a meeting for our further discussion on this matter.

If necessary, we always welcome a call or a meeting at a convenient time for you to understand more about our product/service.

We also look forward to welcoming you to our office for a better understanding between us.

Show readiness to assist:

Should there be any further inquiries, please do not hesitate to contact us.

If you require further information, feel free to contact me.

If you have any questions or need more details, we are always ready to help.

It would be my pleasure to know how more can we assist you.

Thank you for your time and consideration.

I look forward to hearing from you soon.

We look forward to doing business with you in the future.

We look forward to... hearing from you / receiving your order / welcoming you as our client (customer).

Example of a reply to an enquiry letter

Dear Ms. Vu,

First of all, we would like to express our thanks for your interest in our frozen mango puree product.

Regarding your inquiry, we are happy to provide you our Frozen mango puree product brochure and our Wholesale price list. Please note that the brochure included all the information you asked for. Both items are attached at the end of this email.

In addition to the items above, we have also enclosed a Frozen mango puree catalog (presenting different types of mango available) and our Logistics guidelines for this product. We believe that this will be of help to you.

We hope our response has satisfied your request. Should there be any questions, please feel free to contact us. We look forward to hearing from you.

Yours sincerely,
Mia Nguyen

Letters of Complaint

When you write a letter of complaint you also express an attitude or emotion on the subject to the person in question. You must never be rude nor offensive when writing these letters, yet you must clearly state your purpose (I am writing to complain about...).

Letters of complaint are normally written in a formal style. Mild or strong language can be used depending on the feelings of the writer or the seriousness of the complaint, but abusive language must never be used.

Mild complaint:

- o I am writing to complain about a damaged printer I bought at your shop.
- o I hope you will deal with this matter / resolve this matter quickly.

Strong complaint:

- o I am writing to express my disgust at the appalling treatment I received while staying at your hotel.
- o I insist upon full compensation or I will be forced to take this matter further.

Start a new paragraph for each different aspect of the topic. You should state the reason for the complaint in the first paragraph. Any complaints you make should be supported with a justification.

Complaints and justification can be linked together as follows:

- o I still haven't received the goods I ordered in spite of /despite the fact that I paid for them three weeks ago.
- o Although / Even though I have only used the automatic tin-opener once, it no longer works.
- o I have written to you twice but you have not taken any action.
- o I have already written to you twice. Nevertheless, / However, you have not taken any action.

Useful Language for Letters of Complaint

Opening remarks:

Mild:

- o I am writing to complain about/ regarding/ on account of/ because of/ on the subject of ...
- o I am writing to draw your attention to ...
- o I am writing to you in connection with ...

Strong:

- o I was appalled at...
- o I want to express my strong dissatisfaction with...
- o I feel I must protest/complain about...

Closing remarks:

Mild:

- o I hope/assume you will replace...
- o I trust the situation will improve.
- o I hope the matter will be resolved.
- o I hope we can sort this matter out amicably.

Strong:

- o I insist you replace the item at once.
- o I demand a full refund.
- o I hope that I will not be forced to take further action.

Example of a letter of complaint

Dear Sir/Madam,

I am writing to express my dismay at the service at your Eden Hill branch on Saturday 14 March.

I often collect prescriptions from the pharmacy on behalf of my grandmother, Mrs Elaine Bingham. On this occasion there were two prescriptions: one for 10 x 50 mg Kendomol and one for 50 x 100 mg Leoprone. I was served quickly even though there appeared to be only one pharmacist on duty. However, as I was leaving I saw that I had been given 500 mg tablets of Kendomol. This is ten times stronger than the prescription called for.

If I hadn't noticed the difference between the prescription and the actual tablets, my grandmother could have taken a dangerous overdose of Kendomol. I would be worried about getting any future prescriptions at Eden Hill.

The pharmacist apologised and corrected the mistake but I wanted to bring it to your attention. I think it happened because there were not enough staff on duty. I understand that mistakes happen but there needs to be a minimum of two pharmacists at all times so all prescriptions can be checked.

I hope you can take steps to make sure this mistake does not happen again.

Yours faithfully,

Roger Bingham

Letters of Apology

One important tip to keep in mind is that you should begin and end with your apology. The first apology makes it clear what the letter is about, and the last apology reinforces your genuine regret. If this is not elegant in your composition, you can also end with a promise of restitution.

You may also find that using so-called “I” statements is helpful when composing this type of letter, because this helps prevent the recipient from feeling defensive. Instead of saying something as a fact, you can bracket that information in a sentence structure that reflects your relationship to that information.

Avoid sounding stiff unless your apology is for a business, because a stiff letter will sound like a form letter to the recipient. There are also some issues of etiquette you should keep in mind. For example, you need to send your letter as quickly as possible and make sure that you address the recipient appropriately. You also need to keep your apology letter short and to the point, as you don’t want to waste the recipient’s time.

The best tip for writing apology letters is a simple strategy: an apology letter is about the person you are apologizing to, not about you. So, if you keep in mind what they would want out of the letter, you will be able to compose an apology that fulfills this need. This simple guideline will help avoid many of the pitfalls people encounter when writing this type of letter, and will likely aid in repairing any damage to an interpersonal relationship.

1. Apologize

A letter of apology without an apology is really just an excuse. Make sure you say those crucial words at the beginning of your letter.

2. Acknowledge what happened

Be specific about what happened and be clear about what you’re sorry for.

3. Solution/What you learned

This will show that you are being sincere. It will also provide reassurance to the offended party that you won’t do it again.

4. Conclusion

End the letter on a positive note and express your openness to discuss what happened.

Useful Language for Letters of Apology

Opening remarks:

- o I am writing to apologise for...
- o I must apologise for...
- o Please accept my sincerest apologies for...
- o How can I apologise enough for...
- o I must apologise profusely for...

Closing remarks:

- o Once again, sincerest apologies for...
- o I hope you will accept my apologies...
- o I hope my apologies will be/are accepted.

Example of a letter of apology

Dear Ms. Jones,

On behalf of ABC Office Equipment, I extend our sincerest apologies for the bad experience you had with our sales associate, James. I understand that James made unprofessional remarks when you visited our storefront to inquire about a new copier. You came to us in search of information, and instead were subjected to a pushy salesperson.

At ABC, it is our goal to help you make an informed purchase decision without having to deal with aggressive sales tactics. James is a new employee that I have been training. I take full responsibility for his behavior. He has received a written reprimand and will be shadowing one of our senior sales associates until he has a better understanding of the ABC Office Equipment approach to customer service.

I am grateful that you brought this issue to my attention and I ask your forgiveness. We would love to earn your business. I have included a voucher for 20 percent off your next purchase in our store as a thank-you, should you decide to give us a second chance. We hope to see you again soon.

Yours sincerely,

Jennifer Smith

Equipment Sales Manager

Letters of Application

A letter of application is written to accompany a CV when applying for a job or sent on its own to request an application form for a job. As in all formal letters, a letter of application must follow certain rules if you want to give a good impression.

When writing an application letter for a job, follow these steps to make sure you include information about yourself and your professional experience that will appeal to a hiring manager:

1. Review information about the company and position.
2. Use a professional format.
3. Create the heading.
4. Address the letter to the hiring manager.
5. Open the letter by describing your interest.
6. Outline your experience and qualifications.
7. Include aspects of your personality.
8. Express appreciation.
9. Close the letter.

Useful Language for Application Letters

1. Introduction

I am writing in response to...

I am writing with/in reference to...

I am writing in reply to...

e.g. *I am writing with reference to your advertisement in (newspaper) for the position of...*

I would like to apply for the position of...advertised in...

I am interested in the position of...

e.g. *I was interested in your advertisement in The Times of 8th October and would like to apply for the position of waiter.*

2. Personal details

I am 25 years of age and...

I am a 25-year-old graduate of (subject).

I have been working as a (occupation) for (company / length of time).

I have (x) years experience in

In the future I hope to be able to (plans).

3. Reason

I would enjoy / appreciate the opportunity to...

I feel that the work would be ...

4. Extra points

I have also...

Furthermore / In addition / Moreover...

5. Arrangements

I would be able to attend an interview at any time that is convenient for you.

I would be able to attend an interview at any time except...

6. Conclusion

Thank you in advance for your consideration.

I look forward to hearing from you.

Please find enclosed a copy of my CV.

Please find enclosed a copy of my CV for your perusal.

Job application tips

When preparing a job application letter, follow these tips to make sure your letter includes the information a hiring manager needs.

1. **Emphasize your skills and abilities.** An application letter is your opportunity to sell yourself as an excellent candidate for the open position. Include specific examples of situations in which you applied your experience, abilities and skills to benefit the organization. It is also helpful to include data that supports your claims.

2. **Stay concise.** Although it may be tempting to include a lot of detailed information about yourself, it is important to be concise. If a hiring manager

receives a letter that is multiple pages, they may not take the time to read it. A brief letter is more manageable and appealing.

3. **Proofread the letter.** Since this letter is serving as your first impression, you want to make sure it is as positive as possible. Make sure your letter does not have any grammatical or spelling errors to avoid a potentially negative first impression.

4. **Review the job listing keywords.** Most job postings will include certain skills and abilities that the hiring manager and supervisor want applicants to possess. Including these keywords in your application letter helps to show the person reviewing it you would be a good fit in that specific role.

5. **Send a letter for every position to which you apply.** Unless a job posting specifically states not to send an application letter, it is smart to send one for each job to which you apply. This letter offers the opportunity for a potential employer to learn more about you and gives you the chance to set yourself apart from other applicants.

Example of an application letter

Lee Jimenez
483 Apple Street
New York, NY 10001
(212) 555-8965
Lee.jones@email.com

October 15, 20__

Sarah Jenkins
Recruiter
Rogers Consulting
901 Main Street
New York, NY 10001

Dear Ms. Jenkins,

I am reaching out to you regarding the posting for the human resources consultant position I found on Indeed.com. I have a great interest in this position and would appreciate your consideration as a candidate for the role.

In my previous experience, I worked in human resources departments to provide support across several different industries. I have worked in my current role as a human resources generalist for the past four years. Prior to this job, I worked as a human resources assistant for two years, which shows my ability to advance in my career.

I have a strong passion for helping others, which is why I have found such fulfillment in human resources, providing support to my fellow employees

and assisting them in ways that benefit them both personally and professionally. I also enjoy looking for solutions to common HR problems, which I feel would be a great asset in the position with your company. Since this consultant position works directly with multiple clients, assisting them in their human resources needs, I believe my innovative nature and strong skill set will help me succeed.

I have strong communication skills, which are vital to success in the HR field. I also have a bachelor's degree in human resources from Arizona State University. Throughout my education, I worked with skilled human resources professionals who have shared their insights and experience with me. Some of my strongest skills include my ability to increase employee retention through the improvement of company culture and to develop training and education programs to ensure all employees have access to the information they need to succeed and comply with legal requirements.

I appreciate your time in reviewing this letter and hope to hear from you in regard to the next steps in the hiring process. If you have any questions or need any additional information, please do not hesitate to contact me.

Yours sincerely,
Lee Jimenez

PRACTICE

PRACTISE WRITING SOME BUSINESS LETTERS

TASK 1. Write a business letter to suit the situation suggested.

You work as a Human Resources Manager for a big international travel company. You have just seen the advertisement of a course in a newspaper and your company is willing to send a group of managers (10-12) to the course to study French and Italian.

Write a *letter of enquiry* to the institute:

- stating the source of information;
- giving brief information about your company and explaining your interest in taking the course;
- expressing your interest in the full details of the course (terms, tuition fees, accommodation, certificates of achievement etc.);
- expressing the desire to have competitive offers and a lasting relationship.

Write 100-120 words

Corporate Language Training Programme at Cosmolingua Dwarka

Cosmolingua is the only accredited Foreign Language Institute based in Dwarka, New Delhi to provide Corporate Language Services to Multinationals as well as Professional/ Management Institutes. We help you in the professional development of your staff by reaching their specific language needs.

The classes are tailored to your company's linguistic need. Our language experts merge their teaching methodology with powerful management tools. The learners quickly develop speaking, reading, writing, and listening-comprehension skills. The classes can be conducted at your premises or at our institute depending on your convenience and requirements.

Our advantages are the following:

- All languages offered
- Flexible scheduling of classes
- Experienced language trainers
- Cross-cultural skills & training
- Small group sizes
- All levels from Beginners to Advanced and Business French available
- Competitive prices meeting the industry leading standards

More detailed information and registration: www.cosmolingua.in or send a letter to Mr. Ladson

Cosmolingua Institute of Foreign Languages
16, Park Avenue
Dwarka, New Delhi-75

TASK 2. Write a reply to the business letter you've received.

Gordon Manning Co.
29, Peel St., Suite 1508
Ottawa, Canada
H2C 2M3

January 24, 20____

R.G. Electronics
The Sales Department
50, Orchard
Street, Singapore 2345

Dear Sir / Madam,

I am the head of administration at Gordon Manning Co and I am writing to you on behalf of my company. We are a telesales organization dealing in the sale and purchase of new and used cars, both commercial and private. We are planning to introduce a call tracking system in our process to eliminate the process of manual MIS (Management Information System) creation.

Our management is considering using your TSG software for this purpose. However, before coming to a decision, we would like to know more about the product, including the following details:

1. What are the product specifications and systems requirements for installation?
2. Are there any variant options of the product available?
3. To install on 120 machines, how many copies of the software would we need to purchase?
4. What would be the price of the software per copy?

We will look forward to your response and hope to introduce your product to our team soon.

Yours faithfully,
P. Gérard
P. Gérard

Write a suitable *reply* (100-120 words) following the guidelines:

- thank your prospective customer for the interest;
- briefly introduce your company (its position on the market, strong brand name, etc.);
- answer the questions from the enquiry;

- mention a special offer (a 10% discount for bulk orders);
- express your hope for future cooperation.

TASK 3. Write a business letter of 100-120 words to suit the situation suggested.

You recently travelled to New York on a business trip and you were completely dissatisfied with the four-star hotel service you stayed at which caused inconveniences to you (tiredness, irritability and inability to conduct effective negotiations with your business partners).

Write a *letter of complaint* to the hotel manager and in your letter:

- introduce yourself;
- mention the problems you had at the hotel during your stay (rude and irresponsible housekeeping staff, inattentive and slow waiters at the hotel restaurant, noise from outside traffic at night);
- say what action you need the hotel manager to take.

Send your letter to: Ms Alison Webster
Customer Relations Manager
Golden Plaza
84, Apricot Lane
New York
USA

TASK 4. Write a reply to the business letter you've received.

Nesson House
Newell Street
Birmingham B3 3EL
United Kingdom

January 21, 20____

Sams & Company, Ltd.
51 Wimbledon Road
Toronto, Ontario M4D 2V8

Dear Sir / Madam,

One of my employees, Collin Powers, attended your January 17 class and was very disappointed with the quality of the course. Specifically, the content did not match the course outline in your advertisements. Although the agenda listed three topics having to do with conflict resolution, less than half an hour was spent addressing those issues. Additionally, the instructor's knowledge was inadequate to deal with the technical questions from the class.

I spoke to the instructor briefly at the end of the class, and he agreed the questions and customer situations brought up in class were beyond his experience.

In light of the expectations raised by your course announcement, I think we are entitled to a refund of our \$350 registration fee. A copy of that registration form is attached.

Yours faithfully,

George Mall

Write a *letter of apology* (100-120 words) to your customer:

- explain your reasons for the inconveniences which have been caused;
- promise to make them up to mutual satisfaction;
- propose a discount coupon for twenty percent off the next class.

TASK 5. Read the job advertisement and write a formal application for the job.

International Sales

Have you ever dreamt of working abroad? Do you have what it takes to live and work in a foreign country? Would you like to earn serious amounts of money, improve your quality and standard of living and live in a country where the climate is extremely favourable? If so, Melrose Offshore can help you make that dream, a reality.

Melrose Offshore is actively recruiting on behalf of several major Offshore Travel Companies worldwide. You could be part of an elite group, made up of some of the most experienced, able and highly respected professionals working in the offshore travel industry today. If you are hardworking, have the right attitude, are seriously ambitious and open to new challenges, then a career in this tremendously dynamic industry is perfect for you.

Melrose Offshore can provide you with all that you need in the way of sales training, market and product knowledge, but a background in sales and knowledge of the travel industry are most definitely an advantage.

The qualities we are looking for in a candidate are the desire and determination to succeed, honesty and integrity, maturity and above all, outstanding communication skills. Our selection process is thorough, thus allowing us to determine your suitability to a career in the Offshore Travel Services.

If you would like to explore the possibilities please contact Melrose Offshore.

INTERESTED?

Write to:

Mr. Hugh

HR Manager

Melrose Offshore

505 Granville Street,

London, England

Write a formal *application* for the job, include the following points:

- say who you are and where you saw the job advertised;
- say why you are interested and why you think you would be suitable;
- outline your education and work experience, beginning with what you are doing now;
- state that you have enclosed your CV;
- close with a suitable remark.

