



ALFRED NOBEL UNIVERSITY

**BUSINESS**

**ENGLISH**



УНІВЕРСИТЕТ імені АЛЬФРЕДА НОБЕЛЯ

# ДІЛОВА АНГЛІЙСЬКА МОВА

НАВЧАЛЬНИЙ ПОСІБНИК

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Посібник з ділової англійської мови має за мету формування та розвиток мовленнєвої компетенції у сфері ділового спілкування у студентів мовних спеціальностей. Система вправ спрямована на свідоме практичне засвоєння мовних елементів професійно-орієнтованої ділової комунікації.

Посібник складається з двох частин, кожна з яких поділена на розділи, що охоплюють основні види письмової та усної ділової комунікації англійською мовою. Тестові завдання, які поєднують матеріал декількох розділів, призначені для перевірки навичок та вмінь, спрямованих на формування та розвиток професійної компетенції студентів-перекладачів. Тематично пов'язані тексти можна використовувати як для аудиторної, так і для самостійної роботи.

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## INTRODUCTION

Every year since 1901 the Nobel Prize has been awarded for achievements in physics, chemistry, economics, physiology or medicine, literature and for peace. The Nobel Prize is an international award administered by the Nobel Foundation in Stockholm, Sweden.

The foundations for the prize were laid in 1895 when Alfred Nobel wrote his last will, leaving much of his wealth to the establishment of the Nobel Prize. But who was Alfred Nobel? Alfred Nobel (1833–1896) was born in Stockholm, Sweden, on October 21, 1833. His family was descended from Olof Rudbeck, the best-known technical genius in Sweden in the 17th century, an era in which Sweden was a great power in northern Europe. Nobel was fluent in several languages, and wrote poetry and drama. He was also very interested in social and peace-related issues, and held views that were considered radical during his time. He was a scientist, inventor, entrepreneur, author and pacifist.

Alfred's father, Immanuel Nobel, was successful in his industrial and business ventures, and was able, in 1842, to bring his family to St. Petersburg where he was engaged in arms manufacture and in designing steam engines. Alfred Nobel was given a first class education by private teachers in St. Petersburg. The training included natural sciences, languages and literature. By the age of 17 he was fluent in Swedish, Russian, French, English and German. His primary interests were in English literature and poetry as well as in chemistry and physics. Alfred's father, who wanted his sons to join his enterprise as engineers, disliked Alfred's interest in poetry. In order to widen Alfred's horizons he sent him abroad for further training in chemical engineering. During a two year period Alfred Nobel visited Sweden, Germany, France and the United States. In Paris, he worked in the private laboratory of Professor T. J. Pelouze, a famous chemist. There he met the young Italian chemist Ascanio Sobrero who, three years earlier, had invented nitroglycerine, a highly explosive liquid. Alfred Nobel became very interested in it, and how it could be put to practical use in construction work, and developed a method for the controlled detonation of nitroglycerine. In the United States, he visited John Ericsson, the Swedish-American engineer, who had developed the screw propeller for ships.

In 1852, Alfred Nobel was asked to come back and work in the family enterprise which was booming because of its deliveries to the Russian army. Together with his father he performed experiments to develop

nitroglycerine as a commercially and technically useful explosive. As the war ended and conditions changed, Immanuel Nobel was again forced into bankruptcy. Immanuel and two of his sons, Alfred and Emil, left St. Petersburg together and returned to Stockholm. His other two sons, Robert and Ludvig, remained in St. Petersburg. With some difficulties they managed to salvage the family enterprise, and then went on to develop the oil industry in the southern part of the Russian empire. They were very successful and became some of the wealthiest persons of their time.

After the Nobel family's return to Sweden in 1863, Alfred concentrated on developing nitroglycerine as an explosive. Sadly, these experiments resulted in accidents that killed several people, including Alfred's younger brother, Emil. The government decided to ban these experiments within the Stockholm city limits.

Alfred did not give up and in 1864, he was able to start mass production of nitroglycerine but he did not stop experimenting with different additives to make the production much safer. The invention was made in 1866, and he named it "dynamite." He also invented a detonator, or blasting cap which could be set off by lighting a fuse.

Dynamite and detonating caps were much in demand in the construction industry. Because of this, Alfred was able to put up factories in 90 different places. He lived in Paris but often travelled to his factories in more than 20 countries. He was once described as "Europe's richest vagabond." He worked intensively in Stockholm (Sweden), Hamburg (Germany), Ardeer (Scotland), Paris and Sevran (France), Karlskoga (Sweden) and San Remo (Italy). He also experimented in making synthetic rubber, leather and artificial silk. By the time of his death in 1896, he had 355 patents.

When Alfred Nobel later wrote his will to establish the Nobel Prizes, he included a prize for persons or organizations who promoted peace. Alfred died in San Remo, Italy on December 10, 1896. In his last will and testament, he wrote that much of his fortune was to be used to give prizes to those who have done their best for humanity in the field of physics, chemistry, physiology or medicine, literature and peace. In 1901, the first Nobel Prizes in Physics, Chemistry, Physiology or Medicine and Literature were first awarded in Stockholm, Sweden and the Peace Prize in Kristiania (now Oslo), Norway.

In 1968, Sveriges Riksbank established The Sveriges Riksbank Prize in Economic Sciences in Memory of Alfred Nobel, founder of the Nobel Prize. Each prize consists of a medal, personal diploma, and a cash award. The Prize is based on a donation received by the Foundation in 1968 from Sveriges Riksbank on the occasion of the Bank's 300th anniversary. The first Prize in Economic Sciences was awarded to Ragnar Frisch and Jan Tinbergen in 1969.

# PART I

**UNIT 1** ECONOMY AND ECONOMICS

**UNIT 2** GOODS AND SERVICES

**UNIT 3** PRIVATE ENTERPRISE

**UNIT 4** BASIC FACTORS IN BUSINESS

REVISION 1 (Units 1-4)

**UNIT 5** FORMS OF BUSINESS: A SOLE PROPRIETORSHIP

**UNIT 6** FORMS OF BUSINESS: A PARTNERSHIP

**UNIT 7** FORMS OF BUSINESS: A CORPORATION

REVISION 2 (Units 5-7)

**UNIT 8** CAREERS IN BUSINESS. TYPES OF ORGANIZATION STRUCTURE

**UNIT 9** PERSONNEL

**UNIT 10** FOUR BASIC PRINCIPLES OF MANAGEMENT

REVISION 3 (Units 8-10)

**UNIT 11** ACCOUNTING AND FINANCIAL STATEMENTS

**UNIT 12** CORPORATE FINANCE AND SECURITIES

**UNIT 13** BANKING AS A BUSINESS

REVISION 4 (Units 11-13)



Economy is a Latin word which means housekeeping. Economy is a human activity, his management and his environment. Economics is a science about human activity – how people get food, clothes, house and other things which can improve their life. Everything costs something. All our life is connected with the economy and economics. Whatever you do, you always have a product and expenditures for this product. So, economics studies everything that influences your household and the costs as well.

The results of any human activity decide three questions: what and what quantity of goods and services to produce, how to produce, and for whom to produce.

Economic activity is fruitful when it gives profit. As Bernard Shaw said, ‘Economics is the art to extract maximum of profit from life’. The aim of economic activity is not only to get something necessary for life, but to become richer, more prosperous, to accumulate wealth. So, economics is a science about how to become rich both people and country.

The economy is the system or structure of economic life in a country. This term describes the financial well-being of the nation as measured by economics.

Economics, as a science, consists of two branches: microeconomics and macroeconomics.

Microeconomics studies individual producers, consumers, or markets. It also studies how government activities, such as regulations and taxes, affect individual markets. Besides, microeconomics tries to understand what factors affect prices, wages and earnings.

Macroeconomics studies the economy as a whole. It tries to understand the economic picture as a whole, rather than small parts of it. In particular, it studies the overall values of output, of unemployment and of inflation.

Economics is the study of how individuals, families, organizations, and societies make and carry out their choices – how they use their resources to achieve their goals. In the study of economics, we learn how the marketplace affects those choices, and how those choices are modified by tradition, values, government, and the political process. When we study economics, we study human behaviour – in producing, exchanging and consuming goods and services that satisfy needs and wants.

## ACTIVE VOCABULARY

economy	економіка (господарство) / экономика (хозяйство)
economics	економіка (наука) / экономика (наука)
to cost	коштувати / стоить
costs	витрати, затрати / расходы, издержки, затраты
expenditures	витрати, затрати / расходы, затраты
product(s)	продукт, продукція / продукт, продукция
to produce	виробляти / производить
producer	виробник / производитель
goods and services	товари та послуги / товары и услуги
to extract profit	діставати прибуток / извлекать прибыль
financial well-being	фінансовий добробут (достаток) / финансовое благосостояние
to measure	вимірювати / измерять
microeconomics	мікроекономіка / микроэкономика
macroeconomics	макроекономіка / макроэкономика
consumer	споживач / потребитель
to consume	споживати / потреблять
market	ринок / рынок
regulation	правило, розпорядження / правило, предписание
tax	податок / налог
price	ціна / цена
wages	заробітна плата / заработная плата
earnings	заробіток, прибуток / заработок, прибыль
overall values of output	загальна вартість виробленої продукції / общая стоимость выпущенной продукции
unemployment	безробіття / безработица
inflation	інфляція / инфляция
to satisfy needs and wants	задовольняти нужди та потреби / удовлетворяют нужды и потребности

## COMPREHENSION QUESTIONS

1. What is economy?
2. What is economics?

3. What are the three main aspects of human activity?
4. What is the aim of economic activity?
5. What are the two branches of economics?
6. What does microeconomics study?
7. What does macroeconomics study?
8. What do we learn when we study economics?

**Ex. 1. Memorize the following definitions.**

**Product(s)** – an article or substance manufactured or refined for sale.

**To produce** – to make, manufacture, create or form as part of a physical, biological, or chemical process.

**Producer** – a person or organization manufacturing goods for sale.

**Inflation** – a general increase in prices and fall in the purchasing value of money.

**Consumer** – a person who buys goods and services for personal use.

**Output** – the amount of something produced by a person, machine, or industry.

**Ex. 2. Find in the text English equivalents of the following word-combinations and phrases. Make your own sentences using them:**

- 1) господарство; 2) діяльність людини; 3) покращити своє життя; 4) пов'язана з економікою; 5) витрати на продукт; 6) впливає на домашнє господарство; 7) економічна діяльність; 8) діставати максимальну користь; 9) фінансовий добробут нації; 10) наука складається з двох галузей; 11) впливати на окремі ринки; 12) які фактори впливають на ціни, заробітну плату та прибуток; 13) економіка в цілому; 14) робити свій вибір; 15) як використовувати ресурси для досягнення своїх цілей; 16) змінюються під впливом традиції; 17) поведінка людини; 18) обмін та споживання товарів та послуг.

**Ex. 3. Find antonyms to the following words in the text:**

producer, microeconomics, in particular, individuals.

**Ex. 4. Find synonyms to the following words in the text:**

expenditures, goods, earnings, to influence, prosperous, market, goal, household.

**Ex. 5. Match the words to their definitions.**

1. microeconomics	a) a payment collected from individuals or businesses by the government
-------------------	---

2. macroeconomics	b) public place where people buy and sell goods
3. economics	c) an article or substance made for sale
4. wages	d) a period during which there is an increase in the monetary supply, causing a rise in the price of goods
5. tax	e) careful management of money, materials and resources
6. economy	f) the set amount of money expected or given for the sale of something
7. price	g) a part of economics which studies the economy as a whole
8. unemployment	h) the science which treats production, distribution and consumption of goods
9. inflation	i) a part of economics which studies how government activities, such as regulations and taxes, affect individual markets
10. product	j) activities that people or groups perform for other people or organizations
11. marketplace	k) the number or proportion of unemployed people
12. services	l) payments of money for labour or services

**Ex. 6. Match the words to get collocations and make your own sentences with them.**

- |                  |                     |
|------------------|---------------------|
| 1. human         | a) well-being       |
| 2. to accumulate | b) producers        |
| 3. economic      | c) process          |
| 4. financial     | d) wealth           |
| 5. individual    | e) the goals        |
| 6. overall       | f) needs            |
| 7. to achieve    | g) activity         |
| 8. political     | h) for life         |
| 9. to satisfy    | i) behaviour        |
| 10. necessary    | j) values of output |

**Ex. 7. Complete the following word-combinations with prepositions where necessary and make your own sentences with them.**

1. to be connected \_\_\_ the economy    5. expenditures \_\_\_ the product

- |                                 |                                   |
|---------------------------------|-----------------------------------|
| 2. to affect ___ prices         | 6. to extract profit ___ life     |
| 3. to carry ___ choices         | 7. to influence ___ the household |
| 4. to be measured ___ economics | 8. to consist ___ two branches    |

**Ex. 8. Complete the following sentences with the given words and expressions. Translate them into your native tongue.**

price	Microeconomics	management	products
market	goods and services	earnings	regulations

1. They are producing more and better \_\_\_\_\_ with the same time and resources.
2. \_\_\_\_\_ is the study of individual consumers and the business firms.
3. There is a world wide \_\_\_\_\_ for American agricultural products.
4. More people can afford to buy this item at a lower \_\_\_\_\_.
5. The purpose of advertising is to sell \_\_\_\_\_.
6. He has had to pay tax on his \_\_\_\_\_ since he has started the firm.
7. The company's failure was mainly due to bad \_\_\_\_\_.
8. There are too many rules and \_\_\_\_\_ governing small businesses.

**Ex. 9. Select the answer which best completes the meaning of the sentence. Translate the sentences into your native tongue.**

1. We can't afford to buy the computer at this \_\_\_\_\_.  
a) cost            b) expense        c) price
2. \_\_\_ architectural concept of the project requires paying special attention to the decorative details.  
a) Full            b) Exact            c) Overall
3. \_\_\_ is a human activity, his management and his environment.  
a) Saving        b) Economy        c) Thrift
4. In return for working, you will receive a \_\_\_ or salary.  
a) payment      b) earnings        c) wage
5. All the owners of the companies operate their businesses, aiming to \_\_\_ wealth.  
a) accumulate   b) save            c) calculate
6. The \_\_\_ each day from the snack bar is usually around \$500.  
a) needs         b) profit           c) values
7. As a country, we \_\_\_ more than we produce.  
a) consume      b) affect           c) accumulate
8. This project is working for a strong, \_\_\_, and united Europe.  
a) economic     b) prosperous     c) financial

**Ex. 10. Make questions to the words and expressions in bold.**

1. This term describes **the financial well-being of the nation** as measured by economics.
2. Economics, as a science, consists of **two** main branches.
3. All our life is connected **with the economy and economics**.
4. The economy is **the system or structure of economic life in a country**.
5. Economic activity is fruitful **when it gives profit**.
6. Microeconomics studies **individual producers, consumers, or markets**.

**Ex. 11. Translate the following English words of the same root into your native tongue:**

economy – economics – economist – economic – economical – economically – to economize.

**Ex. 12. Choose the correct words in italics to complete the sentences. Translate them into your native tongue.**

1. He's a student of *economy / economics* now.
2. At school he didn't study the *economy / economics* of Great Britain.
3. He hopes he'll make a good *economist / economy*.
4. There are many *economic / economical* problems in the world.
5. *Economics / Economy* is a science studying *economics / economy*.
6. He tries to spend money and time *economical / economically*.
7. This car *economies / economizes* fuel.
8. David Ricardo, as a scientist, made great contributions to *economy/ economics*.
9. Leading *economics / economists* can predict the country's rate of inflation.
10. The new Honda does 50 miles per gallon. It is very *economic / economical*.

**Ex. 13. Translate the following word-combinations into English:**

- |                             |                           |
|-----------------------------|---------------------------|
| 1) экономический рост       | 8) экономика страны       |
| 2) экономический факультет  | 9) экономный способ       |
| 3) экономически независимый | 10) изучать экономику     |
| 4) работать экономистом     | 11) экономическая система |
| 5) проблемы в экономике     | 12) экономить на налогах  |
| 6) экономные цены           | 13) экономика Украины     |
| 7) экономить на расходах    | 14) выбор экономиста      |

**Ex. 14. Translate the following sentences into English.**

**a)**

1. Мікроекономіка вивчає фактори, що впливають на ціни, заробітну плату та прибуток.
2. Для вилучення максимального прибутку треба знати психологію людини.
3. Діяльність уряду має вплив на економіку країни.
4. Раціональне використання ресурсів зменшить витрати виробництва.
5. Податки на споживчі товари та послуги контролюються урядом.

**b)**

1. Макроэкономика изучает факторы, влияющие на стоимость выпускаемой продукции, безработицу и инфляцию.
2. Цель экономической деятельности, как людей, так и страны в целом – стать богаче.
3. Хозяйственная деятельность включает в себя экономный способ обмена товарами.
4. Рынок определяет, какие товары необходимо производить, чтобы удовлетворить потребности людей.
5. Экономное использование ресурсов помогает достичь экономической цели.