Write 100-120 words.

SECTION 3

CONTEMPORARY WORLD ISSUES: OVERVIEW AND COMPREHENSION

PRACTISE READING THE FOLLOWING TEXTS AND DOING THE COMPREHENSION TASKS

TEXT 1

NEVER TOO LATE TO LEARN A NEW LANGUAGE

1. What is easy and what is difficult when learning a new language? Put these in order from 1 (easiest) to 6 (most difficult).

- a. learning vocabulary
- b. pronunciation
- c. using grammatical structures correctly
- d. understanding what people say
- e. reading texts
- f. holding a conversation

2. Fill the gaps in the sentences using these key words from the text. The paragraph numbers are given to help you.

bilingual	dementia	diagnosis	monolingual	animated
benefit	brainchild	isolated	irrelevant	care home

1. A ____ is a place for people who are unable to look after themselves. (para 1)
2. ____ is a serious illness affecting someone's brain and memory in which they gradually stop being able to think or behave in a normal way. (para 1)
3. A ____ is an advantage you get from a situation. (para 2)
4. If you are ____, you are lively or active. (para 2)
5. A ____ is a clever idea that someone thinks of and develops. (para 3)
6. If someone is ____, they can speak two languages extremely well. (para 5)
7. A ____ person can only speak one language. (para 5)
8. If you feel ____, you feel alone and unhappy. (para 9)
9. A ____ is a statement about what disease someone has, based on an examination. (para 11)
10. If something is ____, it isn't important to what you are discussing or doing. (para 12)

3. Find the following information in the text as quickly as possible.

1. When was Lingo Flamingo started?
2. Which four languages are offered in courses provided at care homes in Scotland?
3. Which other three languages are mentioned in the text?
4. In which Scottish city will a language hub open in 2018?
5. What is Thomas Bak's profession?
6. How many teachers does Lingo Flamingo employ?

The care-home residents proving it's never too late to learn a new language

Emma Sheppard

25 July, 2018

1 When a notice appeared advertising French classes in Dundonald House Care Home, Mari Dougan was surprised her parents were interested in going. Dougan's mum, Patricia, has lived at the home for two years and has had dementia for the past nine. She has lost most of her speech. Despite this, the course was something she and her husband, Eric, could do together and the whole family has noticed a change in her.

2 "I think Dad decided he'd take Mum just for her benefit," says Dougan. "But he loved it just as much as she did. After they did the French course, they did Italian. It became the highlight of their week. Mum knows she's there, she's joining in and she picks up the pen and answers back a word or two – that's amazing. She's much more animated since she's been going to the classes."

3 The language classes are the brainchild of Robbie Norval, who started Lingo Flamingo in 2015 to give lessons to older adults. Lingo Flamingo employs 35 teachers who work in care homes and community centres across Scotland. So far, it has worked with more than 800 people.

4 Courses in French, Italian, German and Spanish run for ten weeks for an hour a week. Norval says running the courses has not always been easy. "When you tell people you teach language learning in care homes, they say, 'Why on earth would you do that?' Thankfully, that opinion is changing."

5 Working with Thomas Bak, a psychologist from Edinburgh University, has been key to building credibility. Bak's research into dementia over 20 years has found that people who are bilingual develop the condition up to four years later than those who are monolingual. There are also better cognitive outcomes for people who have had a stroke. "If your brain is better interconnected, better trained, you might still get dementia but you'll cope with it a bit longer," he says.

6 Even for people who aren't bilingual, learning a language in later life has benefits, Bak says. He has found improvements in older adults' attention, verbal fluency and memory. Language learning can also have an impact relatively quickly – Bak found there was a difference in concentration levels among participants after just one week of intensive learning.

7 Bak believes it is never too late to learn a language. “In fact, it becomes more important with age,” he says. He adds that what is particularly valuable about language learning is the variety of tasks involved. “You have to learn to distinguish different sounds. You have to learn new concepts that might be very different from your mother tongue. You have to learn grammar and how to use words in a conversation,” he says. In contrast, according to Bak, doing a sudoku puzzle is like going to the gym and spending all your time on a single machine.

8 “We’ve also found language learning really increases wellbeing and self-confidence,” Norval says. “If an adult with dementia can learn a couple of words, they think to themselves, ‘Actually, I can learn new things.’ They don’t fear Alzheimer’s as much. They realize they’re not forgetting everything, which is a really important message as well.”

9 Norval has recently introduced a volunteer programme to bring together linguists with people with dementia who revert to their mother tongue (such as Urdu, Punjabi or Polish) and may be feeling isolated in a care home. He is also opening a language hub in Glasgow in 2018 – he will use the money raised from paying participants to fund courses in care homes.

10 In Aberdeen, Sarah Duff, service manager at the Dementia Resource Centre, is organizing a graduation party, with a flamenco guitarist, for participants finishing their first Spanish course. At first, she was concerned that the teacher wouldn’t be able to successfully teach people with all different levels of dementia but she says everyone has really enjoyed the classes since they started in January.

11 “It’s been such a great group,” she says. “It’s brought in people who didn’t attend other things. When you’ve got a diagnosis like dementia, it’s good to learn a new language and stimulate the brain but it’s also good to feel you belong and make new friends and have fun.”

12 Dougan says that the joy of the class for her parents has been that the dementia becomes almost irrelevant. “Everyone is on a level playing-field. Nobody is any better at speaking the language than anybody else, whether you have dementia or not. For that period of time, the dementia is not there.”

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4. Comprehension check. Are these statements true (T) or false (F) according to the text?

1. Research has shown that bilingual people develop dementia later than monolingual people.
2. Learning a language can help memory.
3. Older people cannot learn a new language.
4. Doing Sudoku puzzles is better for your brain than learning a language.
5. Learning a new language means doing a variety of tasks.
6. Teachers from Lingo Flamingo teach Urdu, Punjabi and Polish.

5. Find the following words and phrases in the text.

1. a two-word phrasal verb meaning do an activity with people who are

already doing it (para 2)

2. a noun meaning the qualities that someone or something has that makes people believe or trust them (para 5)

3. a two-word phrasal verb meaning deal successfully with a difficult situation (para 5)

4. a noun meaning an effect or an influence (para 6)

5. a verb meaning recognize the difference between things (para 7)

6. a two-word phrasal verb meaning return to a previous state or way of behaving (para 9)

7. an adjective meaning worried about something (para 10)

8. a three-word noun phrase meaning a situation that is fair or the same for all the people involved (para 12)

6. Match the words in the left-hand column with those in the right-hand column to make phrases from the text.

1. mother	a. home
2. self-	b. centre
3. care	c. confidence
4. verbal	d. party
5. community	e. tongue
6. graduation	f. fluency

7. Complete the table using words from the text.

	verb	noun
1	improve	
2	concentrate	
3	participate	person
4	speak	
5	diagnose	
6	remember	

8. Discuss the statements.

- It's never too late to learn a language.
- Learning a language opens a door to the world.

TEXT 2

WESTERN SOCIETY IS CHRONICALLY SLEEP DEPRIVED

1. Answer the questions.

1. How many hours do you usually sleep each night?
2. What is the name for the 24-hour cycle that our bodies follow?
 - a. circular rhythm
 - b. circumference rhythm
 - c. circadian rhythm

Scan the article to check your answer.

2. Match the key words with the definitions. Then, find them in the article to read them in context. The paragraph numbers are given to help you.

constrained dampen ingenuity revolutions synchronized twilight

1. the ability to solve problems in new and clever ways ____ (para 1)
2. If two or more things are ____, they happen or move at the same time or speed. (para 4)
3. the movements of something in a circle around something else ____ (para 4)
4. behaving in a way that is controlled by something else ____ (para 6)
5. make something less strong ____ (para 6)
6. the time in the evening when the sky is beginning to get dark ____ (para 6)

acute aligned anticipate chronically deprived misconception

7. in a way that is serious or lasts for a long period of time _____ (para 7)
8. not having enough of something that you need _____ (para 7)
9. believe that something will happen and be ready to deal with it _____ (para 10)
10. a wrong belief or opinion as a result of not understanding something _____ (para 11)
11. If something is ____, it is organized so that it is in the correct position in relation to other things. (para 13)
12. very serious; becoming very bad very quickly ____ (para 16)

**‘Western society is chronically sleep deprived’:
the importance of the body’s clock**

Hannah Devlin 6 October, 2017

1 We all know about the cycle of day and night on our planet so the idea of an internal body clock might not sound new. In science, though, asking the questions “why?” and “how?” about the most day-to-day things can require ingenuity and produce the most interesting answers.

2 This was the case for three American biologists, Jeffrey Hall, Michael Rosbash and Michael Young, who were awarded the Nobel Prize in Physiology or Medicine for their discovery of the master genes that control the body’s circadian rhythms.

3 The first hints of an internal clock came as early as the 18th century when the French scientist Jean-Jacques d’Ortous de Mairan noticed that plants kept in a dark cupboard kept their daily rhythm of opening and closing their leaves. However, de Mairan concluded this was because they could “sense the sun without ever seeing it”.

4 Using fruit flies, Hall, Rosbash and Young identified a “period” gene that controls the rhythm of a living organism’s daily life in an endless day and night feedback cycle. This allowed scientists to look at the time-keeping machinery that “explains how plants, animals and humans adapt their biological rhythm so that it is synchronized with the Earth’s revolutions,” the Nobel Prize Committee said.

5 Scientists discovered the same gene exists in mammals and that it is expressed in a tiny area of the brain.

6 Modern lifestyles may no longer be constrained by sunrise and sunset but light remains one of the most powerful influences on our behaviour and wellbeing. This idea led to a “sleep hygiene” movement, whose supporters say that bright lights before bedtime and spending the whole day in a dimly lit office can dampen the natural circadian cycle, leaving people in a continual mental twilight – sleepy in the morning and too awake to fall asleep easily at night.

7 Rosbash welcomes this new awareness. “It’s been overlooked for a long time as a real public health problem,” he said. “All of Western society is chronically sleep deprived.”

8 There is growing evidence that not living according to the natural circadian cycle can have long-term health consequences much more far-reaching than tiredness.

9 At first, it was assumed that the brain’s “master clock” was the body’s only internal timekeeper. In the past decade, though, scientists have shown that clock genes are active in almost every cell type in the body. The activity of blood, liver, kidney and lung cells all rise and fall on a roughly 24-hour cycle.

10 In effect, tiny clocks are ticking inside almost every cell type in our body, anticipating our daily needs. This network of clocks not only keeps order with respect to the outside world but it keeps things together internally.

11 Clifford Saper, a professor of neuroscience at Harvard Medical School, said, “The most common misconception is that people do not have to follow the rules of biology and can just eat, drink, sleep, play or work whenever they want.”

12 This discovery explains why jet lag feels so bad: the master clock adapts quickly to changing light levels but the rest of your body is far slower to catch up – and it catches up at different speeds.

13 “Jet lag is so awful because the different parts of the circadian network are not aligned to each other,” said Professor Russell Foster, chair of circadian neuroscience at the University of Oxford.

14 It also helps to explain the health risks experienced by shift workers, who are more likely to suffer from heart disease, dementia, diabetes and some cancers. “They’re having to override their entire biology,” said Foster.

15 Obesity is also more common in people with irregular sleep patterns. “I would suggest that for humans, staying up late, watching video screens with high levels of blue light and eating high-fat foods is potentially a major cause of obesity and diabetes,” said Saper.

16 There is new evidence that our risk of acute illness rises and falls with predictable regularity. People are 49% more likely to have a stroke between 6 am and 12 noon than at any other time of the day and a similar pattern is true for heart attacks. This is linked to a circadian rise in blood pressure in the early morning, which happens even if you’re lying in bed not doing anything.

17 As a result, it makes sense to take certain blood pressure medications early in the morning, before getting out of bed. By contrast, cholesterol is made more rapidly by the liver at night. So medicines that lower cholesterol work best if taken before going to bed.

18 With this new understanding, the medical profession and others are waking up to the power of the biological clock. Schools, for example, are experimenting with later school days, better aligned with the teenage body clock, which runs several hours later than that of adults.

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3. Choose the best option to answer the questions about the article.

1. Where in the body are our internal timekeepers?
 - a. in our eyes and brain
 - b. in our brains and almost every cell
 - c. in our hearts and brain
2. How does dim light at work affect us?
 - a. It allows us to fall asleep more easily at night.
 - b. It makes us feel tired during the day.
 - c. It has no effect on most people.
3. How might shift work affect our health?
 - a. We may feel less relaxed.
 - b. It carries many health risks.
 - c. It can make us healthier because we eat less.

4. How can the discovery mentioned in the article improve how well medicines work?

- a. Medicines can be taken at the time our body most needs them.
- b. Doctors will no longer need to follow the rules of biology.
- c. Medicines can be given directly into the period gene.

5. What causes jet lag?

- a. going forward or backward across time zones
- b. our master clock not adapting to the change in light
- c. the different parts of the circadian network in our body not being aligned.

4. Linking phrases

a. **Underline these linking words and phrases in the article. Read the sections again to see how they were used in context. Are they formal or informal?**

1. However,
2. In effect,
3. As a result,
4. By contrast,

b. **Use the expressions in these sentences.**

1. Prices have been rising. _____, it is unlikely that this increase will continue.
2. John has been late every day this week. _____, the boss has asked him in for a talk.
3. The company is no longer paying for overtime. _____, we will all have to work longer hours for the same pay.
4. Cameras are no longer selling well. _____, everybody wants the latest smart phone.

5. Discuss the following.

- Do you get enough sleep? Do you sleep well? If not, why not?
- How do you feel when you don't get enough sleep?
- Have you ever used a sleep tracker?
- Have you ever had jet lag? If so, describe the experience.
- Have you ever worked shifts? If so, explain the shift patterns and how they affected you.
 - When does it get light in the mornings and dark in the evenings? How much does this differ throughout the year? How does this affect your sleep?
 - Do you think that many of us are chronically sleep deprived?
 - Should school start later for teenagers?
 - Share any tips you have for getting a good night's sleep.

TEXT 3

SOCIAL-MEDIA SPYING IS TURNING US INTO A STALKING SOCIETY

1. Which of these social-media platforms do you use? Which one is the best? Why?

1. WhatsApp
2. Twitter
3. Facebook
4. Instagram
5. Tumblr
6. Snapchat
7. Other

2. Fill the gaps in the sentences using these key words from the text. The paragraph numbers are given to help you.

surveillance	harass	espionage	bugging	acquaintance	spouse
stalking	browsing	nefarious	ex		

1. An ____ is the person that you used to be married to or have a romantic relationship with. (para 1)

2. ____ is the activity of looking at websites on the internet in no particular order. (para 1)

3. ____ is the crime of watching and following someone in a threatening way. (para 2)

4. ____ is the use of hidden electronic equipment to listen secretly to what someone is saying. (para 3)

5. A ____ activity is evil or dishonest. (para 3)

6. An ____ is someone you know a little but who is not a close friend. (para 5)

7. If you __ someone, you keep annoying or upsetting them by criticizing them, attacking them or treating them in a way that is offensive to them. (para 7)

8. Your ____ is your husband or wife. (para 7)

9. ____ is the use of secret methods to discover an enemy's political, military or industrial secrets. (para 7)

10. ____ is the process of carefully watching a person or place that may be involved in a criminal activity. (para 7)

3. Find the following information in the text as quickly as possible.

1. How much will a spy camera disguised as a USB charger cost you?
2. How much will a hidden car-tracking device cost you?
3. When did Facebook introduce its ‘timeline’ feature?
4. When did Facebook introduce its ‘take a break’ function?
5. Which three technologies does the text say people are now using for private stalking?
6. When did the ‘techlash’ (an angry reaction to this type of technology) begin?

Social-media spying is turning us into a stalking society

Keza MacDonald

13 February, 2018

1 Have you ever opened the Instagram profile of your ex and looked sadly at photos of them looking happy with someone else? How about meeting someone new and then browsing their Facebook page to get to know them better? I think anyone who has ever used social media would be lying if they said they had never done a bit of harmless “research”.

2 Social media has normalized the kind of behaviour that would have been called stalking in the past. Think about what you’d have to do to stare at your ex with someone else in the 90s; you’d have to actually follow them around or break into their house to steal photographs. It is easy to imagine how, for a dangerous minority of people, it could be an easy step from “normal” social-media stalking to downloading a phone app that listens to their conversations or tracks their movements.

3 Bugging and GPS-tracking used to be so expensive that they were only used by governments and private investigators but an Amazon search reveals a hidden car-tracking device for \$27 and a spy cam that looks like a USB charger for \$52. These items are sold as a “teen-driving coach” or parental-control software but there is nothing to stop them being used for nefarious purposes. Meanwhile, law-enforcement agencies find it difficult to keep up: victims of stalking or online harassment are often told simply to stop going online, which for a 19-year-old in 2018 is like being told not to breathe air.