**Ex. 15. a) Explain the saying of Bernard Show about economics.**

**b) Speak on the difference in the terms ‘macroeconomics’ and ‘microeconomics’.**

**c) Give your reasons why studying of human behaviour is so important while studying economics.**

## **UNIT 2** **GOODS AND SERVICES**

Goods are material subjects. They are produced for selling or presenting. These subjects are also called consumer goods. People who use them are called consumers.

What is the value of consumer goods? It consists of:

- the time for production,
- the costs of production machines, tools, equipment and material,
- energy loss,
- rent of a building or the land,
- salaries

For example, the value of bread consists of buying the land, working it, sowing, gathering in the harvest, baking, and selling.

We should distinguish normal, inferior and luxury goods. Inferior goods tend to be low-quality goods. They are usually cheap, and poor people satisfy their needs by buying them. Luxury goods tend to be high-quality goods, for instance cars and jewellery. Necessities are normal goods that lie between these two extremes.

Non-material products are called services. These are consumer boons, for instance restaurants, repair shops, hotels, travel agencies, etc. They have their value too. For example, a concert is a service for the people loving music. What does a value of a concert consist of? It may consist of payment for the musicians or actors, rent of a hall, body-guards' payment, manager's payment, rent of a car, etc. Giving somebody a service is one of the ways of earning money.

### **ACTIVE VOCABULARY**

consumer goods	споживчі товари / потребительские товары
production	виробництво / производство
production machines	виробниче обладнання / производственное оборудование
tool	інструмент / инструмент
equipment	обладнання / оборудование
energy loss	енерговитрати / энергозатраты
rent	оренда / аренда
salary	заробітна плата / заработная плата
inferior goods	товари низької якості / товары низкого качества
luxury goods	предмети розкоші / предметы роскоши



normal goods	товари повсякденного попиту / товари повсякденного спроса
necessities	предмети першої необхідності / предметы первой необходимости
consumer boons	споживчі блага / потребительские блага
payment	оплата / оплата
to earn money	заробляти гроші / зарабатывать деньги

## COMPREHENSION QUESTIONS

1. What subjects are called consumer goods?
2. What does the value of consumer goods consist of?
3. What are the three types of goods?
4. What products are called services?

*Ex. 1. Memorize the following definitions.*

**Goods** – things that are produced in order to be sold.

**Value** – material or monetary worth.

**Production** – the process of making or growing things to be sold as products.

**Machine** – a piece of equipment that uses power, such as electricity, to do a particular job.

*Ex. 2. Find in the text English equivalents of the following word-combinations and phrases. Make your own sentences using them:*

1) виробляються для продажу; 2) людей, які використовують споживчі товари, називають споживачами; 3) вартість споживчих товарів; 4) час, який витрачено на виробництво; 5) витрати на виробниче обладнання, інструменти та матеріали; 6) оренда будівлі чи землі; 7) відрізняти звичайні товари, товари низької якості та товари розкоші; 8) задовольняти потреби; 9) високоякісні товари, наприклад, ювелірні прикраси; 10) знаходитися між двома крайнощами; 11) споживчі блага, наприклад, ресторани, майстерні, готелі та бюро подорожей; 12) мати вартість; 13) вартість складається з...; 14) оренда залу, автомобіля; 15) надавати послугу; 16) один з шляхів заробітку грошей.

*Ex. 3. Find antonyms to the following words and expressions in the text:*

normal goods; high-quality goods; selling; goods.

**Ex. 4. Find synonyms to the following words and expressions in the text:**

non-material products; necessities; for example; luxury goods; low-quality goods; equipment.

**Ex. 5. Match the words and expressions to their definitions.**

1. consumer goods	a) cheap goods of low quality
2. consumers	b) non-material products
3. inferior goods	c) material subjects produced for selling or presenting
4. luxury goods	d) people who buy and use goods
5. payment	e) expensive goods of high quality
6. services	f) necessities for everyday life
7. normal goods	g) a sum of money given for a good or service

**Ex. 6. Match the words to get collocations and make your own sentences with them.**

- |               |                   |
|---------------|-------------------|
| 1. material   | a) loss           |
| 2. inferior   | b) boons          |
| 3. energy     | c) machines       |
| 4. consumer   | d) of a building  |
| 5. repair     | e) agency         |
| 6. travel     | f) a service      |
| 7. production | g) subjects       |
| 8. rent       | h) for production |
| 9. to give    | i) shop           |
| 10. time      | j) goods          |

**Ex. 7. Complete the following sentences with the given words and translate them into your native tongue.**

tools	boon	payment	production	necessities
rent	salary	equipment	goods	value

- Our factory has all the necessary \_\_\_\_\_ to produce those goods.
- If we stop \_\_\_\_\_, we will lose a large amount of money.
- The family couldn't pay \_\_\_\_\_ for their house, so they had to move to a cheaper one.
- When I got my \_\_\_\_\_, I was pleased to see that my boss decided to pay me more.
- This shop offers \_\_\_\_\_ of high quality at reasonable prices.

6. We couldn't even realize the real \_\_\_\_\_ of the paintings.
7. She used her card to make the last \_\_\_\_\_ for her studies.
8. Builders use different \_\_\_\_\_ to carry out their work.
9. The new bus service will be a real \_\_\_\_\_ to people in the village.
10. We went to buy basic \_\_\_\_\_ for our stay.

**Ex. 8. Make questions to the words and expressions in bold.**

1. Goods are produced **for selling or presenting**.
2. The value of bread consists **of buying the land, working it, sowing, gathering in the harvest, baking, and selling**.
3. Necessities are **normal goods that lie between these two extremes**.
4. A concert is **a service for the people loving music**.
5. Non-material products are called **services**.
6. **Consumers** typically buy a smaller quantity of the goods that are sold at a higher price.
7. A nation's human well-being is measured **by the amount of goods and services available to its citizens**.
8. It is getting difficult for the US **to remain competitive in consumer products**.

**Ex. 9. Translate the following English words of the same root into your native tongue:**

production – to produce – product – producer – produce (n.) – productive – productivity.

**Ex. 10. Complete the following sentences with the appropriate form of the word 'produce'. Translate them into your native tongue.**

1. Henry Ford began the mass \_\_\_\_\_ of automobiles.
2. During his work at the plant he became a very \_\_\_\_\_ manager.
3. Since we bought the computer, \_\_\_\_\_ has increased by 15%.
4. The shop sells only fresh local \_\_\_\_\_.
5. The top salespeople are the ones who know the \_\_\_\_\_ they are selling inside and out.
6. The market is the process by which \_\_\_\_\_ and consumption are coordinated through prices.
7. Cool-Out company stopped \_\_\_\_\_ lemonade two years ago.
8. Honda, Nissan and Toyota are the three biggest car \_\_\_\_\_.
9. It is much easier if you have the right piece of equipment for the \_\_\_\_\_.
10. The new rules will affect steel, textiles and agricultural \_\_\_\_\_.

11. Management is always seeking ways to increase worker \_\_\_\_\_.  
 12. The country's main \_\_\_\_\_ are timber, coal and sugar.

**Ex. 11. Translate the following word-combinations into English:**

- |  |                                  |
|--|----------------------------------|
| 1) основная продукция                    | 8) промышленное производство     |
| 2) производить потребительские товары    | 9) продуктивный способ           |
| 3) производитель мебели                  | 10) производить для продажи      |
| 4) использовать для производства         | 11) производитель автомобилей    |
| 5) выращивать высококачественную пшеницу | 12) пищевая продукция            |
| 6) сельскохозяйственная продукция        | 13) секция сельхозпродукции      |
| 7) продуктивная встреча                  | 14) увеличить производительность |

**Ex. 12. Translate the following sentences into English.**

**a)**

1. Надання послуг – це один із способів заробітку грошей.
2. Небагаті люди задовольняють свої потреби, купуючи товари низької якості.
3. Вартість хліба складається з купівлі землі, її обробки, сівби, збирання врожаю та його продажу.
4. Споживчі товари виробляються для продажу споживачам.
5. Витрати на виробниче обладнання, інструменти та матеріали, залучені у вартість споживчих товарів.

**b)**

1. Кофе – основная продукция Бразилии.
2. Производство потребительских товаров увеличивается по всему миру.
3. Компания производит высококачественные медицинские инструменты.
4. Он работает в секции сельхозпродуктов в местном супермаркете.
5. Англия – самый важный в мире производитель шерсти.

**Ex. 13. Classify the following items either as goods or services. Compare your results with your partners. Ground your point of view.**

- |                        |              |                   |
|------------------------|--------------|-------------------|
| software               | coffee maker | letter delivery   |
| TV commercial          | French fries | dictionary        |
| airline ticket         | sports club  | consulting agency |
| microwave              | fax machine  | air conditioner   |
| office computer system | photocopier  | pizza             |

**Ex. 14. Expand the range of consumer boons:**  
restaurants, repair shops, hotels, travel agencies...

**Ex. 15. Answer the question: What does the value of the following goods and services consist of? Share your ideas with the partners.**

- a) a wedding party;
- b) a computer in the supermarket;
- c) an entrance fee to the Zoo.

Any individual may have some kind of property. There are many types of property: state, personal, collective, social, landed, joint, financial, and, of course, private. The private property feature is the right to own, use or dispose of things of value. You may dispose of things you own by selling them, giving them away, willing them to anyone you wish or even by throwing them away. You have the right to own, use and sell whatever you invent or create. Businesses have the right to own property too. It may be such things as land, buildings, tools and the goods they produce. They also have the right to use and dispose of their property in any lawful way just as individuals do.

A business is an establishment or enterprise that supplies us with goods and services in exchange for payment in some form. The right of the individual to choose whether to own a business, what business to enter and what to produce with only limited government direction is referred to as a private, or free enterprise. Private enterprise ensures you freedom to decide how you will earn a living. In a private enterprise system, you may start or invest in any business you wish as long as you obey the law in doing so. As a business person, you are generally free to offer goods and services at times, prices and places of your choice. You are free to succeed or even to fail in the business of your choice. Of course, there are some regulations that prevent you from doing things that would harm others. For example, you may not dispose of chemical wastes in a way that would pollute the environment. Nor can you practise surgery unless you have been granted a surgical licence.

Business is production, distribution, and sale of goods and services for profit. All businesses supply goods and services to the marketplace for one main reason – to earn money. Unless business owners can expect to make a profit, they would not want to put time, energy and money into an enterprise. Profit is the money left from sales after subtracting the cost of operating the business. The desire to work for profit is often called the profit motive. So, people are willing to reinvest money in business and to develop new products to satisfy consumers' wants. But the profit motive is not the only reason for putting time, money and effort into business. Some people enjoy bringing out new products or improving existing ones. Others like the excitement of starting and running new businesses. But the profit motive is the heart of the private enterprise system.

The rivalry among businesses to sell their goods and services to buyers is called competition. This feature of the economy gives us the opportunity to make choices among countless goods and services that are available. You make these choices by comparing prices, quality, appearance and usefulness of the things you buy. Competition encourages business owners to improve products, offer better services, keep prices reasonable and produce new things.

### ACTIVE VOCABULARY

enterprise	підприємство, фірма, компанія / предприятие, фирма, компания
private enterprise	приватне підприємство / частное предприятие
individual	приватна особа / частное лицо
to own	володіти / владеть
owner	власник / владелец
to dispose of	позбавлятися чого-небудь, розпоряджатися будь-чим шляхом продажу, передавання / избавляться от чего-либо, распорядиться чем-либо путем продажи, передачи
things of value	цінні речі / ценные вещи
to will	заповідати / завещать
business	справа, заняття, підприємство, бізнес / дело, занятие, предприятие, бизнес
to supply	постачати / поставлять
to enter business	розпочати комерційну діяльність, відкрити підприємство / начать коммерческую деятельность, открыть предприятие
to invest in	інвестувати / инвестировать
to offer	пропонувати / предлагать
to succeed in	досягти успіху / преуспеть
to fail in	збанкрутувати, зазнати невдачі / обанкротиться, потерпеть неудачу
licence	ліцензія / лицензия
profit motive	мотивація прибутку / мотивация прибыли
distribution	розподіл, рух товарів від виробника до споживача / распределение, движение товаров от производителя к потребителю

sale(s)	продаж, збут / продажа, сбыт
to make a profit	отримувати прибуток / получать прибыль
to put money into	вкласти гроші / вкладывать деньги
to subtract	відраховувати, віднімати / вычитать
to operate business	займатися бізнесом, вести комерційну діяльність / заниматься бизнесом, вести коммерческую деятельность
the cost of operating the business	витрати на виробництво / затраты на производство
to develop new products	розробляти нові продукти / разрабатывать новые продукты
to satisfy consumers' wants	задовольняти потреби споживача
competition	удовлетворяют потребительские нужды
usefulness	конкуренція / конкуренция
	практичність, корисність / практичность, полезность
to keep prices reasonable	утримувати ціни на розумному рівні / удерживать цены на разумном уровне

### COMPREHENSION QUESTIONS

1. What types of property do you know?
2. What does private property mean?
3. What do we call private enterprise?
4. What choices and restrictions does an individual have, entering the business?
5. What is the definition of business?
6. What is profit?
7. What does profit motive refer to?
8. What opportunities does competition give to both buyers and sellers?

#### *Ex. 1. Memorize the following definitions.*

**Enterprise** – a company, organization, or business privately owned.

**Property** – the thing or things that someone owns.

**Licence** – a formal or official permission from an authority to own or use something, do a particular thing or carry on a trade.

**Competition** – a situation in which people or organizations compete with each other, trying to get a customer.



**Ex. 2. Find in the text English equivalents of the following word-combinations and phrases. Make your own sentences using them:**

1) право володіти цінними речами, використовувати чи позбавлятися їх; 2) будь-яким законним чином; 3) забезпечує нас товарами та послугами; 4) в обмін на оплату; 5) обмежене державне управління; 6) гарантує свободу рішення; 7) заробляти на життя; 8) підкорятися закону; 9) пропонувати товари та послуги у час та за ціною, які обрані вами; 10) запобігати робити; 11) позбавлятися хімічних відходів; 12) забруднювати навколишнє середовище; 13) надати ліцензію на проведення хірургічних операцій; 14) вкладати час, енергію та гроші в підприємство; 15) бажання працювати для отримання прибутку; 16) конкуренція серед підприємств; 17) порівнює ціни, якість, зовнішній вигляд та придатність товарів.

**Ex. 3. Find antonyms to the following words and expressions in the text:**

to succeed in; to dispose of; collective property.

**Ex. 4. Find synonyms to the following words and expressions in the text:**

enterprise; to put money into business; competition; to develop new product; desire; to run a business; to invent; person; to enter business; free enterprise.

**Ex. 5. Match the words and expressions to their definitions.**

1. business	a) the rivalry among businesses to sell their goods and services to buyers
2. private property	b) commercial company
3. profit	c) the official permission to own or to do something
4. a business	d) the ownership that can be used or disposed
5. profit motive	e) the degree to which product is good or bad
6. competition	f) exchanging goods or services for money
7. distribution	g) the desire to work for profit
8. licence	h) the money left from sales after subtracting the operating costs
9. quality	i) producing, buying, and selling goods for profit
10. sale	j) movement of finished products from the factory to the marketplace

**Ex. 6. Match the words to get collocations and make your own sentences with them.**

- |                    |               |
|--------------------|---------------|
| 1. private         | a) wastes     |
| 2. to earn         | b) enterprise |
| 3. to obey         | c) reasonable |
| 4. to offer        | d) motive     |
| 5. chemical        | e) goods      |
| 6. lawful          | f) the law    |
| 7. to enter        | g) way        |
| 8. profit          | h) a living   |
| 9. to compare      | i) quality    |
| 10. to keep prices | j) business   |

**Ex. 7. Complete the following word-combinations with prepositions and make your own sentences with them.**

- |                               |                                     |
|-------------------------------|-------------------------------------|
| 1. to supply smb. ___ food    | 8. things ___ value                 |
| 2. in exchange ___ money      | 9. left ___ sales                   |
| 3. to invest ___ business     | 10. to supply ___ the marketplace   |
| 4. to fail ___ enterprise     | 11. ___ a lawful way                |
| 5. to prevent ___ doing smth. | 12. sale of goods ___ profit        |
| 6. to dispose ___ things      | 13. to put effort ___ an enterprise |
| 7. to succeed ___ business    | 14. to work ___ profit              |

**Ex. 8. Rewrite the sentences using words and expressions from the text for the underlined patterns. Translate them into your native tongue.**

1. He has enough money to put into business.
2. If you want to work here, you should obey all the rules.
3. They have been running their business for 10 years and they are quite successful.
4. That company delivered all the necessary details for us to continue the production.
5. Ann's grandfather left her more than \$1,000,000.
6. If we take a certain sum of money away from your profit, you won't be able to make ends meet.
7. In order to be successful, we need to please consumers' tastes.
8. The helpfulness of this invention is obvious.