4 It is comforting to believe that there is a massive difference between harmless social-media stalking and the kind of stalking that is simply criminal behaviour but the gap between the two is not as big as we think. Twitter, Facebook and Instagram have normalized the idea of having access to people whenever we want and slowly destroyed the idea of personal privacy. People have become comfortable with the idea of being tracked by governments and companies through their phones, only complaining when they realize just how much they are being watched.

5 Social-media companies don’t often think too much about what happens when things go bad. When Facebook introduced its “timeline” feature in 2011,

it promoted the idea of making your entire Facebook history available to any new acquaintance, demonstrating it with a video of a happy couple from the time they meet to the time they marry. I straight away thought: what happens if they get divorced? Facebook offered no solution for this apart from painstakingly deleting old posts, one by one. It introduced a “take a break” function in 2015 to deal with the problem it had created around failed relationships. Similarly, it seems that social-media companies somehow did not predict that they were providing excellent tools for stalkers.

6 In accepting someone as a friend or follower, even on private profiles, you are usually giving them access to everything you’ve ever posted. What if that person later turns out to be dangerous? Even if we waited to approve Instagram followers until we felt we knew them well in real life, you can never be sure. Ask anyone who has ever dated someone who later started stalking them.

7 Is Twitter responsible if people use it to harass other people? Is Instagram responsible when someone uses it to stalk an ex? Should the developers of spyware also be criminally liable when someone uses it to illegally monitor a spouse? These are all questions that need to be re-examined. No doubt governments will do that eventually. But they should recognize the role they have played in bringing us to this point. The technologies we are now using for private stalking – GPS tracking, microphone-hijacking and spy cameras – were often developed and used by governments for espionage or public surveillance.

8 Even if we are now used to giving up our privacy for the limited joys and usefulness of social-media platforms, the platforms themselves must take responsibility. Since 2016, a “techlash” has been growing. The tech industry’s short-sightedness when it comes to the social and moral implications of its products is the main reason for this. To prevent this, tech companies will have to incorporate more humanity and foresight into their ideas for the future.

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4. Are these statements true (T) or false (F) according to the text?

1. Social media has normalized behaviour that would have been criminal in the past.

2. Electronic stalking using social media began in the 1990s.

3. Only governments and private investigators can use bugging and GPS tracking now.

4. When you accept someone as a friend or follower on social media, you usually give them access to everything you have ever posted.

5. Developers of spyware are criminally liable if someone uses their products to spy on a spouse.

6. People seem to be comfortable with the idea of being tracked through their phones.

5. Find the following words and phrases in the text.

1. a verb meaning look at someone very directly for a long time (para 2)
2. a two-word phrasal verb meaning move at the same speed as someone or something (para 3)
3. an adjective meaning very large (para 4)
4. an adverb meaning very carefully and taking a long time (para 5)
5. a verb meaning remove information stored on a computer (para 5)
6. an adjective meaning legally responsible for causing damage or injury (para 7)
7. a noun meaning failure to consider what might happen in the future (para 8)
8. a verb meaning include something as part of something else (para 8)

6. Match the words in the left-hand column with those in the right-hand column to make expressions from the text.

1. social	a. control
2. law	b. investigator
3. private	c. harassment
4. criminally	d. enforcement
5. parental	e. media
6. online	f. liable

7. Complete the table using words from the text.

	verb	noun
1.	move	
2.	solve	
3.	behave	
4.	enforce	
5.	survey	
6.	harass	

8. Discuss the following statements.

- Security cameras are an invasion of privacy and should be banned.
- Stalking is a serious offence and stalkers should always be sent to prison.

TEXT 4

FINLAND IS THE HAPPIEST COUNTRY IN THE WORLD

1. The article is about the happiest country in the world. Which six of these words do you think are in the text? Check your answers in the text.

education	fun	wealth	holidays	taxes	entertainment	money
healthcare	family	freedom				

2. Fill the gaps in the sentences using these key words from the text. The paragraph numbers are given to help you.

poverty	obesity	decline	sound	perception	wellbeing	abundance
ranking	corruption	coup				

1. A _____ is a reduction in the quality of something. (para 1)
2. _____ is when someone is too fat in a way that is dangerous for their health. (para 1)
3. A _____ is when a group of people takes control of a country, usually by means of military force. (para 2)
4. A _____ is a position on a list that shows how good something is in comparison with other things. (para 4)
5. _____ is the satisfactory state that someone should be in, involving being happy, healthy and safe. (para 5)
6. A _____ is a particular way of understanding or thinking about something. (para 5)
7. _____ is dishonest, illegal or immoral behaviour done in order to gain money or power. (para 5)
8. If something is _____, it is reliable. (para 6)
9. _____ is when people do not have enough money to pay for their basic needs. (para 12)

10. If there is an _____ of something, there is a lot of it. (para 12)

3. Find the following information in the text as quickly as possible.

1. Which four countries hold the top four places in the happiness rankings?
2. Which is the unhappiest country in the world, according to the happiness rankings?

3. What is the population of Finland?
4. What position does the USA hold in the happiness rankings?
5. Which country experienced the biggest fall in happiness?
6. Which country experienced the biggest improvement in the happiness rankings?

Finland is the happiest country in the world, says UN report

Patrick Collinson

14 March, 2018

1 Finland has overtaken Norway to become the happiest nation on earth, according to a UN report. The 2018 World Happiness Report also shows the steady decline of the US, as the world's largest economy suffers a crisis of obesity, drug abuse and depression. The study shows the US has fallen to 18th place, five places lower than in 2016. The top four places are taken by Nordic nations, with Finland followed by Norway, Denmark and Iceland.

2 Burundi in east Africa, which has suffered ethnic cleansing, civil wars and coup attempts, is the unhappiest place in the world. Surprisingly, there are five other nations – Rwanda, Yemen, Tanzania, South Sudan and the Central African Republic – that report happiness levels below that of even Syria.

3 For the first time, the UN also examined the happiness levels of immigrants in each country and found Finland also scored highest.

4 “Finland has jumped from fifth place to the top of the rankings,” said the report's authors.

5 The report said all the Nordic countries scored highly on income, healthy life expectancy, social support, freedom, trust and generosity. The rankings are based on polls of self-reported wellbeing, as well as perceptions of corruption, generosity and freedom.

6 The UN placing is the latest award for Finland, a country of just 5.5 million people. The country has been ranked the most stable, the safest and the best governed country in the world. It is also among the least corrupt and the most socially progressive. Its police are the world's most trusted and its banks the soundest.

7 “It is remarkable that Finland is the top country,” said Meik Wiking of the Happiness Research Institute in Denmark. “GDP per capita in Finland is lower than its neighbouring Nordic countries and much lower than that of the US. The Finns are good at converting wealth into wellbeing.

8 “In the Nordic countries in general, we pay some of the highest taxes in the world but people generally support them because they see them as investments in quality of life for all. Free healthcare and university education go a long way when it comes to happiness,” he added.

9 In Britain, figures from the Office for National Statistics suggest people have become happier in recent years. But the UN ranking places the UK in only

19th place, the same as 2017 but behind Germany, Canada and Australia, although ahead of France and Spain.

10 The UN report has a special chapter on why the US has slipped down the league despite having among the highest income per capita. “America’s wellbeing is being systematically undermined by three related epidemic diseases: obesity, drug abuse and depression,” said Jeffrey Sachs, one of the report’s authors.

11 African countries have the worst happiness scores but one west African nation is different. Togo came bottom in 2015 but improved the most in the 2018 report, rising 18 places. Latvians and Bulgarians are also reporting higher levels of happiness. Venezuela had the biggest fall in happiness, bigger even than Syria, although it remains a mid-ranking country. The report notes that Latin American countries generally scored more highly than their GDP per capita suggests, especially in contrast to fast-growing east Asian countries.

12 Latin America is well known for corruption, high violence and crime rates, unequal distribution of income, and widespread poverty but has always scored quite highly in the happiness report. The authors say this is because of “the abundance of family warmth and other supportive social relationships”.

13 Meanwhile, the greatest human migration in history – the hundreds of millions of people who have moved from the Chinese countryside into cities – has not made people happier at all, the report found. “Even seven-and-a-half years after migrating to urban areas, migrants from rural areas are on average less happy than they might have been had they stayed at home,” according to John Knight, one of the contributors to the UN report.

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4. Are these statements true (T) or false (F) according to the text?

1. Five countries report happiness levels below those in Syria.
2. Finland is also ranked the safest country in the world.
3. People in Nordic countries do not support high taxes.
4. The USA has fallen down the rankings because of poverty.
5. Latin American countries have higher scores in general than east Asian countries.
6. People in China are happier after moving from the countryside to big cities.

5. Find the following words and phrases in the text.

1. a two-word noun phrase meaning the removal or killing of one group of people by those of another group in a particular area (para 2)

2. a two-word noun phrase meaning the length of time that someone is likely to live (para 5)
3. a noun meaning an occasion when a lot of people are asked what they feel about something (para 5)
4. a two-word adverb meaning based on calculations that show the average amount for each person affected (para 7)
5. a verb meaning make something less effective or successful (para 10)
6. a noun meaning the process by which people move to another place or country (para 13)
7. an adjective meaning relating to towns and cities (para 13)
8. an adjective meaning relating to the countryside (para 13)

6. Match the words in the left-hand column with those in the right-hand column to make phrases from the text.

1. drug	a. rate
2. civil	b. poverty
3. crime	c. abuse
4. social	d. healthcare
5. widespread	e. support
6. free	f. war

7. Complete the table using words from the text.

	verb	noun
1	depress	
2	invest	
3	distribute	
	adjective	noun
4	generous	
5	violent	
6	corrupt	

8. Discuss the statements.

- Money doesn't make you happy.
- Taxes should be higher to pay for better social support.
- My country is the best in the world.

TEXT 5

SHOPPING ONLINE? DON'T FALL INTO THE RATINGS TRAP

1. Complete the shopping questionnaire.

1. How often do you shop online?
 - a. every day
 - b. once a week
 - c. once a month
 - d. never
2. What do you buy online? You can select more than one answer.
 - a. music
 - b. clothes
 - c. books
 - d. electronic goods
3. What is the biggest problem with online shopping?
 - a. You can't actually see or touch the product.
 - b. security
 - c. the length of time it takes for your order to arrive
 - d. problems if you have to send a product back

2. Complete the sentences using these key words from the text. The paragraph numbers are given to help you.

purchaser rating mediocre bin bang blackout blind repeatedly exposure handful grating review

1. A ____ is a window cover that blocks out light. (para 1)
2. A ____ is a written opinion about something. (para 1)
3. If something is ____, it is average or below average in quality. (para 1)
4. A ____ is a measurement of how good something is. (para 1)
5. A ____ is a plastic bag you put rubbish in. (para 2)
6. A ____ is a very small number of people or things. (para 3)
7. ____ is the fact of seeing or experiencing something. (para 6)
8. If something happens ____, it happens again and again. (para 6)
9. If something is ____, it is unpleasant and annoying. (para 6)
10. A ____ is someone who buys something. (para 7)

Shopping online? Don't fall into the ratings trap

Oliver Burkeman

10 November, 2017

1 In the summer of 2016, I fell straight into a trap that, I now know, is common when shopping online. Our baby goes to bed before dark so I wanted to make the bedroom darker. I stumbled upon a blackout blind that promised to stick to the windows as if by magic (though, actually, by static electricity). It got plenty of reviews online but a mediocre average rating because, in many cases, it didn't stick at all.

2 Yet, I figured that a product bought by so many people couldn't be so bad. Unfortunately, it was. For the money I paid, I could have taped bin bags on the windows, then spent the rest on a nice bottle of whisky to enjoy in the 45 minutes I have each evening between the baby going to bed and me falling asleep.

3 It's reassuring, I suppose, to learn from a paper just published in *Psychological Science* that this seems to be a basic human tendency: we're influenced more by how many other people have chosen a product than by what they thought of the product. The Stanford University psychologist Derek Powell and his colleagues showed people pairs of products as they might show up on Amazon, one with a poor average rating based on lots of reviews, the other with a low rating based on only a handful of reviews. People chose the product with more reviews.

4 This makes no sense, statistically speaking: the larger the number of reviews on which a bad rating is based, the higher the likelihood the product really is bad.

5 This is the "law of large numbers". If you ask a crowd of 1,000 to guess the number of jelly beans in a jar, the average of their guesses will be very close to the truth. If you ask three people, it probably won't. So, if forced to choose between two such products, you're actually better off selecting the one with fewer reviews, since there's a bigger chance the people who hated it are exceptions and their bad experience won't be the same as yours.

6 This is similar to the "exposure effect", which describes the way we start to like anything to which we're repeatedly exposed, regardless of any other reason to like or dislike it. That's one reason that grating TV adverts work. Sure, they're annoying but the fact that they are grating guarantees you'll notice them lots and noticing leads to liking.

7 In both cases, we seem designed to find sheer quantity (of product reviews, of times seeing an ad) reassuring at a basic level. It takes more conscious reasoning to see, in the case of online shopping, that the larger the quantity of purchasers, the more seriously you should recognize their judgement – and not

buy something if they hated it. This is the kind of reasoning it's much harder to practise when you're tired.

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3. Are these statements true (T) or false (F) according to the text?

1. The blackout blind the author bought got a lot of reviews online.
2. Unfortunately, it wasn't a good product.
3. People are less influenced by the number of people who have chosen a product and more influenced by people's opinion of the product.
4. If you ask three people to guess the number of jelly beans in a jar, the average guess will be closer to the real number than if you ask 1,000 people.
5. It's better to choose a product with a larger number of mediocre reviews.
6. It's more difficult to think logically when you are tired.

4. Find the following words and phrases in the text.

1. a two-word phrasal verb meaning find something by accident (para 1)
2. a verb meaning believe something is true although you do not know for certain (para 2)
3. an adjective meaning making you feel less worried (para 3)
4. a noun meaning the chance that something might happen (para 4)
5. a two-word adjectival phrase meaning in a better position (para 5)
6. an adjective used only before a noun, emphasizing the amount or degree of something (para 7)
7. a noun meaning the process of thinking about something in an intelligent and sensible way in order to make a decision or form an opinion (para 7)
8. a noun meaning an opinion you have after thinking carefully about something (para 7)

5. Complete the phrases from the text with these prepositions.

between	by	on	into	of	to
---------	----	----	------	----	----

1. fall _____ a trap
2. close _____ the truth
3. choose _____ two products
4. _____ magic
5. regardless _____ something
6. based _____ something

6. Complete the table using words from the text.

	verb	noun
	rate	
	reason	
	expose	
	purchase	(person)
	guess	
	produce	

7. Discuss the statements.

- Internet shopping will lead to the death of city centres.
- Television advertising should be banned.

TEXT 6

GIVE MILLENNIALS £10,000 EACH TO TACKLE GENERATION GAP

1. Match the generations to the years they were born in. Scan the article to check your answers.

- | | |
|-----------------|--------------|
| 1. millennials | a. 1946–1965 |
| 2. baby boomers | b. 1966–1980 |
| 3. Generation X | c. 1981–2000 |

2. Match the key words with the definitions. Then, find them in the article to read them in context. The paragraph numbers are given to help you.

assets	handout	hedonists	inheritance	predecessors
redistribute	pension	deposit	resentment	think tank

1. a group of people who work together to produce new ideas on a particular subject _____ (para 1)
2. money that you receive from someone when they die _____ (para 2)
3. change the way that money is shared between people _____ (para 2)
4. an angry unhappy feeling that you have when you think you have been treated unfairly _____ (para 3)
5. money that someone regularly receives after they have stopped working because of their age, paid either by their company or by the government _____ (para 3)
6. something such as money or property that a person owns _____ (para 6)
7. the people who came before you _____ (para 6)
8. people who believe that pleasure is very important and who try to spend all their time doing things that they enjoy _____ (para 7)
9. a first payment that you make when you agree to buy something expensive, such as a house _____ (para 7)
10. an amount of money given to people who need it _____ (para 9)

Give millennials £10,000 each to tackle generation gap, says think tank

Robert Booth

8 May, 2018

1 Every person in Britain should receive £10,000 at the age of 25, an influential think tank has suggested following a two-year study.

2 The payment, described as a “citizen’s inheritance”, aims to redistribute money at a time when young people need it most to find housing, return to education or start a business.

3 It also aims to reduce resentment towards baby boomers (born 1946–65) who have benefitted more from the housing market and pensions than any of the following generations.

4 The idea came from the Resolution Foundation’s intergenerational commission, which has been working on the issue for two years and has now published its final report.

5 The panel said the unwritten agreement, in which the young look after the old and the old help the young to have a better life than the generation before, had broken down.

6 “Younger generations have more risks and fewer assets than their predecessors,” the report says. “We need to correct that imbalance.”