**Ex. 9. Select the answer which best completes the meaning of the sentence. Translate the sentences into your native tongue.**

1. Many students study \_\_\_ at college.  
a) business      b) company      c) enterprise

2. There are plenty of small industrial \_\_\_ in our region.  
a) corporations    b) enterprises    c) shops
3. The restaurant lost its \_\_\_ to sell wine and spirits.  
a) regulation    b) law    c) licence
4. A product with a good brand name is very important for good \_\_\_\_.  
a) services    b) sales    c) payment
5. General Motors and Ford are in \_\_\_ to sell cars.  
a) competition    b) success    c) business
6. Under pressure from the American government, Fiat and other manufacturers obeyed the new safety \_\_\_\_.  
a) rights    b) possibilities    c) regulations
7. I wish they would \_\_\_ us with more stationery.  
a) deliver    b) avoid    c) supply
8. If you \_\_\_ the operating costs, you'll get a profit.  
a) subtract    b) extract    c) divide

**Ex. 10. Tick the meaning of the word 'business' as countable (C) or uncountable (U). Translate the sentences into your native tongue.**

1. We do not do much business with them.    C/U
2. He is the manger of three different businesses.    C/U
3. He is in business for himself.    C/U
4. The newspapers advertise many small businesses for sale.    C/U
5. Which do you want to do, go into business or become a lawyer?    C/U
6. Politics is very complicated and sometimes even dangerous business.    C/U
7. Are you in San Francisco for business or pleasure?    C/U
8. He set up a small travel business.    C/U

**Ex. 11. Translate the following English words of the same root into your native tongue:**

- to own – own (adj.) – owner – ownership  
 to compete – competitor – competition – competitive  
 to invest – investment – investor

**Ex. 12. Choose the correct words in italics to complete the sentences. Translate them into your native tongue.**

1. There appeared new *competitors* / *competition* in the market.
2. They work for a very small profit, so their prices are very *competed* / *competitive*.

3. In 1960s, there become great *competitor / competition* for oil from the Far East.
4. It is difficult *to compete / competing* with low-priced imports.
5. He left the company to start the business of *his own / ownership*.
6. Many public corporations became private but some of them are still *publicly owned / own*.
7. The *ownership / owner* can keep all the profits of the company.
8. In order to sell a car, you must have an *ownership / own* certificate.

**Ex. 13. Translate the following word-combinations into English.**

- |                                       |                                     |
|---------------------------------------|-------------------------------------|
| 1) владеть предприятием               | 7) земельная собственность          |
| 2) большие капиталовложения           | 8) затратить усилия на проект       |
| 3) конкурентоспособная продукция      | 9) конкуренция среди производителей |
| 4) большинство конкурентов            | 10) владелец компании               |
| 5) вкладывать деньги в строительство  | 11) привлекать инвесторов           |
| 6) конкурировать с другими компаниями | 12) совладелец                      |

**Ex. 14. Choose and use the correct word in the following sentences. Translate them into your native tongue.**

*practice (n.) – practise (v.)*

*licence (n.) – license (v.)*

1. We intend to sell this product under \_\_\_ in Asia.
2. Of course, if you \_\_\_, your skills will improve.
3. The \_\_\_ of the late payment is increasing.
4. We will \_\_\_ three companies to manufacture the product.
5. It is not considered good \_\_\_ to reveal client's names.
6. The restaurant is now \_\_\_ to sell alcohol.

**Ex. 15. Translate the following text into your native tongue paying attention to the meaning of the words in italics.**

Margaret Thatcher often talked about the benefits of *free enterprise* or *private enterprise*. She said that her achievement was to establish *an enterprise economy* in Britain, an economy where people were encouraged to start their own companies and where it was acceptable to get rich through business: *an enterprise culture*.

In some areas, the government reduced the number of laws and regulations to encourage business to move there. Businesses were encouraged to set up in the London Docklands, for example. The Docklands were *an enterprise zone*.

**Ex. 16. Translate the following sentences into English.**

**a)**

1. Приватна власність дає право володіти речами, використовувати чи позбуватися речей, що є твоєю власністю.

2. Якщо ти не отримав ліцензію, ти не маєш права займатися практичною хірургією.

3. Кожна людина має вирішити для себе, як вона зароблятиме на життя.

4. Бажання працювати для отримання прибутку називається мотивацією прибутку.

5. Ми повинні підкорятися правилам та постановам, щоб запобігти забрудненню навколишнього середовища.

**b)**

1. Конкуренція побуждает производителей создавать новую продукцию и держать цены на разумном уровне.

2. Предприятия имеют право использовать и избавляться от своей собственности любым законным способом.

3. Владельцы предприятий вкладывают деньги в разработку новой продукции и усовершенствуют уже существующую.

4. Конкуренция дает возможность сделать выбор среди бесчисленных товаров и услуг.

5. Мотивация прибыли – главная причина для деловых людей вкладывать время, деньги и усилия в бизнес.

**Ex. 17. Answer the question: What types of property would you like to own? Give your reasons.**

- |               |           |              |
|---------------|-----------|--------------|
| a) personal   | c) landed | e) financial |
| b) collective | d) joint  | f) private   |

**Ex. 18. Enumerate the advantages of competition: ...**

**Ex. 19. Imagine that you have been doing your business quite successfully for several years. But the powerful rival has made you feel unconfident. Think over your strategic plan how to compete with him.**

Business is the human activity related to material things. It includes production, financing and merchandising. Merchandising is the selling of products and providing various services, such as accounting, distributing, and repair.

There are four basic factors of production: land, labour, capital, and entrepreneurship.

In order to produce things, it is necessary to use land. It refers not only to a piece of real estate where we can build a factory, but it also means raw materials used for production. All the raw materials come from the land, the air, and the oceans. Some natural resources are non-renewable. If they are used now, they will not be available in the future. Examples are oil and coal deposits. Other resources are renewable. Examples are forests and fish.

Labour refers to all human resources that could be used in production of goods and services. Of course, the whole population is not available for use in production. The total number of persons available for work refers to collectively as the labour force, or the working population. Most labour changes raw materials into finished products and then distributes these to buyers.

The next factor, capital, can be used to replace or reduce the amount of physical and mental labour that people have to use in order to operate business. In everyday language, capital means several things. The most general meaning is wealth or money. But it also refers to the equipment that money purchases. Capital may include tools, machines, and buildings, such as factories and warehouses, where goods are produced and stored. Capital can take either of two forms, fixed or circulating. Fixed capital comprises mainly plant and equipment. Circulating, or working capital includes stocks of raw materials, all goods in the process of being produced and all stocks of finished products.

When people put together land, labour, and capital to make something of value, it is called entrepreneurship (or, sometimes, as enterprise). The entrepreneur is responsible for starting business activity. He manages the business by deciding the general policies for business operation. In order to be successful, an entrepreneur must look for new products or new ways of making things, and new methods of distribution, or he must offer new services. Many of these entrepreneurial functions are carried out by the staff of the companies.

Most firms selling consumer goods are in constant competition to make new and better products, that is called product innovation. Most large manufacturing businesses compete to find better and lower-cost methods, that is called process innovation. The most important function of the entrepreneur is that he is responsible for all business debts. When a company goes bankrupt, it causes problems for many people. The employees have to seek work elsewhere, the customers must look for another place to buy their products, the creditors lose money that they have lent to the company. But the entrepreneur takes the biggest risk. If the business succeeds or fails, he must pay the creditors up to the limit of his ability to pay. If he is skillful and lucky – the money he receives from his business activity will pay for the land, labour, and capital, and there will be some extra money remaining for him. This extra money is the profit. If the money he receives is not enough to pay for all the costs, the difference is a loss.

### ACTIVE VOCABULARY

financing	фінансування, кредитування / финансирование, кредитование
merchandising	торгівля / торговля
accounting	бухгалтерський облік / бухгалтерский учет
land	земля, земельні ресурси / земля, земельные ресурсы
labour	праця, робоча сила / труд, рабочая сила
entrepreneurship	підприємництво / предпринимательство
entrepreneur	підприємець, власник підприємства / предприниматель, владелец предприятия
real estate	нерухомість / недвижимость
raw materials	сировина / сырье
natural resources	природні ресурси / природные ресурсы
non-renewable	неоновлюваний / необновляемый
deposit	родовище / залежь, месторождение
to purchase	купувати / покупать
warehouse	склад / склад
fixed capital	основний капітал / основной капитал
circulating capital	оборотний капітал / оборотный капитал
stock	запас / запас
to manage	керувати / управлять

staff	штат, персонал / штат, персонал
product innovation	інноваційна продукція / инновационная продукция
process innovation	інноваційний технологічний процес / инновационный технологический процесс
business debts	виробничі борги / производственные долги
to go bankrupt	збанкрутувати/ обанкрутитися
employee	службовець, працівник / служащий, работник
creditor	кредитор / кредитор
to take the risk	ризикувати / рисковать
skillful	досвідчений, кваліфікований / опытный, квалифицированный
loss	збиток / убыток

### COMPREHENSION QUESTIONS

1. What does the notion of business include?
2. What do we call merchandising?
3. What are the four factors of production?
4. What does land mean as one of the basic factors of production?
5. What is the difference between renewable and non-renewable resources? Give some examples.
6. What are the main functions of most labour?
7. What does capital refer to?
8. What forms does capital exist in?
9. What does the entrepreneurship involve?
10. How does the entrepreneur manage the business?
11. Who takes the biggest risk in business and what are his responsibilities?
12. What is the profit and what is a loss?