7 The findings will be popular with millennials (born 1981–2000). They believe older people incorrectly think they are hedonists who would rather splash out on expensive coffee and slices of avocado on toast than save for a house deposit. In fact, research found that in 2001, people aged 25–34 consumed the same as 55–64 year olds and today, they consume 15% less.

8 The £10,000 would be paid for by a change to inheritance tax, the authors said.

9 Some millennials said the handout would barely affect them because student debt is so large and the cost of housing is so high. Others said it could be money down the drain if it was not used wisely.

10 However, the commission said the money could only be used for housing, education, starting a business or towards a pension.

11. The idea is supported by analysis that shows inherited wealth will have a bigger and bigger effect on standards of living in the future. Inheritances and gifts from parents will grow in size much faster than incomes.

12. “This presents challenges,” the authors write. “Many will not inherit and those that do are likely to receive this money shortly before retirement rather than in the expensive years when they are bringing up children.”

13. That means that some generations have more money and property than others. It also means that these differences will become bigger within the millennial generation. “Inequalities of income within generations are higher for younger people today than for their predecessors,” the report says. “There is a risk that the growing importance of inheritances will stop many people from moving to a higher social class.”

14. The commission found that the disposable income of 30-year-olds today was no higher than that of the generation before them, despite the economy growing 14% in the last 15 years. Millennials are half as likely as baby boomers

to own their own home by the age of 30 and four times more likely to rent in the private sector.

15. The number of families bringing up children in rented homes has trebled since 2003, to 1.8 million. Millennials in their 20s are more likely to be in insecure work than their Generation X predecessors (born 1966–80).

16. However, millennials have the advantage of higher employment rates generally, higher employment rates for women and a more equal pay between men and women.

17. “Britain’s unwritten agreement between generations lies at the heart of society,” said the authors. “As families, we give to our children and parents at different times. We expect the state to support us in this. Many people no longer believe that Britain is looking after both the young and the old.”

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3. Choose the best answer to each question.

1. The report says that, at the age of 25, everyone in the UK should receive ...
 - a. ... money from their parents.
 - b. ... money from the government.
 - c. ... money for a house deposit.

2. The money could be spent ...
 - a. ... to pay back their parents.
 - b. ... on education or housing.
 - c. ... in any way they like.

3. The report says the handout is necessary because millennials have ...
 - a. ... large debts because of high university fees.
 - b. ... difficulties finding jobs and somewhere to live.
 - c. ... more expenses but fewer assets than previous generations.

4. Millennials are only likely to become richer ...
 - a. ... through inheritances and gifts from parents.
 - b. ... by working hard and buying a house.
 - c. ... if they leave the UK and work abroad.

5. Millennials are ...
 - a. ... twice as likely as their predecessors to own a house by the age of 30.
 - b. ... more likely than their predecessors to pay rent.
 - c. ... more likely than their predecessors to own their own homes.

6. Millennials are often (wrongly) said to ...
- a. ... spend money on unnecessary things.
 - b. ... be lazy.
 - c. ... be happy to live with their parents until they are in their 30s.

4. Find the following expressions in the article.

1. buy something expensive or unnecessary (three words, para 7)
2. money that you have to pay the government when you inherit money or property from someone who has died (two words, para 8)
3. money wasted (four words, para 9)
4. money that you have left to spend after you have paid your taxes (two words, para 14)

5. Discussion

- What do you think of the think tank's suggestion?
- How would getting this sum on your 25th birthday have affected, or affect, your life?

TEXT 7

GOOD NEWS AT LAST: THE WORLD ISN'T AS HORRIFIC AS YOU THINK

1. Warmer

Is the glass half full or half empty?

What do you think this expression means?

Is there a similar expression in your language?



2. Match the key words with the definitions. Then, find them in the article to read them in context. The paragraph numbers are given to help you.

corruption scarce drastic instincts crave misconceptions conflict

1. dishonest or illegal behaviour by officials or people in positions of power, especially when they accept money in exchange for doing things for someone ____ (para 1)

2. used to describe an action or change has a very big effect ____ (para 1)

3. ways of behaving that people and animals are born with and that they obey without knowing why ____ (para 3)

4. want something very much and in a way that is very hard to control ____ (para 3)

5. If something is ____, there is not very much of it. (para 3)

6. wrong beliefs or opinions as a result of not understanding something ____ (para 3)

7. fighting between countries or groups ____ (para 5)

deterioration ridiculous tendency fragmented incubator devastating sceptics

8. the fact of becoming worse ____ (para 5)

9. divided into many separate parts and pieces ____ (para 5)

10. strong chance that something will happen in a particular way ____ (para 6)

11. silly or unreasonable and deserving to be laughed at ____ (para 8)

12. people who have doubts about things that other people think are true or right ____ (para 8)

13. very shocking or upsetting ____ (para 8)

14. a piece of hospital equipment that ill or very small babies lie in to be kept warm and given treatment ____ (para 9)

Good news at last: the world isn't as horrific as you think

Hans Rosling

11 April, 2018

1 Things are bad and it feels like they are getting worse, right? War, violence, natural disasters, corruption. The rich are getting richer and the poor are getting poorer; and we will soon run out of resources unless we do something drastic. That's the picture most people in the West see in the media and have in their heads.

2 I call it the overdramatic worldview. It's stressful and misleading. In fact, the vast majority of the world's population live somewhere in the middle of the income scale. Perhaps they are not middle class but they are not living in extreme poverty. Their girls go to school; their children get vaccinated. Perhaps not on every single measure or every single year but step by step, year by year, the world is improving. In the past two centuries, life expectancy has more than doubled. Although the world faces huge challenges, we have made tremendous progress.

3 The overdramatic worldview attracts people to the most negative answers. It is not caused simply by out-of-date knowledge. My experience, over decades of lecturing and testing, has finally brought me to see that the overdramatic worldview comes from the way our brains work. The brain is a product of millions of years of evolution and we still have instincts that helped our ancestors to survive in small groups of hunters and gatherers. We crave sugar and fat, which used to be life-saving sources of energy when food was scarce. But today, these cravings make obesity one of the biggest global health problems. In the same way, we are interested in gossip and dramatic stories, which used to be the only source of news and useful information. This craving for drama causes misconceptions and helps create an overdramatic worldview.

4 We still need these dramatic instincts to give meaning to our world. But we need to learn to control our drama intake.

5 It is absolutely true that there are many bad things in this world. The number of deaths from conflicts has been falling since the Second World War but the Syrian war has reversed this trend. Terrorism, too, is rising. Overfishing and the deterioration of the seas are truly worrying. The list of endangered species is getting longer. But while it is easy to be aware of all the bad things happening in the world, it's harder to know about the good things. The silent miracle of human progress is too slow and too fragmented to be in the news. Over the past 20 years, the proportion of people living in extreme poverty has almost halved. But in online polls, in most countries, fewer than 10% of people knew this.

6 Our instinct to notice the bad more than the good is related to three things: we remember the past incorrectly; journalists and activists report the bad, not the good; and we feel that while things are bad, it's heartless to say they are getting better. For centuries, older people have romanticized their youths and insisted that things used to be better. But that's not true. Most things used to be worse. This tendency to remember incorrectly is made stronger by the never-ending negative news from around the world.

7 Stories about gradual improvements are not usually big news stories even when they happen on a dramatic scale and affect millions of people. And thanks to improving technology, we hear about more disasters than ever before. In the United States, the violent crime rate has been falling since 1990. But each time something horrific or shocking happened – pretty much every year – a crisis was reported. The majority of people believe that violent crime is getting worse.

8 Probably you feel that me saying that the world is getting better feels ridiculous. I agree. Everything is not fine. We should still be worried. As long as there are plane crashes, child deaths, endangered species, climate-change sceptics, crazy dictators, toxic waste, journalists in prison and girls not getting an education, we cannot relax. But it is just as ridiculous to look away from the progress that has been made. The loss of hope this creates can be devastating. When people wrongly believe that nothing is improving, they may lose confidence in methods that actually work.

9 How can we help our brains to realize that things are getting better? Think of the world as a very sick tiny baby in an incubator. After a week, she is improving but she has to stay in the incubator because her health is still critical. Does it make sense to say that the baby's situation is improving? Yes. Does it make sense to say it is bad? Yes, absolutely. Does saying "things are improving" mean that everything is fine and we should all not worry? Not at all: it's both bad and better. That is how we must think about the current state of the world.

10 Remember that the media and activists rely on drama to get your attention, and that negative stories are more dramatic than positive ones. When you hear about something terrible, calm yourself by asking: if there had been a positive improvement, would I have heard about that?

11 This is "factfulness": understanding as a source of mental peace. Like a healthy diet and regular exercise, it can and should become part of people's daily lives. Start to practise it and you will make better decisions and avoid being constantly stressed about the wrong things.

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3. Answer the questions using information from the article.

1. What is 'factfulness'?
2. How will it help you?
3. What negative effects do the media have on us? And what negative effects do our own brains have on us?

4. Do you read or listen to news stories every day?

- If so, which newspapers or news reports do you prefer to read, watch or listen to? Why? If not, why not?
- How would you describe the style of news reports and stories you usually read, watch or listen to? Are they, for example, overdramatic, (un)biased, realistic, depressing, optimistic ...?

TEXT 8

HEATWAVE MADE MORE THAN TWICE AS LIKELY BY CLIMATE CHANGE, SCIENTISTS FIND

1. Discuss your answers to the questions.

- Describe the most recent summer where you are. What has the weather been like?
- Do you think that summers have changed since you were a child?

2. Match the key words with the definitions. Then, find them in the article to read them in context. The paragraph numbers are given to help you.

scorching	heatwave	unambiguous	preliminary	rapid	reliably
attribution	culprit	underestimated	unprecedented	impacts	likelihood

1. a continuous period of very hot weather ____ (para 1)
2. quick ____ (para 1)
3. coming before the final or end results of something are available ____ (para 2)
4. clear and with only one possible meaning ____ (para 2)
5. the act of believing that something is the result of a particular situation, event or person's actions ____ (para 3)
6. the chance that something might happen ____ (para 4)
7. the greatest in size, amount, degree etc that has ever been known ____ (para 7)
8. extremely hot ____ (para 8)
9. thought to be smaller or less important than it really is ____ (para 13)
10. in a way that you can trust to be accurate ____ (para 13)
11. effects ____ (para 14)
12. the cause of something bad happening ____ (para 15)

Heatwave made more than twice as likely by climate change, scientists find

Damian Carrington

27 July, 2018

1 The 2018 summer heatwave in northern Europe was made more than twice as likely by climate change, according to a rapid assessment by scientists.

2 The result is preliminary but they say climate change is “unambiguous”. Scientists had already predicted that global warming was increasing the number and the intensity of heatwaves. They think events even worse than the one in 2018 will occur every other year by the 2040s.

3 “The logic that climate change will do this is inescapable – the world is becoming warmer and so heatwaves like this are becoming more common,” said Friederike Otto, at the University of Oxford and part of the World Weather Attribution (WWA) group that did the work.

4 “What was once seen as unusually warm weather will become common and in some cases, it already has,” she said. “So this is something that people can and should prepare for. But there is no doubt that we can and should hold back the increasing likelihood of all kinds of extreme weather events by limiting greenhouse gas emissions as much as possible.”

5 The new analysis is a climate-change attribution study. By comparing extreme weather with historical measurements and with computer models of a climate not affected by carbon emissions, researchers can find how much global warming is increasing the risk of dangerous weather.

6 The researchers analysed records of the hottest three-day period at seven locations in northern Europe, from Ireland to the Netherlands to Scandinavia, where data was easily accessible.

7 “We found that for the weather station in the far north, in the Arctic Circle, the 2018 heatwave is just extraordinary – unprecedented in history,” said Geert Jan van Oldenborgh, at the Royal Netherlands Meteorological Institute and also part of WWA.

8 Across northern Europe, the group found global warming more than doubled the risk of scorching temperatures. “We can see the effects of climate change on local extremes,” he said. “It is amazing now that it is something you can really see at a local level.”

9 “Most heatwave studies have been done on large-scale averages so they look at temperatures for the whole of Europe,” said Otto. “In this study, we have looked at individual locations, where people live, to represent the heatwave people have actually been experiencing.” The analysis is a preliminary study because a full study requires many climate models to be run on high-powered computers, which takes months.

10 Previous attribution analyses have shown very strong connections between climate change and extreme weather events. The scorching summer in New South Wales, Australia, in 2016-17 was made at least 50 times more likely by global warming, meaning it can be “linked directly to climate change”, said the scientists.

11 The “Lucifer” heatwave across Europe’s Mediterranean nations in summer 2017 was made at least ten times more likely by climate change, while the unprecedented rain delivered in the US by Hurricane Harvey, also in 2017, was made three times more likely by climate change, new research has found. However, other events, such as storms Eleanor and Friederike, which hit western Europe in January, 2018, were not made more likely by climate change, according to the scientists.

12 In Europe, the heatwave was caused by the slowing of the jet stream wind, which usually moves cool Atlantic weather over the continent. This has left hot, dry air in place for two months – far longer than usual. The slowing of the northern hemisphere jet stream is linked to global warming, in particular to the rapid heating of the Arctic and resulting loss of sea ice.

13 The role of climate change in causing extreme weather events may actually be underestimated by these attribution studies, according to Professor Michael E Mann at Penn State University in the US. The work is good, he said, but computer models cannot yet reliably analyse the complex jet stream changes caused by global warming.

14 Serious climate change is “happening before our eyes”, said Professor Rowan Sutton, director of climate research at the University of Reading. “No one should be surprised that we are seeing very serious heatwaves and associated impacts in many parts of the world.”

15 The wide geographical spread of the heatwave, right across four continents, suggests global warming is the culprit, said Professor Peter Stott, a science fellow at the UK’s Meteorological Office: “That pattern is something we wouldn’t be seeing without climate change.”

16 The 2018 heatwave across northern Europe saw wildfires in the Arctic Circle and prolonged heat across the UK and the European continent. In the south, fierce fires have devastated parts of Greece, with many people killed.

17 But extreme weather has struck across the globe. Severe floods killed at least 220 people in Japan in early July, with an “unprecedented” heatwave that reached 41.1C and left 35,000 people in hospital. In the US, extreme heat in the west fed wildfires, with Yosemite National Park being evacuated, while flooding affected the east.

18 There have also been records temperatures in Taiwan, with a temperature of 40.3C in Tianxiang, and 51.3C in Ouargla in Algeria’s Sahara desert, the highest temperature ever reliably recorded in Africa. The first six months of the 2018 were the hottest recorded for any year without an El Niño event, a natural climate cycle that raises temperatures.

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3. Choose the best answer to each question.

1. What was analysed during the climate-change attribution study?
 - a. the temperatures at seven locations in northern Europe
 - b. the temperatures across all of northern Europe
 - c. the temperatures across the globe for a three-day period

2. What was the extreme weather of 2018 compared with in the study?
 - a. computer models of how the climate would be if there were no carbon emissions and measurements from the Arctic Circle
 - b. measurements from the past and from the Arctic Circle
 - c. measurements from the past and computer models of how the climate would be if there were no carbon emissions

3. In the future, how often do the scientists believe we will experience heatwaves like the one in 2018?
 - a. every summer
 - b. three times more often than now
 - c. every two years

4. What do they say we must do?
 - a. be prepared to fight wildfires
 - b. restrict our greenhouse gas emissions as much as possible
 - c. keep a record of the temperatures where we live

5. What caused the 2018 summer heatwave in Europe?
 - a. El Niño raising the average temperatures all over the world
 - b. the jet stream being stronger than normal
 - c. the jet stream not bringing cooling Atlantic air to Europe

6. Why might the effects of global warming be even worse than the study's findings show?
 - a. Even higher record temperatures are still expected.
 - b. Not enough locations were studied.
 - c. The computer models aren't strong enough.

4. Discussion.

Talk about an extreme or dangerous weather situation that you have experienced.

TEXT 9

CITIZENSHIP FOR SALE: HOW TYCOONS CAN GO SHOPPING FOR A NEW PASSPORT

1. Warmer

- What citizenship(s) do you have?
- Have you ever had a different one?
- Are / Were your parents or grandparents citizens of any other countries?
- If you could get any citizenship, which country's would you choose and why?

2. Fill the gaps in the sentences using these key words from the text. The paragraph numbers are given to help you.

undermine	fraud	Schengen zone	protectionism	potential
residence permit	booming	sanction	stable	grant

1. allow someone to have or do what they want ____ (para 2)
2. becoming very popular ____ (para 3)
3. an official document that allows you to live somewhere ____ (para 5)
4. an area of 26 European countries that have officially ended passport and all other types of border control at their borders ____ (para 7)
5. the possibility to develop or gain something ____ (para 9)
6. not changing often and not likely to suddenly become worse ____ (para 9)
7. a system in which a country helps its own industries by putting taxes on foreign goods ____ (para 11)
8. deliberately do things that make something appear less impressive or less important ____ (para 13)
9. a threat to punish someone for breaking a rule ____ (para 13)
10. the crime of getting money from someone by tricking them or by giving services and documents that may be illegal ____ (para 14)

Citizenship for sale: how tycoons can go shopping for a new passport

Jon Henley, 2 June, 2018

1 It's what every twenty-first-century oligarch wants and many multimillionaires, too: a second – and sometimes a third or even a fourth – passport.