*Ex. 1. Memorize the following definitions.*

**Distributing** – transportation, storage, and delivery of products from the point of production to the place where they can be sold.

**Real estate** – property in houses and land.

**Raw materials** – materials in their natural, unmanufactured condition.

**Entrepreneur** – a person who starts, manages, and takes the risks of running a business.

**Creditor** – one to whom the business owes money.



**Ex. 2. Find in the text English equivalents of the following word-combinations and phrases. Make your own sentences using them:**

1) діяльність людини, що пов'язана з матеріальними речами; 2) продаж товарів та надання різних послуг; 3) сировина, яку використано для виробництва; 4) людські ресурси; 5) працездатне населення; 6) перетворює сировину у готові продукти; 7) реалізувати покупцям; 8) фізична та розумова праця; 9) найпоширеніше загальне значення; 10) склади, де зберігаються товари; 11) відповідає за початок комерційної діяльності; 12) керує підприємством; 13) визначає загальну політику ведення бізнесу; 14) для того, щоб досягти успіху; 15) нові способи виробництва та нові послуги; 16) несе відповідальність за всі виробничі борги; 17) коли компанія стає банкрутом; 18) спричиняє проблеми; 19) шукати роботу; 20) підприємець бере на себе найбільший ризик; 21) залишкові гроші; 22) недостатньо для виплати всіх витрат.

**Ex. 3. Find antonyms to the following words and expressions in the text:**

mental work; raw materials; profit; to succeed; renewable; fixed capital.

**Ex. 4. Find synonyms to the following words and expressions in the text:**

extra money; to seek; buyer; to replace; to purchase; material things; work; capital; equipment; to produce; lucky; working population; entrepreneurship; method; natural resources; circulating capital; plant; to comprise.

**Ex. 5. Match the words and expressions to their definitions.**

1. process innovation	a) extra money remaining for the entrepreneur after he pays for the land, labour, and capital
2. merchandising	b) manufacturing of raw materials into finished products
3. renewable resources	c) business organization carrying out commercial activity
4. land	d) better and lower-cost methods of production
5. labour	e) store of goods available for sale, distribution or use

6. firm	f) layer of solid matter in the ground, such as metal or a mineral
7. capital	g) putting together land, labour, and capital to make something of value
8. entrepreneurship	h) selling of goods and providing various services
9. profit	i) use of mental or physical work to produce goods
10. production	j) money or property and equipment used for production
11. deposit	k) living things that reproduce themselves naturally
12. stock	l) piece of real estate where we can build a factory, but it also means all the raw materials used for production

**Ex. 6. Match the words to make collocations and make your own sentences with them.**

- |                  |               |
|------------------|---------------|
| 1. human         | a) estate     |
| 2. manufacturing | b) work       |
| 3. basic         | c) innovation |
| 4. real          | d) force      |
| 5. raw           | e) resources  |
| 6. physical      | f) money      |
| 7. finished      | g) businesses |
| 8. product       | h) products   |
| 9. labour        | i) factors    |
| 10. extra        | j) materials  |

**Ex. 7. Fill in prepositions as in the text and make your own sentences with the following verbs.**

- |                       |                       |                           |
|-----------------------|-----------------------|---------------------------|
| 1. to be related ____ | 4. to refer ____      | 7. to come ____           |
| 2. to change ____     | 5. to distribute ____ | 8. to be responsible ____ |
| 3. to look ____       | 6. to pay ____        | 9. to put ____            |

**Ex. 8. Complete the following sentences with the given words and expressions. Translate them into your native tongue.**

bankrupt employees real estate policy merchandising  
creditors equipment natural resources physical entrepreneurs

1. Farming has always involved hard \_\_\_\_ labour.

2. They are starting to import hi-tech telecommunication \_\_\_\_\_.
3. After suffering losses for years, the business finally went \_\_\_\_\_.
4. If the company has a successful year and good profits, they will be able to pay their \_\_\_\_\_.
5. The tourist industry provides opportunities for many small \_\_\_\_\_ who operate shops and restaurants.
6. General Motors Corporation has several thousand \_\_\_\_\_.
7. Department stores and supermarkets are examples of \_\_\_\_\_ enterprises.
8. He borrowed money from the bank to purchase some \_\_\_\_\_.
9. It is the \_\_\_\_\_ of this company that workers receive two weeks paid vacation each year.
10. Land and other \_\_\_\_\_ include minerals, sand, salt, limestone, oil, waterfalls, forests and fish.

**Ex. 9. Select the answer which best completes the meaning of the sentence. Translate the sentences into your native tongue.**

1. \_\_\_\_\_ depends on how much the amount received is greater than the amounts paid.
  - a) Cost
  - b) Profit
  - c) Loss
2. To get higher profit, firms have to increase efficiency of \_\_\_\_\_.
  - a) labour
  - b) work
  - c) capital
3. After her grandfather's death, Hannah inherited \_\_\_\_\_ somewhere in Australia.
  - a) real estate
  - b) capital
  - c) village
4. Crude oil is the \_\_\_\_\_ from which gasoline is made.
  - a) product
  - b) good
  - c) raw material
5. Because of modern machines and technology, more and more \_\_\_\_\_ work is required.
  - a) physical
  - b) mental
  - c) productive
6. By selling his business, he was able to pay off all his \_\_\_\_\_.
  - a) costs
  - b) money
  - c) debts
7. Petroleum is an important raw material for the \_\_\_\_\_ of plastics.
  - a) production
  - b) producing
  - c) making
8. Drilling for oil is an activity that involves considerable \_\_\_\_\_.
  - a) risk
  - b) payment
  - c) policy
9. The preservation of a system of free \_\_\_\_\_ is essential to economic freedom.
  - a) decision
  - b) choice
  - c) enterprise
10. At present, we are \_\_\_\_\_ market research to find out what particular products customers want.
  - a) making
  - b) taking
  - c) carrying out

**Ex. 10. a) Form derivatives of the words using the prefix re- and translate them into your native tongue:**

produce, store, new, construct, place, collect, move, organize, cycle.

**b) Underline the words with the prefix re- and translate them into your native tongue:**

resource, record, rewrite, remember, refresh, reduce, return, respect, resell, request, report, recognize, rename, renewable.

**Ex. 11. Translate the following sentences into English.**

**a)**

1. Торгівля – це продаж товарів та надання різних послуг.

2. Для виробництва товарів необхідно використовувати земельні ресурси.

3. Праця – це використання інтелектуальної чи фізичної роботи для виробництва товарів.

4. Щоб досягти успіху, підприємець повинен шукати нові продукти, нові способи виробництва чи нові методи реалізації товару.

5. Праця перетворює сировину у готову продукцію.

**b)**

1. Сырье получают из земли, воздуха и воды.

2. Когда компания становится банкротом, это может стать причиной возникновения проблем у многих людей.

3. Независимо от успеха предприятия, предприниматель несет ответственность за все свои долги.

4. Капитал включает в себя не только деньги, но и станки, инструменты, здания, такие как фабрика или склад.

5. Если денег, которые получает предприниматель, недостаточно для покрытия всех его расходов, он может обанкротиться.

**Ex. 12. Expand the range of services:**

accounting, distributing, ...