2 Israel, which helped Russian billionaire and Chelsea football club owner Roman Abramovich out of a spot of bother recently by granting him citizenship, offers free nationality to any Jewish person who wants to move there.

3 But there are more than 20 other countries, including several in the EU, where someone with as much money as Abramovich can buy a new nationality: the global market in citizenship-by- investment programmes – or CIPs as they are commonly known – is booming.

4 The specifics of each scheme – and the costs, ranging from \$100,000 to €2.5m – may be different but not the idea: basically, wealthy people invest money in property or businesses, buy government bonds or simply give money directly, in exchange for citizenship and a passport.

5 Some do not offer citizenship for sale straight away but run schemes usually known as “golden visas” that give investors residence permits that can eventually lead – usually after a period of five years – to citizenship.

6 The programmes are not new but are growing quickly. Most of the people who want to buy citizenships are wealthy private investors from countries that are developing quickly including China, Russia, India, Vietnam, Mexico and Brazil, as well as the Middle East and, more recently, Turkey.

7 The first scheme was launched in 1984, a year after young, poor St Kitts and Nevis won independence from the UK. Slow at the beginning, it quickly became popular after 2009 when passport-holders from the Caribbean island nation were granted visa-free travel to the 26-nation Schengen zone.

8 For poorer countries, schemes like these can be a gift. They can lift the countries out of debt and even become their biggest export: St Kitts and Nevis earned between 14% and 30% of its GDP from its CIP in 2014.

9 Wealthier countries such as Canada, the UK and New Zealand have also seen the potential of CIPs (the EB-5 programme in the USA is worth about \$4bn a year to the economy). They sell their schemes more around the attractions of a stable economy and safe investment environment than on freedom of movement.

10 Experts from the many companies, such as Henley and Partners, CS Global and Apex, now specializing in CIPs, say that not many of their clients buy citizenship in order to move immediately to that country.

11 For most, the new citizenship is like an insurance policy because nationalism, protectionism and fears of financial instability are increasing around the world.

12 But not everybody likes CIPs. Malta, for example, has been criticized for its programme, run by Henley and Partners, which allowed more than 800 wealthy individuals to gain citizenship in the three years following its launch in 2014.

13 Critics said the scheme was undermining the idea of EU citizenship, posing potential major security risks and giving a possible route for wealthy individuals with income from unknown sources to avoid sanctions in their own countries.

14 Several other CIPs have come under investigation for fraud, while equality campaigners increasingly argue that it is simply wrong to grant automatic citizenship to the super- rich when people with less money must wait their turn – and, in many cases, be rejected.

HOW CIP WORKS AROUND THE WORLD

The Caribbean
<p>The best-known – and cheapest – CIP schemes are in the Caribbean, where the warm climate and low investment requirements have been popular for a long time. Five countries currently offer CIPs, often giving visa-free travel to the EU, and many have recently cut their prices to attract investors to help them rebuild after hurricanes in 2017.</p> <p>In St Kitts and Nevis, a passport can now be had for a \$150,000 donation to the hurricane relief fund, while Antigua and Grenada have cut their fees to \$100,000, the same level as St Lucia and Dominica.</p>
Europe
<p>Almost half of the EU’s member states offer some kind of investment residency or citizenship programme leading to a highly prized EU passport, which typically allows visa-free travel to between 150 and 170 countries.</p> <p>Malta’s citizenship-for-sale scheme requires a €675,000 donation to the national development fund and a €350,000 property purchase.</p> <p>In Cyprus the cost is a €2m investment in property, land, stocks, government bonds or Cypriot businesses.</p> <p>In Bulgaria, you can get residency for €500,000, and €1m over two years plus a year’s residency gets you fast-track citizenship. Investors can get residency rights leading to citizenship – usually after five years, and after passing language and other tests – for €65,000 in Latvia, €250,000 in Greece or €500,000 in Spain.</p>
Rest of the world
<p>Thailand offers several “elite residency” packages costing \$3,000–\$4,000 a year for up to 20 years residency.</p> <p>The EB-5 US visa, particularly popular with Chinese investors, costs between \$500,000 and \$1m depending on the type of investment and gives green-card residency that can eventually lead to a passport.</p> <p>Canada closed its CA\$800,000 federal investment immigration programme in 2014 but now has a similar residency scheme, costing just over CA\$1m, for “innovative start-ups”, as well as regional schemes in, for example, Quebec.</p> <p>Australia requires an investment of AU\$1.5m and a net worth of AU\$2.5m for residency that could, eventually, lead to citizenship. New Zealand – popular with Silicon Valley types – requires an investment of up to NZ\$10m.</p>

3. Answer the questions using information from the article.

1. What are CIPs and how do they work?
2. Which was the first country to offer CIPs, when and why?
3. What special benefit comes with citizenship of some Caribbean countries and EU member states?
4. How do countries that offer CIPs benefit from them?
5. Why might wealthy business people want a second or third citizenship?

4. Discussion

Read this excerpt from the article and discuss how you feel about it.

... equality campaigners increasingly argue that it is simply wrong to grant automatic citizenship to the super- rich when people with less money must wait their turn – and, in many cases, be rejected.

Read the information about CIPs in the Caribbean, Europe and the rest of the world again. Which CIP sounds the most fair and which the most unfair to you?

TEXT 10

ADDICTION TO INTERNET 'IS AN ILLNESS'

1. Warmer

addiction – a strong need that someone feels to regularly take an illegal or harmful drug: *There is a growing problem of drug addiction in our cities.*

addiction to – a strong need or wish to spend as much time as possible doing a particular activity: *Many people have an addiction to nicotine. His addiction to the Internet is taking over his life.*

Source: Macmillan English Dictionary Online

What things might people become addicted to?

Make a list. Divide the list into new or modern addictions and old or traditional addictions.

2. Key words and phrases

Write the key words and phrases into the sentences.

<i>case study</i>	<i>discussion boards</i>	<i>self-help group</i>	<i>negative repercussions</i>
<i>a fix</i>	<i>clinical disorder</i>	<i>public health issue</i>	<i>significant</i>
<i>other withdrawal</i>	<i>symptoms</i>	<i>wean off</i>	

1. _____ are the unpleasant physical and mental effects suffered by someone who stops taking a substance that they are addicted to.

2. A _____ is a medical matter that affects the general population.

3. A _____ is a medical problem or condition.

4. _____ are the bad effects that something has, usually lasting for a long time.

5. A _____ is a piece of research that records details of how a situation develops over a period of time.

6. Your _____ is the person you are having a (romantic) relationship with.

7. When you make someone gradually stop depending on something that they like and have become used to, especially a drug or a bad habit, you _____ them _____ it.

8. _____ is an amount of a drug that someone feels they need to take regularly to satisfy their addiction.

9. _____ is another term for *online forums*.

10. A _____ consists of people who discuss their problems and find ways to deal with them.

ADDICTION TO INTERNET 'IS AN ILLNESS'

New evidence shows that heavy users suffer isolation, fatigue and withdrawal symptoms

David Smith, technology correspondent

Tense? Angry? Can't get online? Internet addiction is now a serious public health issue that should be officially recognised as a clinical disorder, according to a leading psychiatrist.

Excessive gaming, viewing online pornography, emailing and text messaging have been identified as causes of the disorder by Dr Jerald Block, in the respected American Journal of Psychiatry. Block argues that the disorder is now so common that it should be included in the Diagnostic and Statistical Manual of Mental Disorders. He says Internet addiction has four main components:

- Excessive use, often associated with a loss of sense of time or a neglect of basic drives;
- Withdrawal, including feelings of anger, tension and/or depression when the computer is inaccessible;
- The need for better computers, more software, or more hours of use;
- Negative repercussions, including arguments, lying, poor achievement, social isolation and fatigue.

A case study is South Korea, which has the greatest use of broadband in the world. Block points out that 10 people died from blood clots from remaining seated for long periods in Internet cafes and another was murdered because of an online game. Their country now considers Internet addiction as one of its most serious public health issues. The government estimates that around 210,000 South Korean children are affected and in need of treatment. 80 per cent of them might need drugs targeting the brain and nearly a quarter could need to go to hospital. Since the average high school pupil there spends about 23 hours per week gaming, another 1.2 million are believed to be at risk of addiction and require basic counselling. There has been alarm over a rising number of addicts dropping out of school or quitting their jobs to spend more time on computers. In China it has been reported that 13.7 per cent of adolescent Internet users, about 10 million, could be considered addicts.

Block, a psychiatrist at the Oregon Health and Science University in Portland, writes that the extent of the disorder it is more difficult to estimate in America because people tend to surf at home instead of in Internet cafes. But he believes there are similar cases and says: "Unfortunately Internet addiction is resistant to treatment and has high relapse rates." He told *The Observer* that he did not believe specific websites were responsible. "The relationship is with the computer," he said.

“First, it becomes a significant other to them. Second, they exhaust emotions that they could experience in the real world on the computer, through any number of mechanisms: emailing, gaming, porn. Third, computer use occupies a tremendous amount of time in their life. Then if you simply try to remove the computer, they’ve lost their best friend. That can take the form of depression or rage.”

Harry Husted, a single 51-year-old from New York, spends 16 hours a day on the Internet. He insists that he is not addicted, but admits that he used to be. “I used to work with computers for eight hours, then get home and go online for seven hours. I would stay up until two or three in the morning or until I got so sleepy I had to go to bed. I wouldn’t go out to get the groceries and I couldn’t have cared less about friends, TV, anything. After a while I realized what was happening and did something about it. Now if I use *MySpace* it’s only to advertise my business.”

Internet addiction clinics have sprung up around the world in an attempt to wean people off their need for a fix. Many people have turned, apparently without irony, to web discussion boards with names such as *Internet Addicts Anonymous*. The Centre for Internet Addiction Recovery in Bradford, Pennsylvania, says Internet addiction has become a growing legal issue in criminal, divorce and employment cases.

Robert Freedman, editor of the *American Journal of Psychiatry*, said Internet addiction can be diverse. “In Korea, it seems to be primarily gaming sites. In America, it seems to be *Facebook*. Additionally, it’s porn, it’s games, it’s gambling, it’s chatting with friends. All these things existed before, but now they’re a lot easier.”

To beat the addiction, he advised: “A self-help group might be a place to start. Maybe replace an online group with a real one.”

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3. Comprehension check

Find the answers to the questions in the article.

1. *What are the four basic components of Internet addiction?*

- a) Emailing, viewing online pornography, texting and isolation.
- b) Excessive use, withdrawal symptoms when the computer is not accessible, the constant need for better computers and software and negative repercussions on the user’s life.
- c) Spending at least 16 hours a day on the Internet, quitting jobs, leaving school and social isolation.

2. *In Korea, the main cause of Internet addiction is...*

- a) ... playing online games.
- b) ... viewing pornography.
- c) ... spending time on social websites such as *Facebook* and *MySpace*.

3. *The case study revealed that many Internet addicts...*

- a) ... are in financial trouble.
- b) ... take recreational drugs.
- c) ... left their jobs or stopped attending school.

4. *Ironically, self-help groups can be found...*

- a) ... in Internet cafes.
- b) ... on the Internet.
- c) ... in Pennsylvania.

4. Vocabulary: Negative emotions

In the article, there are many words that are used to describe negative emotions and states of mind. Find words that mean the following.

- tiredness _____
- despondency _____
- loneliness _____
- anxiety _____

5. Discussion: Are you a net junkie?

Answer these questions for yourself or for someone you know and discuss the results. Do you think these test questions are a good indicator of Internet addiction?

- Do you feel preoccupied with the Internet?
- Do you need increasing amounts of time on the net in order to achieve satisfaction?
 - Have you repeatedly made unsuccessful efforts to control, cut back or stop Internet use?
 - Do you feel restless, moody, depressed or tense when you try to cut down or stop Internet use?
 - Do you often stay online longer than you originally intended?
 - Have you jeopardized or risked losing a partner, job, educational or career opportunity because of the Internet?
 - Have you lied to family members, a therapist or others to conceal the extent of your involvement with the Internet?
 - Do you use it to escape from problems?

If you answer 'yes' to five or more of these questions, you may have an Internet addiction! Source: Centre for Internet Addiction Recovery www.netaddiction.com

SECTION 4

MAKING SUCCESSFUL PRESENTATIONS

USEFUL TIPS

PREPARATION

■ **Planning** Plan your presentation carefully. Thorough preparation will make you more confident and help you to overcome your nervousness.

■ **Objectives** Think about what you want to achieve. Are you aiming to inform, persuade, train or entertain your audience?

■ **Audience** Whom exactly will you be addressing? How many people will be attending? What do they need to know? What do they already know? What will they expect in terms of content and approach?

■ **Content** Brainstorm your ideas first. Then decide which are most relevant and appropriate to your audience and to your objectives and carry out any research that is necessary. Be selective! Don't try to cram too much into your presentation.

■ **Approach** A good rule of thumb is to 'tell your audience what you're going to say, say it, then tell the audience what you've said'. Try to develop your key points in an interesting and varied way, drawing on relevant examples, figures etc. for support as appropriate. You might also like to include one or two anecdotes for additional variety and humour.

■ **Organisation** Think about how you will organise your content. Your presentation should have a clear, coherent structure and cover the points you wish to make in a logical order. Most presentations start with a brief introduction and end with a brief conclusion. Use the introduction to welcome your audience, introduce your topic/ subject, outline the structure of your talk, and provide guidelines on questions. Use the conclusion to summarise the main points of your presentation, thank the audience for their attention, and invite questions.

■ **Visual aids** If you have a lot of complex information to explain, think about using some charts, diagrams, graphs etc., on an overhead projector or flipchart. Visual aids can make a presentation more interesting and easier to understand, but make sure they are appropriate and clear – don't try to put too much information on each one.

■ **Rehearsal** Allow time to practise your presentation – this will give you a chance to identify any weak points or gaps. You will also be able to check the timing, and make sure you can pronounce any figures and proper names correctly and confidently.

DELIVERY

■ **Nerves!** You will probably be nervous at the beginning of your presentation. Don't worry – most people are nervous in this situation. Try not to speak too fast during the first couple of minutes – this is the time you establish your rapport with the audience and first impressions are very important. You may find it helpful to memorise your introduction.

■ **Audience rapport** Try to be enthusiastic – your interest in the subject matter will carry your audience along. Look around your audience as you speak – eye contact is essential for maintaining a good rapport. You will also be able to pick up signals of boredom or disinterest, in which case you can cut your presentation short.

■ **Body language** Stand rather than sit when you are delivering your presentation and try to be aware of any repetitive hand gestures or awkward mannerisms that might irritate your audience.

■ **Voice quality** You must be clearly audible at all times – don't let your voice drop at the end of sentences. If you vary your intonation, your voice will be more interesting to listen to and you will be able to make your points more effectively.

■ **Visual aids** Use your visual aids confidently, making sure you allow your audience time to absorb information from flipcharts and transparencies.

■ **Audience reaction** Be ready to deal with any hostile questions. Polite, diplomatic answers are a good disarming tactic, but if you should find yourself 'under fire', suggest that the audience keeps any further questions until the end of the presentation and continue with your next point.

LANGUAGE

■ **Simplicity** Use short words and sentences that you are comfortable with. There is no benefit in using difficult language.

■ **Clarity** Active verbs and concrete words are much clearer and easier to understand than passive verbs and abstract concepts. Avoid jargon unless you are sure all your audience will understand it.

■ **Signalling** Indicate when you've completed one point or section in your presentation and are moving on to the next. Give your audience clear signals as to the direction your presentation is taking.

STRUCTURE OF PRESENTATION

Introduction (14%)

1. Greeting
2. Introducing yourself (name, position)
3. Attention-getter
4. Thesis
5. Preview of main points

Body (75%)

- 1.
2. No more than five main points
- 3.

Conclusion (11%)

1. Review
2. Closing statement

Question-and-answer period

This is a list of phrases to help you make a professional presentation in English.

Good presenters always use language (sometimes single words, sometimes phrases) which shows where they are in their presentation. These 'signposts' make it easier for the audience to:

- follow the structure of the presentation;
- understand the speaker more easily;
- get an idea of the length and content of the presentation.

The sentences and phrases below follow the logical progression of a well-balanced presentation.

Welcoming

- *Good morning and welcome to* [name of company, name of conference hall, hotel, etc.].
- *Thank you all very much for coming today.*
- *I hope you all had a pleasant journey here today.*

Introducing yourself

- *My name is ... and I am responsible for*
- *My name is ... from* [name of company], *where I am responsible for*
- *Let me introduce myself; my name is ... and I am responsible for*

Introducing your presentation

- *The purpose of today's presentation is to*
- *The purpose of my presentation today is to*
- *In today's presentation I'd like to ... show you / explain to you how*
- *In today's presentation I'm hoping to ... give you an update on... / give you an overview of*
- *In today's presentation I'm planning to ... look at / explain*

You can also outline your presentation to give the audience a clear overview of what they can expect:

- *In today's presentation I'm hoping to cover three points: firstly, ... , after that we will look at ... , and finally I'll*
- *In today's presentation I'd like to cover three points: firstly, ... , secondly, ..., and finally*

Explaining that there will be time for questions at the end

- *If you have any questions you'd like to ask, please leave them until the end, when I'll be happy to answer them.*
- *If there are any questions you'd like to ask, please leave them until the end, when I'll do my best to answer them.*

Starting the presentation

- *To begin with*
- *To start with*
- *Let's start by looking at*
- *Let's start by looking at*
- *I'd like to start by looking at*
- *Let's start with / start by looking at*

Closing a section of the presentation

- *So, that concludes [title of the section]*
- *So, that's an overview of*
- *I think that just about covers*

Beginning a new section of the presentation

- *Now let's move on to*
- *Now let's take a look at*
- *Now I'd like to move on to*
- *Next I'd like to take a look at*
- *Moving on to the next part, I'd like to*
- *Moving on to the next section, let's take a look at*

Concluding and summarising the presentation

- *Well, that brings us to the end of the final section. Now, I'd like to summarise by*
- *That brings us to the end of the final section. Now, if I can just summarise the main points again.*
- *That concludes my presentation. Now, if I can just summarise the main points.*
- *That's an overview of Now, just to summarise, let's quickly look at the main points again.*

Finishing and thanking

- *Thank you for your attention.*

- *That brings the presentation to an end.*
- *That brings us to the end of my presentation.*
- *Finally, I'd like to finish by thanking you (all) for your attention.*
- *Finally, I'd like to end by thanking you (all) for coming today.*
- *I'd like to thank you (all) for your attention and interest.*

Inviting questions

- *If anyone has any questions, I'll be pleased to answer them.*
- *If anyone has any questions, I'll do my best to answer them.*
- *If anyone has any questions, please feel free to ask them now.*
- *If anyone has any questions, please feel free to ask them and I'll do my best to answer.*

Referring to a previous point made

- *As I mentioned earlier*
- *As we saw earlier*
- *You may recall that we said*
- *You may recall that I explained*

Dealing with (difficult) questions

- *I'll come back to that question later if I may.*
- *I'll / We'll come back to that question later in my presentation.*
- *I'll / We'll look at that point in more detail later on.*
- *Perhaps we can look at that point at the end / a little later.*

Other phrases and key presentation language

word, phrase

take a look at
take a brief look at
return to
I'll outline
here we can see
as you can see here
(let's) move on to
(let's) continue with
(let's) continue by looking at
to illustrate this point

meaning, function

'look at'
 'quickly look at'
 'go back', 'explain again'
 'I will explain'
 to draw attention to a specific point on a slide
 to draw attention to a specific point on a slide
 to start a new subject
 to start a new subject
 to start a new subject
 when giving an example

<http://speakspeak.com/resources/general-english-vocabulary/presentation-language-phrases>

USEFUL LANGUAGE

Introducing the talk:

This morning I'm going to be talking about...

In my talk today I will be looking at... I'd like to start by giving you ...

Indicating the structure and sequences of your talk:

I have divided my presentation into X sections ...

In the first section I will / am going to describe...

Then I will / am going to go onto ...

After that I will / am going to look at...

Finally I will / am going to ...

Moving from one section of your talk to another:

I would now like to go on to the next point which is ...

If I can now move on to the next section

To continue...

Summarising and condensing what you have said:

To recap...

The main thing/s to remember is / are...

The point that I am making here is that...

Highlighting:

This is particularly important because...

I can't stress enough that ...

It should be pointed out that...

I would like to draw your attention to ...

Giving examples:

For instance...

For example ...

such as...

like...

A case in point is ...

Inviting questions and feedback from the audience:

Are there any questions so far?

Feel free to ask if you have any questions.

I welcome questions if at any point you don't understand something.

If you have any questions about this, please, do ask.

Asking rhetorical questions (questions that the audience are not expected to answer):

Some of you may be wondering how can this be done?

Am I right in thinking that...?

So, just how can this be achieved?

You may be wondering how long will this take?

Referring to information on an overhead:

If you have a look at this figure here...

As you can see from the table ...

This particular slide shows ...

As can be seen from the chart...

Looking now at the figures for the third quarter we can see...

Graph, chart, bar chart, pie chart, table, diagram

Title, row / column (with headings), horizontal axis, vertical axis

Curve, solid line, dotted line, dashed line, segment, shaded area, slope

Drawing conclusions:

This means that...

Consequently...

As a result...

Therefore...

Closing your talk:

I would just like to finish by saying...

To finish I would just like to remind you ...

In conclusion, thank you ...

Do you have any questions?

Verbs of movement

Upward: go up, increase, rise, raise, put up, climb, pick up, grow, expand, double, show an upward trend

Rapid upward: jump, rocket, soar

Downward: go down, decrease, fall, drop, slip back, reduce, lower, bring down, cut, shrink, halve, show a downward trend

Rapid downward: plummet, collapse, crash, slump

Highs and lows: peak, reach a peak; bottom out, hit a low

Volatility: fluctuate, be volatile

Stability: stay the same, be flat, be (relatively) unchanged; level off

Good and bad: improve, strengthen, recover, bounce back; deteriorate, weaken

PRACTICE

PART 1

Study the exemplary presentation and try to assess it using the peer assessment form given below. Pay attention to the points marked * that can be assessed only after making a real life presentation and skip them in your current assessment.

Peer Assessment Form for an Informative Presentation

Criteria	Your mark (1-5)
INTRODUCTION The opening is engaging and appropriate. The student clearly identifies the thesis and purpose. The student clearly previews structure or content of the presentation.	
CONTENT The presentation stays on topic. The points are clear. The student adequately explains his/her points and supports arguments. The student restates or summarizes his/her points as needed.	
DELIVERY The student ▶ uses clear, appropriate language; ▶ provides appropriate transitions between points; ▶ uses his/her voice expressively*; ▶ makes sufficient eye contact*; ▶ uses visual aids effectively; ▶ uses the time frame effectively*; ▶ uses brief notes or an outline*.	
CONCLUSION The student ▶ summarizes as needed; ▶ reinforces the purpose and the thesis; ▶ closes effectively.	

EXEMPLARY PRESENTATION

*Good afternoon, ladies and gentlemen. I'm delighted to be here today. My name is Yelyzaveta Polshchikova. I would like to tell you about **critical consideration of protectionism** for several minutes. Since we have very limited time today, please hold your questions until the end of the presentation when I do my best to answer them.*



So I would like to start with an overview of topics that will be covered in my presentation. Firstly, advantages and disadvantages of the policy of protectionism. Secondly, the world's tendency of protectionism. Thirdly, protectionism in Ukraine.



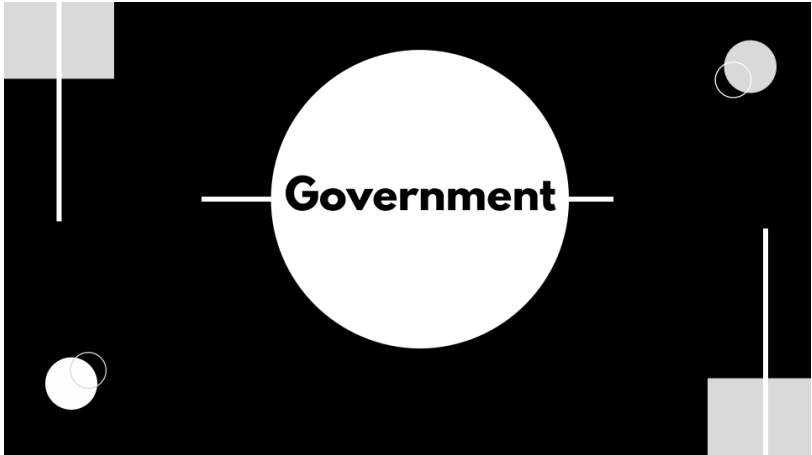
You will not be surprised by the phrase that the world is in the conditions of a world trade war, started by the administration of the US President D. Trump, whose policy is aimed at protectionism and the return of jobs and production to the United States. Initiatives have already been repeated around the world, leading to a significant increase in various protectionist measures in different countries.



In this presentation, I am going to analyze the major protectionist measures applied in the context of the trade war, as well as what Ukrainian business should prepare for in the new realities.

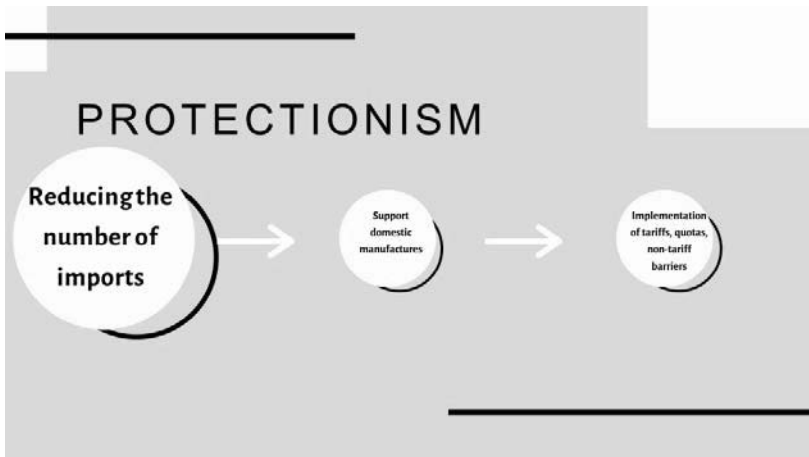


To begin with, it is a well-known fact that the governments have enough power to influence economic relations with the rest of the world.



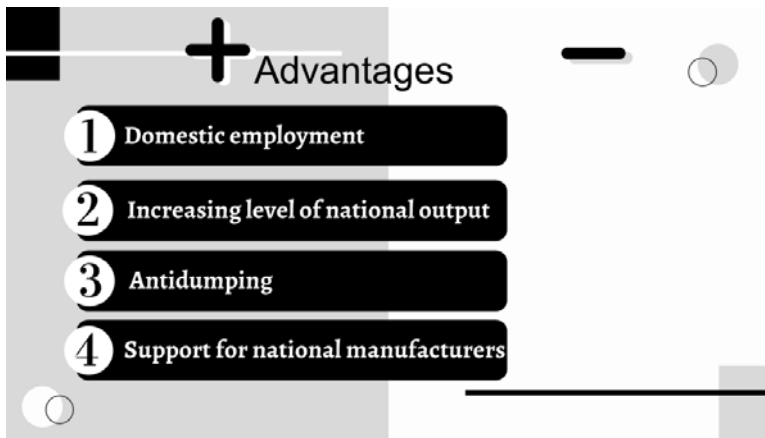
There are two opposing ways in which they can achieve certain goals: free trade and protectionism.

Protectionism is a campaign of the foreign trade policy to support domestic manufacturers. During protectionism, trade between countries is restricted with the help of tariffs, quotas, etc., as usual by reducing the number of imports coming into a country.



Maybe the biggest advantage of protectionism gives the fact that the domestic businesses continue to operate and it means it provides employment. Protectionist

policies reduce the level of imports and increase aggregate demand, resulting in a higher level of national output and employment. One of the reasons for the emergence of protectionism is dumping. A policy of restrictions on foreign trade is introduced in order to prevent dumping. The balance of payments is significantly improved, because exports are encouraged, but not imports. Under protectionism, infant industries have more time for developing and getting to the stage that they are able to compete against larger international producers. The new industries need some protection from the power of already established competitors to be able to grow and achieve economies of scale.



Despite the advantages of protectionism, it also has a poor impact, this is, first of all, a decrease in jobs in the importing country. However, taking the protection of national producers, in long-term we may face demotivation and lack of incentive to develop and increase the level of competitiveness. Also, it affects the developing countries which are dependent on the developed ones, depreciating their exports, usually industry, such as agriculture.

The next drawback is non-efficient use of existing resources. In comparison with protectionism, free trade promotes a more efficient use of a nation's resources. As nations will begin to use resources from production of a good they have a comparative disadvantage in to be used in the production of a good they have a comparative advantage in.

Expensive goods and services. Free trade allows consumers get access to cheaper alternatives as imports become readily available. So, this section concludes that protectionism is a measure introduced by the state to support national producers by regulating imports and exports.



Since, protectionism is good and bad at the same time, I would like to conclude this part with a citation of president of China Xi Jinping “Pursuing protectionism is just like locking one’s self in a dark room: Wind and rain might be kept outside but so are light and air.”



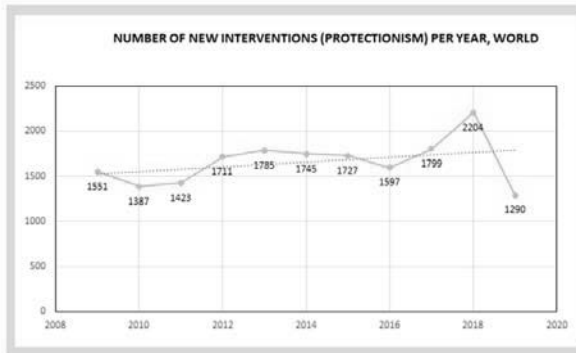
Moving to the second section, I would like to give a clear understanding about protectionism for the last decade.

SECTION 2



THE WORLD'S TENDENCY OF PROTECTIONISM AND ITS INFLUENCE ON THE ECONOMY

On the next slide I provide a summary of the statistics on trade defense measures that have been implemented over the last ten years in the world. The global crisis in 2008 caused the decline of growth rates of the global economy from 4.2% to 1.8%. This has forced countries to adopt protectionist policies to protect domestic producers, stimulate production and increase exports. Since then exactly from 2009 we can see a gradual increase in protectionism.



According to Global Trade Alert during the period from 2009 to 2019 the countries of the world introduced 11557 protectionist measures and 5486 instruments of liberalization of global trade.

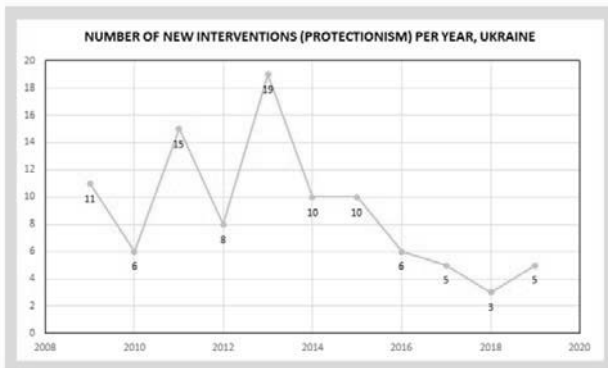
Moving to the next slide and summarizing concurrently, the biggest numbers came in 2017-2018, when America began its protectionist actions, and many countries followed it. The lowest value was in 2019.



How have such innovations affected the Ukrainian economy? That brings us to our next part. *I would like to move on and cover the last part: protectionism in Ukraine.*



It should be noted that developed and rapidly developing countries are actively protecting national producers. In Ukraine, the domestic market is not provided with own goods, and in the foreign market they are not competitive due to the low technological effectiveness and protectionism of other countries. Over the last four years, the average annual growth rate of exports has been 1% and imports - 4%. Therefore, some tools of protectionist policy in the short term can be used to (regulate) import substitution, export growth and resumption of domestic production.



When small open economies apply protectionist policies, this can improve trade balance, but at the expense of higher inflation and recession. Protectionism is an expensive pleasure for small open economies, even if it is applied temporarily and even without taking into account the price of the revenge of trading partners.

Summary

THE HIGHEST VALUE
came in 2013

THE LOWEST VALUE
was in 2018

IN UKRAINE, THE DOMESTIC MARKET IS NOT PROVIDED WITH OWN GOODS, AND IN THE FOREIGN MARKET THEY ARE NOT COMPETITIVE DUE TO THE LOW TECHNOLOGICAL EFFECTIVENESS AND PROTECTIONISM OF OTHER COUNTRIES.

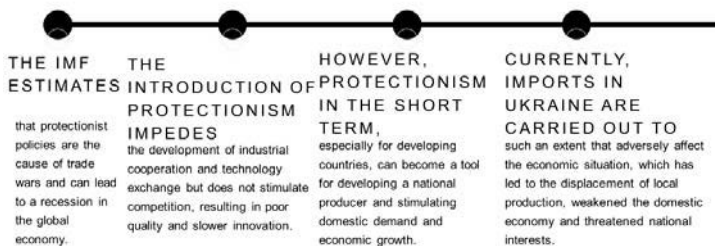
Over the last four years, the average annual growth rate of exports has been 1% and imports - 4%.