**Ex. 13. Examine the list of items below and decide whether the capital may include these aspects or not? Share your ideas with the partners.**

a) warehouses

g) finished products

b) machine-tools

h) extra money you've got from the deal

c) skillful employees

i) production costs

d) raw materials

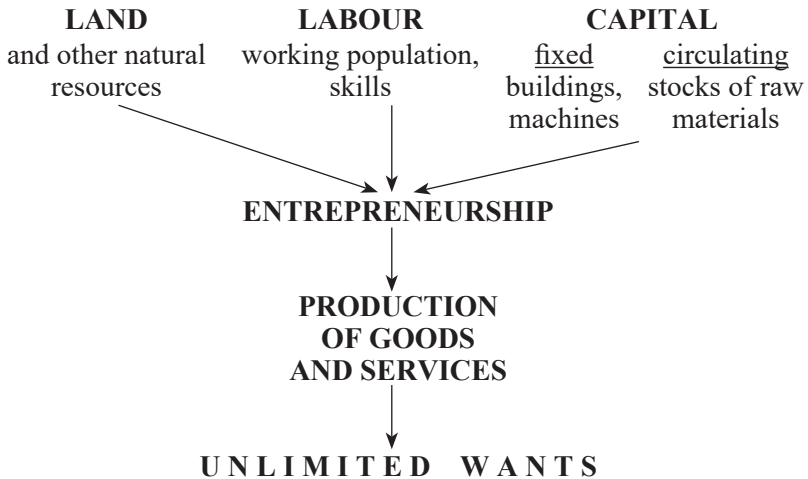
j) land

- e) selling of products
- f) merchandising

- k) factory building
- l) salaries of the employees

*Ex. 14. Look over the chart below. Write a paragraph about the four basic factors of business. Your first sentence should be a topic sentence. It should state what the four basic factors are. Then you should write two sentences about each of the factors. You should discuss the factors in the same order in which they were presented in this unit. However, do not copy exactly the text.*

### FACTORS OF PRODUCTION



## REVISION 1 (UNITS 1-4)

**Ex. 1. Read the definitions. Then put the anagrams in the correct order. The first letter of each word is in bold.**

- |  |                    |
|--|--------------------|
| 1. Legally registered business.  | pamocyn company    |
| 2. Rivalry between businesses that are operating in the same market.                   | metcoipiont .....  |
| 3. Someone who starts a company, arranges business deals and takes risks.              | pnurenretree ..... |
| 4. A person who specializes in the study of economics.                                 | ominecost.....     |
| 5. An amount of money paid every month to an employee in exchange for his services.    | yraasl .....       |
| 6. The amount of money or possessions owned by an individual, organization or country. | lathew .....       |
| 7. A person who buys products and services.  | smcounre .....     |
| 8. The production of goods using capital and labour.                                   | studinyr .....     |

**Ex. 2. Match the words and expressions to similar meanings.**

- |                      |                        |
|----------------------|------------------------|
| 1. expenditures      | a) consumer            |
| 2. capital           | b) worker              |
| 3. to run a business | c) business            |
| 4. buyer             | d) petroleum           |
| 5. enterprise        | e) wages               |
| 6. to purchase       | f) to start business   |
| 7. to enter business | g) to operate business |
| 8. salary            | h) to buy              |
| 9. employee          | i) costs               |
| 10. merchandising    | j) money               |
| 11. ownership        | k) selling             |
| 12. oil              | l) property            |

**Ex. 3. Rewrite the following sentences. Replace the underlined words and expressions with the words and expressions of the same meaning.**

- Profit is often used for reinvestments, buying of new machines and improving the future prospects of the enterprise.
- Labour changes raw materials into finished products.

3. Most people and societies want to accumulate wealth and become richer.
4. Competition in the private enterprise system gives consumers the opportunity to make choices among different goods and services.
5. The owner of the business takes the greatest risk.
6. The desire to work for profit is not the only reason for putting money into business and developing new products.
7. When a company fails, it causes problems for many people.
8. Working population is human resources that could be used in production of goods and services.
9. The money, the entrepreneur receives from his business activity will pay for the land, labour, and capital – and there will be extra money remaining for him.
10. People to whom the company owes money may lose.

**Ex. 4. Match the words and expressions to opposite meanings.**

- |                        |                          |
|------------------------|--------------------------|
| 1. producer            | a) buying                |
| 2. selling             | b) non-material subjects |
| 3. inferior goods      | c) private property      |
| 4. to succeed in       | d) microeconomics        |
| 5. collective property | e) luxury goods          |
| 6. mental work         | f) non-renewable         |
| 7. renewable           | g) expensive             |
| 8. profit              | h) to fail in            |
| 9. circulating capital | i) physical work         |
| 10. macroeconomics     | j) fixed capital         |
| 11. cheap              | k) consumer              |
| 12. material subjects  | l) loss                  |

**Ex. 5. Underline the odd word in each set.**

- |                   |                 |              |
|-------------------|-----------------|--------------|
| 1. a customer     | b <u>court</u>  | c consumer   |
| 2. a licence      | b regulation    | c law        |
| 3. a profit       | b failure       | c earnings   |
| 4. a stock        | b goods         | c products   |
| 5. a organisation | b establishment | c government |
| 6. a seller       | b buyer         | c shopkeeper |
| 7. a owner        | b entrepreneur  | c creditor   |
| 8. a equipment    | b machinery     | c tools      |
| 9. a distribution | b competition   | c rivalry    |
| 10. a supermarket | b factory       | c warehouse  |

**Ex. 6. Match the words to get collocations and give their equivalents in your native tongue. Complete the sentences below with verbal collocations from the box.**

1. private	a) loss	1. to satisfy	a) a living
2. profit	b) estate	2. to keep	b) the risk
3. raw	c) resources	3. to go	c) wealth
4. finished	d) money	4. to take	d) the law
5. real	e) products	5. to make	e) services
6. natural	f) enterprise	6. to accumulate	f) needs and wants
7. energy	g) boons	7. to achieve	g) a profit
8. consumer	h) activity	8. to earn	h) bankrupt
9. economic	i) motive	9. to offer	i) prices reasonable
10. extra	j) materials	10. to obey	j) the goals

- Poor selling methods made the company \_\_\_\_\_.
- All people decide themselves how to \_\_\_\_\_ a \_\_\_\_\_.
- The aim of the market is to \_\_\_\_\_ and \_\_\_\_\_ of the consumers.
- The company has \_\_\_\_\_ their \_\_\_\_\_ of expanding its business abroad.
- It is necessary to \_\_\_\_\_ the \_\_\_\_\_ in order to do fair business.
- Educational establishments are institutions that \_\_\_\_\_ qualified \_\_\_\_\_.
- The trade company succeeded in sales last month by \_\_\_\_\_ reasonable.
- The main goal of a human society and each individual is to \_\_\_\_\_ and become rich.
- The telephone companies \_\_\_\_\_ a huge \_\_\_\_\_ every day.
- When a business goes bankrupt, the entrepreneur \_\_\_\_\_ the biggest \_\_\_\_\_.

**Ex. 7. Complete the following table with appropriate forms of the words.**

<b>Noun (concept)</b>	<b>Noun (person)</b>	<b>Verb</b>
<i>consumption</i>	<i>consumer</i>	<i>consume</i>
		invest
competition		
	distributor	
		own
production		
economy		



**Ex. 8. Complete the following sentences with the correct form of the word in capitals. Translate them into your native tongue.**

1. The market is the process by which production and \_\_\_\_\_ are coordinated through prices. CONSUME
2. It's much easier if you have the right piece of \_\_\_\_\_ for the production. EQUIP
3. The \_\_\_\_\_ resources can be used today and in the future. NEW
4. Working capital circulates through the \_\_\_\_\_ process. PRUDUCT
5. Professional \_\_\_\_\_ value work as a way of life, highly involving and stimulating. EMPLOY
6. Investors pay an amount of money to the company and become its \_\_\_\_\_. OWN
7. He is very good at \_\_\_\_\_ his sales team. MOTIVE
8. Research suggests that there will be a significant \_\_\_\_\_ in the market for women's products. GROW
9. Designing the first laptop computer was one of his greatest \_\_\_\_\_. ACHIEVE
10. The nation's future \_\_\_\_\_ will depend on developing highly -skilled employees. PROSPER

**Ex. 9. Fill in the gaps with prepositions where necessary.**

1. They didn't put the same amount ... money ... their business.
2. This company supplied us ... their chemicals.
3. Advertising influences ... the customer and makes him ... buy the goods.
4. We are currently looking ... consultants to bring their know-how to our organization.
5. ... a mixed economy, three quarters ... production is carried ... by the private sector through market.
6. The company showed greater profitability over the last two years, so they could invest more ... plant and machinery.
7. Many business letters are connected ... establishing business relations, doing business and various business matters.
8. With few natural resources, the UK depends ... foreign trade to supply raw materials ... English factories.
9. Each Regional Manager is responsible ... a particular territory.
10. Entrepreneur refers ... a person who directs the business.
11. Microeconomics tries to understand what factors affect ... the prices, wages and earnings.
12. What do you think is needed to succeed ... business?

**Ex. 10. Match the fields of business with the real life situations.**

- a) production of goods
- b) distribution of goods
- c) sale of goods and services

1. Manchester airport's new terminal is capable of handling up to six million passengers a year. \_\_\_\_
2. Farmers plant crops for harvesting. \_\_\_\_
3. Transportation of goods from England to Australia. \_\_\_\_

**Ex. 11. Translate the following sentences into your native tongue, pay attention to the meaning of the word 'business'.**

1. We do a lot of *business* with Italian companies.
2. She's in the fashion *business* and she's the boss of Hanae Mori International.
3. He took a *business* course at the Harvard *Business* School.
4. Harry may be a friend but *business* is *business*, and he's not the best man for the job.
5. Mrs. Taylor runs an office equipment *business*.
6. We discussed this week's *business*.
7. Chris is in London this week, on *business*.
8. Pam's going into *business* with her sister.
9. *Business* is slow during this summer.
10. We'd better stop chatting and get down to *business*.