Let 's now turn to conclusions and take a brief look at the main point again.

The IMF estimates that protectionist policies are the cause of trade wars and can lead to a recession in the global economy. The introduction of protectionism impedes the development of industrial cooperation and technology exchange but does not stimulate competition, resulting in poor quality and slower innovation. However, protectionism in the short term, especially for developing countries,

can become a tool for developing a national producer and stimulating domestic demand and economic growth. Currently, imports in Ukraine are carried out to such an extent that adversely affect the economic situation, which has led to the displacement of local production, weakened the domestic economy and threatened national interests. Thus, I support protectionism in Ukraine, but in small quantities and only in the short term.

CONCLUSIONS



Thank you all for listening. Now I am ready to answer any questions you might have.

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PART 2

TASK 1

Read through these phrases. Write ‘who’ (introducing yourself), ‘why’ (telling your audience the purpose of your presentation), ‘what’ (outlining the main points that you’re going to develop and the order in which you would like to develop these) or ‘how’ (addressing your audience’s needs and giving information about time limit, coffee break, taking notes, etc.) next to each phrase.

1. On behalf of Mr. Keane, may I welcome you to Jackson Inc. My name’s Jo Black and I’m responsible for
2. My purpose today is to
3. I’m going to develop three main points. First, ... Second, ... Third,
4. Let me introduce myself. I am ... I am a
5. I’ll pass round copies of my slides so you can make notes as I go through the presentation.
6. Before I continue, let me tell you something about myself.
7. Today I would like to give you a general overview of
8. I’ve divided my presentation into three main points. I would like to begin with
9. So, I’ll be addressing three main points and the first one is going to be ... The second point will be ... And finally the last point is
10. I’m going to outline three proposals. Firstly, I’ll ... Then, I’d like to... and finally... ..
11. Today, I’m going to bring you up to date with
12. The presentation should last about five minutes.
13. We’ll take a short coffee break at about 10.30.
14. My objective today is to... ..
15. Morning everyone. Thanks for coming. My name is Luca and I’m in charge of
16. If you have any questions, I’d be grateful if you could leave them until the end.
17. I’m happy to take any questions after that.
18. For those who don’t know me, my name is Carlos Lopez and I’m the managing director.
19. We can take two or three questions at the end of each point.
20. You don’t need to take notes as we’ll be handing out presentation booklets.

21. I would like to start with ... And then ... Lastly
22. Today, I'm going to tell you
23. What I am going to do today is review
24. Please feel free to interrupt me at any time if you have a question.
25. The reason we are here today is to
26. Morning everyone. I'm ... I'm a ... at

TASK 2

Write Sig (Signal), Sum (Summary), Conc (Conclusion) or CR (Closing Remarks) next to the phrases below.

1. So, that brings me to the end of my presentation.
2. Let me summarise what we've looked at.
3. Thank you for your attention.
4. I'll briefly summarise the main issues.
5. I'll now hand out
6. I suggest Johannes ... and Michel
7. I'd like to summarise.
8. I'd like to conclude by strongly recommending
9. So, that completes our presentation.
10. Let me just go over the key [points again.
11. To sum up
12. I trust you gained an insight into
13. To conclude, I'd like to leave you with the following thought
14. Well, that covers everything I want to say.
15. If you have any questions, I'd be happy to answer them.
16. At this stage, I'd like to go over
17. In my opinion, the only way forward is to
18. Thank you for listening.
19. To summarise, I'll run through my three topics.
20. In conclusion, I'd like to leave you with the following idea.

TASK 3

Phrases below are examples of signposts. Read them and decide which of them are used as a link in the beginning of a section and which of them are appropriate as a link for the ending.

1. Moving on now to
2. I would like to begin by
3. Let's now turn to
4. Let's start with my presentation

5. So, first of all
6. Now, turning to
7. Now, what about ...?
8. Let me move on to
9. So, that's the general picture for
10. I'd like to conclude this point by saying
11. This leads me to a point
12. So, we've looked at
13. That completes my overview of
14. Let's just recap
15. So, that's pretty much
16. And this is
17. Next we come to
18. So, that was
19. My next point is
20. That's all I want to say about
21. So, that covers this point.
22. And finally

TASK 4

Match the signposts with the examples.

1. change direction and/ or depart from the original plan of your presentation	a. I'd like to expand/ elaborate on that ...
2. refer to an earlier point	b. Let's just recap ...
3. refer to a point that is coming later	c. Let me digress for a moment ...
4. repeat something	d. Let me put that in a nutshell ...
5. give a wider perspective	e. I'd like to go back to a point I mentioned earlier...
6. give a deeper analysis	f. I'll be coming to that later ...
7. give just the basic information	g. Let me give you another example ...

TASK 5

Read this text. Write the techniques from the box below in gaps (1-7) in the text.

What's in it for me? (WIIFM)	Question and answer
Expert testimony or historical evidence	Quotations
Meet the people	Enrolment questions
Shocking statements or startling statistic	

Hot tips to ‘jump start’ your presentation

(1).....

Make your audience feel welcome as they arrive. Smile, make introductions, say a few words about yourself and ask some questions. Offer some refreshments. This technique helps to:

- break the ice
- calm your nerves
- build a relationship
- initiate dialogue
- create interaction

GOOD FOR: Presentations to small groups

(2)

Address the audience’s needs and concerns by telling them what benefits they will gain from listening to your presentation and use the word ‘you’ when you do this. This technique helps to:

- focus on the needs of your audience
- focus on benefits and not features
- create desire and anticipation
- raise expectations
- build rapport

GOOD FOR: Sales pitches or presentations where you need to persuade or convince

(3)

Question the audience directly and get them to respond to you by answering ‘yes’ or ‘no’ or by raising hands. This technique helps to

- focus the audience on the subject
- generate an interactive relationship
- create dialogue
- build interest

GOOD FOR: Small to medium-sized audiences

(4)

Find something original or exciting in newspapers, magazines, books, in-house literature, press releases or on the Internet. Make it clear that you are using somebody else’s words. This technique helps to:

- give another voice
- build credibility
- create interest

GOOD FOR: All types of presentation

(5)

Say something which is short and simple but unusual, surprising and / or provocative. Clarify your source. This technique helps to:

- get a high level of attention with a shock effect
- give another voice

GOOD FOR: Most presentations but take care the shock effect does not alienate the audience

(6)

Give objective evidence or facts from an authoritative source. This technique helps to:

- give another voice
- be convincing
- build credibility

GOOD FOR: Specialist presentations

(7)

Ask something and then go on to answer it yourself. This technique helps to:

- raise expectations
- engage the audience in problem-solving thinking
- make the audience want to see ‘what’s on the next page’

GOOD FOR: Presenting recommendations / stations

(Retrieved from Williams E. Presentations in English. – Macmillan, 2008)

PART 3

TASK 1

InnovaTex. Read the introduction to a presentation given to a group of analysts. Choose one of the next sections of the presentations. Read the notes and then prepare and present your section.

As CEO of InnovaTex, I’d like to say a few words about the company before I go on to look at the specific details of our IPO. To sum up our company in a few words: InnovaTex is a young company in a vibrant growth sector. We have first- class products, a dedicated and talented staff and I think we have a great future ahead of us. I’ll come back to all that later in this presentation. But now I’d just like to say how proud I am, not only of what we have already achieved but also of being chosen to lead the company at this critical moment in its history as we embark on our next journey. Today, we are about to begin that journey. And that brings me straight to my main message: I sincerely hope that as many of you as possible will be joining us; in other words that you and your clients will be among our future stockholders!

In my presentation today, I'll be starting with who we are and then giving a review of our recent performance. I'll then move on to an analysis of the risks and the challenges that lie ahead. After that, I'll look at the capital and management structure and how it will be affected by the offering. And finally, I'll discuss the more practical details of the offering, such as the timing.

<u>Section 1. Who we are</u>			
<i>Registered in 2003</i>	founded by Gary Patton and Francis Fairbank		
<i>Sectors of activity</i>	new materials research (chemical and bio-engineering)		
<i>Products</i>	patented biodegradable plastics		
<i>Number of employees</i>	250		
<i>Head office and research centre</i>	Pasadena, California		
<i>CEO</i>	Andrea Herra		
<u>Section 2. Review</u>			
	two years ago	last year	this year
<i>Turnover</i>	\$2m	\$5.9m	\$10.6m
<i>Net income</i>	-\$3.0m	-\$1.8m	\$2.0m
<i>Market share</i>	5%	9.7%	11.5%
<i>Number of registered patents</i>	-	39	108
<i>Number of licence agreements</i>	-	5	15
<u>Section 3. Analysis</u>			
<i>Potential risks</i>	Competitors' development of rival products / economic downturn / availability of specialist staff / dependence on a limited number of major clients / research and production costs		
<i>Challenges</i>	continuing development of commercially viable products		
<u>Section 4. Structure</u>			
<u>Capital</u>			
<i>Existing shareholders</i>	Gary Patton 30 % Francis Fairbank 30 % Venture Associates 35 % Employees 5 %		
<u>Management board</u>			
<i>Directors</i>	Gary Patton, Francis Fairbank, Daniel Rivers, Bo Larssen; two new directors will be appointed		
<i>Voting rights</i>	Existing shareholders will retain majority		
<i>Employee stock options</i>	All employees will be offered 2,000 shares		
<u>Section 5. Share offering details</u>			
<i>Underwriter</i>	Norman Gradwell Bank		
<i>Number of shares proposed</i>	3 million ordinary shares		
<i>Price estimate</i>	\$10-\$16 per share		
<i>Launch date</i>	15 October		
<i>Auditors</i>	Acclaim Inc.		
<i>Stock market</i>	New Jersey Stock Exchange		

TASK 2

Select any topic of your professional interest and prepare a presentation. Your fellow students will assess your public speaking skills according to the following criteria:

CRITERIA USED FOR EVALUATING SPEECHES

The *average speech* (grade C) should meet the following criteria:

1. Conform to the kind of speech assigned (formative, persuasive, etc.).
2. Be ready for presentation on the assigned date.
3. Conform to the time limit.
4. Fulfill any special requirements of the assignment such as preparing an outline, using visual aids, conducting an interview etc.
5. Have a clear specific purpose and central idea.
6. Have an identifiable introduction, body, and conclusion.
7. Show reasonable directness and competence in delivery.
8. Be free of serious errors in grammar, pronunciation, and word usage.

The *above average speech* (grade B) should meet the preceding criteria and also:

1. Deal with a challenging topic.
2. Fulfill all major functions of a speech introduction and conclusion.
3. Display clear organization of the main points and supporting materials.
4. Support the main points with evidence that meets the tests of accuracy, relevance, objectivity, and sufficiency.
5. Exhibit proficient use of connectives – transitions, internal previews, internal summaries and signposts.
6. Be delivered skillfully enough so as not to distract attention from the speaker's message.

The *superior speech* (grade A) should meet all the preceding criteria and also:

1. Constitute a genuine contribution by the speaker to the knowledge or beliefs of the audience.
2. Sustain positive interest, feeling, and/ or commitment among the audience.
3. Contain elements of vividness and special interest in the use of language.
4. Be delivered in a fluent, polished manner that strengthens the impact of the speaker's message.
5. Reinforce or re-establish the thesis, purpose, or central question.

The *below average speech* (grade D or F) is seriously deficient in the criteria required for the C speech.

GLOSSARY

absolute advantage – the ability of a country, individual, company or region to produce a good or service at a lower cost per unit than the cost at which any other entity produces that good or service. If one person, firm or country can produce more of something with the same amount of effort and resources, they have an absolute advantage over other producers.

acquisition – a corporate action in which a company buys most, if not all, of the target company's ownership stakes in order to assume control of the target firm. Acquisitions are often made as part of a company's growth strategy whereby it is more beneficial to take over an existing firm's operations and niche compared to expanding on its own.

appreciation – a rise in the value of an asset and the opposite of depreciation. When the value of a currency rises relative to another, it appreciates.

assets – things that have earning power or some other value to their owner

black economy (underground economy) – If you pay your cleaner or builder in cash, or for some reason neglect to tell the taxman that you were paid for a service rendered, you participate in the black or underground economy. Such transactions do not normally show up in the figures for GDP, so the black economy may mean that a country is much richer than the official data suggest.

balance of trade – the difference between a country's imports and its exports. Balance of trade is the largest component of a country's balance of payments. Debit items include imports, foreign aid, domestic spending abroad and domestic investments abroad. Credit items include exports, foreign spending in the domestic economy and foreign investments in the domestic economy. A country has a trade deficit if it imports more than it exports; the opposite scenario is a trade surplus.

balance of payment – a record of all transactions made between one particular country and all other countries during a specified period of time. BOP compares the dollar difference of the amount of exports and imports, including all financial exports and imports. A negative balance of payments means that more money is flowing out of the country than coming in, and vice versa.

capital markets – markets in securities such as bonds and shares. Governments and companies use them to raise longer-term capital from investors, although few of the millions of capital-market transactions every day involve the issuer of the security.

comparative advantage – the ability of a firm or individual to produce goods and/or services at a lower opportunity cost than other firms or individuals. A comparative advantage gives a company the ability to sell goods and services at a lower price than its competitors and realize stronger sales margins.

closed economy – an economy that does not take part in international trade; the opposite of an open economy. At the turn of the century about the only notable example left of a closed economy is North Korea.

competitiveness – ability of a firm or a nation to offer products and services that meet the quality standards of the local and world markets at prices that are competitive.

competition – rivalry in which every seller tries to get what other sellers are seeking at the same time: sales, profit, and market share by offering the best combination of price, quality, and service.

credit crunch – when banks suddenly stop lending, or bond market liquidity evaporates, usually because creditors have become extremely risk averse.

division of labour – people are better off specializing than trying to be jacks of all trades and ending up masters of none. The logic of dividing the workforce into different crafts and professions is the same as that underpinning the case for free trade: everybody benefits from doing those things in which they have a comparative advantage and using income from doing so to meet their other needs.

dumping – selling something for less than the cost of producing it. Participants in international trade are often accused of dumping by domestic firms charging more than rival imports. Countries can slap duties on cheap imports that they judge are being dumped in their markets.

devaluation – a sudden fall in the value of a currency against other currencies. Strictly, devaluation refers only to sharp falls in a currency within a fixed exchange rate system. Also it usually refers to a deliberate act of government policy.

developing countries – a synonym to poor countries under development also known as emerging economies. Some four-fifths of the world's 6 billion people already live in developing countries. Developing countries account for less than one-fifth of total world GDP.

economic sanctions – a way of punishing errant countries, which is currently more acceptable than bombing or invading them. One or more restrictions are imposed on international trade with the targeted country in order to persuade the target's government to change a policy. Possible sanctions include limiting export or import trade with the target; constraining investment in the target; and preventing transfers of money involving citizens or the government of the target.

economic integration – an economic arrangement between different regions marked by the reduction or elimination of trade barriers and the coordination of monetary and fiscal policies. The aim of economic integration is to reduce costs for both consumers and producers, as well as to increase trade between the countries taking part in the agreement.

economies of scale – the increase in efficiency of production as the number of goods being produced increases. Typically, a company that achieves economies of scale lowers the average cost per unit through increased production since fixed costs are shared over an increased number of goods.

economic vulnerability – degree to which economic activity is susceptible to harm, degradation, or destruction on being exposed to a hostile agent or factor

exchange rate – the price at which one currency can be converted into another

expenditure tax – a tax on what people spend, rather than what they earn or their wealth. Economists often regard it as more efficient than other taxes because it may discourage productive economic activity less; it is not the creating of income and wealth that is taxed, but the spending of it. It can be a form of indirect taxation, added to the price of a good or service when it is sold, or direct taxation, levied on people's income minus their savings over a year.

exports – a function of international trade whereby goods produced in one country are shipped to another country for future sale or trade. The sale of such goods adds to the producing nation's gross output. If used for trade, exports are exchanged for other products or services. Exports are one of the oldest forms of economic

transfer, and occur on a large scale between nations that have fewer restrictions on trade, such as tariffs or subsidies.

foreign direct investment – investing directly in production in another country, either by buying a company there or establishing new operations of an existing business.

free trade – the ability of people to undertake economic transactions with people in other countries free from any restraints imposed by governments or other regulators. Measured by the volume of imports and exports, world trade has become increasingly free in the years since the second world war. A fall in barriers to trade, as a result of the general agreement on tariffs and trade and its successor, the world trade organization, has helped stimulate this growth.

GDP (Gross domestic product) – Gross domestic product, a measure of economic activity in a country. It is calculated by adding the total value of a country's annual output of goods and services. $GDP = \text{private consumption} + \text{investment} + \text{public spending} + \text{the change in inventories} + (\text{exports} - \text{imports})$.

globalization – refers to the trend for people, firms and governments around the world to become increasingly dependent on and integrated with each other. Globalization has also been used to describe growing income inequality between the world's rich and poor; the growing power of multinational companies relative to national government; and the spread of capitalism into former communist countries.

GNP (Gross national product) – short for gross national product, another measure of a country's economic performance. It is calculated by adding to GDP the income earned by residents from investments abroad, less the corresponding income sent home by foreigners who are living in the country.

hard currency – money you can trust. A hard currency is expected to retain its value, or even benefit from appreciation, against softer currencies. This makes it a popular choice for people involved in international transactions. The dollar, D-mark, Sterling and the Swiss franc each became a hard currency, if only some of the time, during the 20th century.

hostile takeover – the acquisition of one company (called the target company) by another (called the acquirer) that is accomplished not by coming to an agreement with the target company's management, but by going directly to the company's shareholders or fighting to replace management in order to get the acquisition approved.

imports – a good or service brought into one country from another. Along with exports, imports form the backbone of international trade. The higher the value of imports entering a country, compared to the value of exports, the more negative that country's balance of trade becomes.

immigration – a process of moving and settling in a country or region to which they are not native

income tax – method of taxation based on earnings. In most countries, people do not pay it until their income exceeds a minimum threshold, and richer people pay a higher rate of income tax than poorer people.

inflation – the rate at which the general level of prices for goods and services is rising, and, subsequently, purchasing power is falling. Central banks attempt to stop severe inflation, along with severe deflation, in an attempt to keep the excessive growth of prices to a minimum.

intangible assets – valuable things, even though you cannot drop them on your foot - an idea, say, especially one protected by a patent; an effective corporate culture; human capital; a popular brand. Contrast with tangible assets.

intellectual capital – the part of a country's or a firm's capital or an individual's human capital that consists of ideas rather than something more physical. It can often be protected through patents or other intellectual property laws.

international aid – a helping hand for poor countries from rich countries.

international labour migration – a process when a person moves from one country to another to undertake an activity for payment in a country of which they are not a national

income inequality – a measurement of the distribution of income that highlights the gap between individuals or households making most of the income in a given country and those making very little.

investment – an asset or item that is purchased with the hope that it will generate income or appreciate in the future. In an economic sense, an investment is the purchase of goods that are not consumed today but are used in the future to create wealth. In finance, an investment is a monetary asset purchased with the idea that the asset will provide income in the future or appreciate and be sold at a higher price.

invisible trade – exports and imports of things you cannot touch or see: services, such as banking or advertising and other intangibles, such as copyrights. Invisible trade accounts for a growing slice of the value of world trade.

labour – one of the factors of production, with land, capital and enterprise. Among the things that determine the supply of labour are the number of able people in the population, their willingness to work, labour laws and regulations, and the health of the economy and firms. Demand for labour is also affected by the health of the economy and firms, labour laws and regulations, as well as the price and supply of other factors of production.

labour intensive – production process that involves comparatively large amounts of labour; the opposite of capital intensive

liberalization – a policy of promoting liberal economics by limiting the role of government to the things it can do to help the market economy work efficiently. This can include privatization and deregulation.

market forces – shorthand for the pressures from buyers and sellers in a market, rather than those coming from a government planner or from regulation

merger – the combining of two or more companies, generally by offering the stockholders of one company securities in the acquiring company in exchange for the surrender of their stock

mixed economy – market economy in which both private-sector firms and firms owned by government take part in economic activity. The proportions of public and private enterprise in the mix vary a great deal among countries. Since the 1980s, the public role in most mixed economies declined as nationalisation gave way to privatisation.

misery index – the sum of a country's inflation and unemployment rates. The higher the score, the greater is the economic misery.

monopoly – when the production of a good or service with no close substitutes is carried out by a single firm with the market power to decide the price of its output. Contrast with perfect competition, in which no single firm can affect the price of what it produces. Typically, a monopoly will produce less, at a higher price, than would be the case for the entire market under perfect competition.

money supply – the amount of money available in an economy

MNC (Multinational Corporation) – a corporation that has its facilities and other assets in at least one country other than its home country. Such companies have offices and/or factories in different countries and usually have a centralized head office where they co-ordinate global management.

national debt – the total outstanding borrowing of a country's government (usually including national and local government). The national debt is a total of all the money ever raised by a government that has yet to be paid off.

national income – shorthand for everything that is produced, earned or spent in a country (see GDP and GNP)

non-tariff barrier – form other than a tariff. Nontariff barriers include quotas, levies, embargoes, sanctions and other restrictions, and are frequently used by large and developed economies.

offshore – located or based outside of one's national boundaries. The term offshore is used to describe foreign banks, corporations, investments and deposits. A company may legitimately move offshore for the purpose of tax avoidance or to enjoy relaxed regulations. Offshore financial institutions can also be used for illicit purposes such as money laundering and tax evasion.

open economy – an economy that allows the unrestricted flow of people, capital, goods and services across its borders; the opposite of a closed economy

outsourcing – shifting activities that used to be done inside a firm to an outside company, which can do them more cost-effectively. Big firms have outsourced a growing amount of their business since the early 1990s, including increasingly offshoring work to cheaper employees at firms in countries such as India. However, a firm that outsources can improve its efficiency by focusing on those activities in which it can create the most value; the firm to which it outsources can also increase efficiency by specializing in that activity.

percent – one part in a hundred

percentage – a proportion or share in relation to a whole.

profit – financial benefit that is realized when the amount of revenue gained from a business activity exceeds the expenses, costs and taxes needed to sustain the activity. Any profit that is gained goes to the business's owners, who may or may not decide to spend it on the business.

protectionism – opposition to free trade. The policy intended to protect a country's economy from foreign competitors, it usually makes the protected country worse off than if it allowed international trade to proceed without hindrance from trade barriers such as quotas and tariffs.

recession – a period of slow or negative economic growth, usually accompanied by rising unemployment. Economists have two more precise definitions of a recession. The first, which can be hard to prove, is when an economy is growing at less than its long-term trend rate of growth and has spare capacity. The second is two consecutive quarters of falling GDP.

remittance – the process of sending money to remove an obligation. This is most often done through an electronic network, wire transfer or mail. The term also refers to the amount of money being sent to remove the obligation.

regulation – rules governing the activities of private-sector enterprises. Regulation is often imposed by government, either directly or through an appointed

regulator. However, some industries and professions impose rules on their members through self-regulation.

royalty payment – compensation, consideration, or fee paid for a license or privilege to use an intellectual property (brand, copyright, patent, process) or a natural resource (fishing, hunting, mining), computed usually as a percentage of revenue or profit realized from the use.

stabilization – government policies intended to smooth the economic cycle, expanding demand when unemployment is high and reducing it when inflation threatens to increase.

standard of living – the level of wealth, comfort, material goods and necessities available to a certain socioeconomic class in a certain geographic area. The standard of living includes factors such as income, quality and availability of employment, class disparity, poverty rate, quality and affordability of housing, hours of work required to purchase necessities, gross domestic product, inflation rate, number of vacation days per year, affordable (or free) access to quality healthcare, quality and availability of education, life expectancy, incidence of disease, cost of goods and services, infrastructure, national economic growth, economic and political stability, political and religious freedom, environmental quality, climate and safety. The standard of living is closely related to quality of life.

stagnation – a prolonged recession, but not as severe as a depression

stagflation – term coined in the 1970s for the twin economic problems of stagnation and rising inflation. Until then, these two economic blights had not appeared simultaneously. Indeed, policymakers believed the message of the Phillips curve: that unemployment and inflation were alternatives.

structural adjustment – a programme of policies designed to change the structure of an economy. Usually, the term refers to adjustment towards a market economy, under a programme approved by the IMF and/or World Bank, which often supply structural adjustment funds to ease the pain of transition.

sustainable growth – a term much used by environmentalists, meaning economic growth that can continue in the long term without non-renewable resources being used up or pollution becoming intolerable. Mainstream economists use the term, too, to describe a rate of growth that an economy can sustain indefinitely without causing a rise in inflation.

tariff – a tax on goods produced abroad imposed by the government of the country to which they are exported. Many countries have reduced such tariffs as part of the process of freeing up world trade.

tax avoidance – possible actions within the law to reduce the tax bill.

tax evasion – paying less tax than you are legally obliged to

tax haven – a country or designated zone that has low or no taxes, or highly secretive banks, and often a warm climate and sandy beaches, which make it attractive to foreigners bent on tax avoidance or even tax evasion

taxation – a process of tax collection

trade barrier – any measure designed to limit international trade. A customs barrier will act to limit the level of trade across international borders by implementing restrictions on imports and/or exports. Governments may impose such restrictions in

order to protect a domestic industry from foreign competition, or to limit the export of goods or services deemed vital to a domestic economy's health.

trade deficit/surplus – an excess of imports over exports is a trade deficit. An excess of exports over imports is a trade surplus.

trade – a basic economic concept that involves multiple parties participating in the voluntary negotiation and then the exchange of one's goods and services for desired goods and services that someone else possesses. The advent of money as a medium of exchange has allowed trade to be conducted in a manner that is much simpler and effective compared to earlier forms of trade, such as bartering.

transition economies – former communist economies that, with varying degrees of enthusiasm, have embraced capitalism.

unemployment – the number of people of working age without a job is usually expressed as an unemployment rate, a percentage of the workforce.

unemployment trap – a process when unemployed people who receive benefits, either from the government or from private charity, are deterred from taking a new job because the reduction or removal of benefit if they do will make them worse off. Also known as the poverty trap, it can be addressed, to an extent, by continuing to pay benefit for a while to unemployed people returning to work.

visible trade – physical exports and imports, such as coal, computer chips and cars; also known as merchandise trade

volatility – the most widely accepted measure of risk in financial markets is the amount by which the price of a security swings up and down. The more volatile the price, the riskier is the security.

welfare – a government program which provides financial aid to individuals or groups who cannot support themselves. Welfare programs are funded by taxpayers and allow people to cope with financial stress during rough periods of their lives. In most cases, people who use welfare will receive a biweekly or monthly payment. The goals of welfare vary, as it looks to promote the pursuance of work, education or, in some instances, a better standard of living.

welfare economics – the study of how different forms of economic activity and different methods of allocating scarce resources affect the well being of different individuals or countries. Welfare economics focuses on questions about equity as well as efficiency.

yield – the annual income from a security, expressed as a percentage of the current market price of the security. The yield on a share is its dividend divided by its price. A bond yield is also known as its interest rate: the annual coupon divided by the market price.

APPENDICES

THE INCOTERMS® RULES

The Incoterms® rules have become an essential part of the daily language of trade. They have been incorporated in contracts for the sale of goods worldwide and provide rules and guidance to importers, exporters, lawyers, transporters, insurers and students of international trade.

Below are short descriptions of the 11 rules from the Incoterms® 2010 edition. These should be read in the context of the full official text of the rules which can be obtained from the ICC BusinessBookstore.



INCOTERMS® 2010 RULES

CHART OF RESPONSIBILITY

	Any Transport Mode		Sea/Inland Waterway Transport					Any Transport Mode				
	EXW	FCA	FAS	FOB	CFR	CIF	CPT	CIP	DAT	DAP	DDP	
Charges/Fees	EX Works	Free Carrier	Free Alongside Ship	Free on Board	Cost & Freight	Cost Insurance & Freight	Carriage Paid To	Carriage Insurance Paid To	Delivered At Terminal	Delivered At Place	Delivered Duty Paid	
Packaging	Buyer or Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	
Loading Charges	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	
Delivery to Port/Place	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	
Export Duty & Taxes	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	
Origin Terminal Charges	Buyer	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	
Loading On Charges	Buyer	Buyer	Buyer	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	
Carriage Charges	Buyer	Buyer	Buyer	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	
Insurance	**	**	**	**	**	Seller	**	Seller	**	**	**	
Destination Terminal Charges	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Seller	Seller	Seller	Seller	Seller	
Delivery to Destination	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Seller	Seller	
Import Duty & Taxes	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Seller	
sales@bgiworldwide.com		BGI WORLDWIDE LOGISTICS, INC. 2453Lewis Ave., Signal Hill, CA 90755 Tel: 562.597.5671 / 877.733.8975 www.bgiworldwide.com						*Seller is responsible for loading charges, if the terms state FCA at seller's facility. **Negotiable between Buyer and Seller				
***THIS CHART IS FOR INFORMATIONAL PURPOSES ONLY. BGI WORLDWIDE LOGISTICS, INC. IS NOT LIABLE FOR THESE CONTENTS, REFER TO THE FULL VERSION OF INCOTERMS® 2010 FOR FULL DESCRIPTION.												

RULES FOR ANY MODE OR MODES OF TRANSPORT

• EXW Ex Works

“Ex Works” means that the seller delivers when it places the goods at the disposal of the buyer at the seller’s premises or at another named place (i.e., works, factory, warehouse, etc.). The seller does not need to load the goods on any collecting vehicle, nor does it need to clear the goods for export, where such clearance is applicable.

• FCA Free Carrier

“Free Carrier” means that the seller delivers the goods to the carrier or another person nominated by the buyer at the seller’s premises or another named place. The

parties are well advised to specify as clearly as possible the point within the named place of delivery, as the risk passes to the buyer at that point.

- **CPT Carriage Paid To**

“Carriage Paid To” means that the seller delivers the goods to the carrier or another person nominated by the seller at an agreed place (if any such place is agreed between parties) and that the seller must contract for and pay the costs of carriage necessary to bring the goods to the named place of destination.

- **CIP Carriage And Insurance Paid To**

“Carriage and Insurance Paid to” means that the seller delivers the goods to the carrier or another person nominated by the seller at an agreed place (if any such place is agreed between parties) and that the seller must contract for and pay the costs of carriage necessary to bring the goods to the named place of destination.

“The seller also contracts for insurance cover against the buyer’s risk of loss of or damage to the goods during the carriage. The buyer should note that under CIP the seller is required to obtain insurance only on minimum cover. Should the buyer wish to have more insurance protection, it will need either to agree as much expressly with the seller or to make its own extra insurance arrangements.”

- **DAT Delivered At Terminal**

“Delivered at Terminal” means that the seller delivers when the goods, once unloaded from the arriving means of transport, are placed at the disposal of the buyer at a named terminal at the named port or place of destination. “Terminal” includes a place, whether covered or not, such as a quay, warehouse, container yard or road, rail or air cargo terminal. The seller bears all risks involved in bringing the goods to and unloading them at the terminal at the named port or place of destination.

- **DAP Delivered At Place**

“Delivered at Place” means that the seller delivers when the goods are placed at the disposal of the buyer on the arriving means of transport ready for unloading at the named place of destination. The seller bears all risks involved in bringing the goods to the named place.

- **DDP Delivered Duty Paid**

“Delivered Duty Paid” means that the seller delivers the goods when the goods are placed at the disposal of the buyer, cleared for import on the arriving means of transport ready for unloading at the named place of destination. The seller bears all the costs and risks involved in bringing the goods to the place of destination and has an obligation to clear the goods not only for export but also for import, to pay any duty for both export and import and to carry out all customs formalities.

RULES FOR SEA AND INLAND WATERWAY TRANSPORT

• FAS Free Alongside Ship

“Free Alongside Ship” means that the seller delivers when the goods are placed alongside the vessel (e.g., on a quay or a barge) nominated by the buyer at the named port of shipment. The risk of loss of or damage to the goods passes when the goods are alongside the ship, and the buyer bears all costs from that moment onwards.

• FOB Free On Board

“Free On Board” means that the seller delivers the goods on board the vessel nominated by the buyer at the named port of shipment or procures the goods already so delivered. The risk of loss of or damage to the goods passes when the goods are on board the vessel, and the buyer bears all costs from that moment onwards.

• CFR Cost and Freight

“Cost and Freight” means that the seller delivers the goods on board the vessel or procures the goods already so delivered. The risk of loss of or damage to the goods passes when the goods are on board the vessel. The seller must contract for and pay the costs and freight necessary to bring the goods to the named port of destination.

• CIF Cost, Insurance and Freight

“Cost, Insurance and Freight” means that the seller delivers the goods on board the vessel or procures the goods already so delivered. The risk of loss of or damage to the goods passes when the goods are on board the vessel. The seller must contract for and pay the costs and freight necessary to bring the goods to the named port of destination.

“The seller also contracts for insurance cover against the buyer’s risk of loss of or damage to the goods during the carriage. The buyer should note that under CIF the seller is required to obtain insurance only on minimum cover. Should the buyer wish to have more insurance protection, it will need either to agree as much expressly with the seller or to make its own extra insurance arrangements.”

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МОВИ: ЕФЕКТИВНА ПІДГОТОВКА**

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