**Ex. 12. Translate the following sentences from Ukrainian into English.**

1. Макроекономіка вивчає економіку в цілому, а не її окремі складові.
2. Що б ви не виробляли, у вас завжди буде товар та витрати на нього.
3. Люди, які використовують споживчі товари, називаються споживачами.
4. Послуги – це нематеріальні товари, але вони теж мають свою вартість.
5. Людина має право володіти, використовувати та продавати свої винаходи та вироби.
6. Усі підприємства постачають свої товари на ринок з метою заробітку грошей.
7. Виробничі компанії ведуть постійну конкурентну боротьбу за виготовлення нових покращених товарів.

8. Підприємець відповідає за початок своєї комерційної діяльності та визначає загальну політику ведення бізнесу.
9. Залучення земельних, трудових ресурсів та капіталу для виготовлення вартісного товару називається підприємництвом.
10. Деякі природні ресурси не відновлюються, тому їх треба використовувати обережно.

**Ex. 13. Translate the following sentences from Russian into English.**

1. Любая человеческая деятельность решает три вопроса: какие товары и услуги производит, как производит и для кого.
2. Экономическая деятельность является эффективной, если она приносит прибыль.
3. Предметы первой необходимости – это потребительские товары, которые нужны людям в первую очередь.
4. Что входит в стоимость железнодорожного билета?
5. Будучи бизнесменом, вы вправе предлагать свои товары и услуги по своей цене.
6. Прибыль не является единственной причиной ведения бизнеса.
7. Если компания станет банкротом, ее работники вынуждены будут искать другое место работы.
8. Опытный предприниматель не будет рисковать, накапливая производственные долги.
9. Предприниматель может обанкротиться, если он будет нерационально использовать свое сырье и рабочую силу.
10. Персонал компании может выполнять много разнообразных функций.

## **FORMS OF BUSINESS: A SOLE PROPRIETORSHIP**

In business, there are three major legal forms of ownership: the sole proprietorship, the partnership and the corporation. The main differences among them are in their ability to raise capital, the size and continuity of the enterprise, the disposition of profits, and the legal obligations in case of bankruptcy. Each form has certain advantages and disadvantages.

The sole proprietorship is the oldest form of business. Sole means single, and the proprietor is the owner. Therefore, a sole proprietorship is a business owned and operated by a single person. Most self-employed people fit into this category, for example: a farmer, doctor, solicitor, estate agent, hairdresser, market stall holder, etc. With a few exceptions, all businesses in this category are small. They do not produce material goods and belong to the service industries, for example: different restaurants, repair shops, hotels, petrol stations, barber shops, travel agencies, laundromats, beauty shops, etc.

The sole proprietorship is the most common form of business. The reason for its popularity is that it is easy to organize. There is no legal setting-up procedure. The person just needs to get a licence, hire the employees, rent a building and purchase the necessary goods and equipment. This form of organization requires the least amount of capital. It can be personal or borrowed capital. There are some more good aspects of the business. The sole proprietor owns all the business assets. He is free to make all the decisions and he arranges his own schedule. He decides on vacation, salary, hiring and firing. The owner has the right to control and keep all the profits. The business itself pays no special tax. Personal income tax on profits is only paid. There are very few government and legal regulations. The proprietor can stop the business whenever he likes.

The main disadvantage of this form of ownership is unlimited liability. This means that the owner is responsible for all business debts. He runs the risk of losing personal property, his house and savings. He has to declare personal bankruptcy if the business fails. The money, that a proprietor can raise, is limited by the amount of his savings and ability to borrow. The owner alone takes responsibility for incorrect choices. Long hours and hard work are often necessary. There is lack of opportunities for employees, limitations of size and growth and lack

of management resources. And the last point is a short business life. It ends if the owner quits or dies.

Despite the drawbacks of this type of organization, it is quite successful and popular and many people remain in this form of business for all of their working lives.

### ACTIVE VOCABULARY

forms of ownership	форми власності / форми собственности
sole proprietorship	одноосібне володіння / единоличное владение
partnership	товариство, партнерство / товарищество, партнерство
corporation	корпорація / корпорация
to raise capital	отримувати гроші (позику) / получать деньги (заём)
disposition of profits	розміщення прибутку / размещение прибыли
legal obligations	юридичні зобов'язання / юридические обязательства
proprietor	власник / владелец, собственник
self-employed people	люди, що працюють на себе / люди, работающие на себя
service industry	сфера обслуговування / сфера обслуживания
legal setting-up procedure	юридично запроваджений порядок / юридически установленный порядок
to hire	наймати / нанимать
to fire	звільняти / увольнять
to borrow	брати в позику / брать взаймы
business assets	власність, (активи) компанії / собственность, (активы) компании
to arrange schedule	складати графік роботи / составлять график работы
to decide on vacation	вирішувати питання, що пов'язані з відпусткою / решать вопросы, связанные с отпуском
to keep the profits	утримувати прибуток / удерживать прибыль

to pay tax	сплачувати податок / платити налог
income tax	прибутковий податок / подоходний налог
unlimited liability	необмежена юридична відповідальність / неограниченная юридическая ответственность
personal property	особиста власність / личная собственность
savings	заощадження / сбереження
to declare personal bankruptcy	оголосити особисте банкрутство / объявить личное банкротство
to take responsibility	брати відповідальність / брать ответственность

### ANSWER THE QUESTIONS

1. What legal forms of ownership do you know?
2. What factors can help to distinguish the three forms of business?
3. What does the term 'sole proprietor' mean?
4. What sectors of the economy are sole proprietors common in?
5. What are the main advantages of running the sole proprietorship?
6. What are the drawbacks of being a sole proprietor?

#### *Ex. 1. Memorize the following definitions.*

**Sole proprietorship** – a business with unlimited liability owned by one person who may or may not have employees.

**Assets** – things or property owned by a person or company, regarded as having value and being available to meet debts.

**Income tax** – tax levied directly on personal income.

**Liability** – a thing for which someone is liable, especially a financial obligation.

#### *Ex. 2. Find in the text English equivalents of the following word-combinations and phrases. Make your own sentences using them:*

1) основні юридичні форми власності; 2) спроможність отримувати гроші; 3) розмір та цілісність підприємства; 4) юридичні зобов'язання у разі банкрутства; 5) переваги та недоліки; 6) підприємство, яким володіє та керує одна особа; 7) підпадати під цю категорію; 8) належати до сфери обслуговування; 9) пральні самообслуговування та салони краси; 10) отримати ліцензію та най-

няти працівників; 11) орендувати будівлю та закупити обладнання; 12) потребує мінімальний обсяг капіталу; 13) особистий чи позиковий капітал; 14) одноосібний власник володіє всіма активами компанії; 15) контролювати та отримувати прибуток; 16) не сплачує ніяких спеціальних податків; 17) ризикує втратити особисту власність; 18) обсяг заощаджень; 19) бере відповідальність за неправильний вибір; 20) брак можливостей для працівників; 21) обмеження в розмірі та зростанні; 22) бракування управлінських ресурсів; 23) недовговічність існування підприємства; 24) незважаючи на недоліки.

**Ex. 3. Find antonyms to the following words and expressions in the text:**

to lose; advantage; hiring; personal capital.

**Ex. 4. Find synonyms to the following words and expressions in the text:**

drawback; sole proprietor; obligations; main; limitation; enterprise; to raise money.

**Ex. 5. Match the words and expressions to their definitions.**

1. resresponsibility	a) money or something of value to a company
2. licence	b) legal responsibility or debt
3. assets	c) in business the possibility of failure
4. income tax	d) the owner of a business
5. liability	e) person, who works for another person, usually for pay
6. bankrupt	f) person's obligation to carry out certain tasks or activities
7. proprietor	g) amount of money that must be paid to the government according to the income
8. debt	h) legal permission to perform certain business activities
9. risk	i) person who is declared by a court incapable of paying his debts
10. employee	j) amount of money which must be paid to someone

**Ex. 6. Match the words to get collocations and make your own sentences with them.**

- |                  |               |
|------------------|---------------|
| 1. forms of      | a) agent      |
| 2. borrowed      | b) industries |
| 3. estate        | c) people     |
| 4. management    | d) station    |
| 5. service       | e) ownership  |
| 6. self-employed | f) assets     |
| 7. setting-up    | g) liability  |
| 8. petrol        | h) capital    |
| 9. business      | i) resources  |
| 10. unlimited    | j) procedure  |

**Ex. 7. Match the words to get verbal collocations and find their Russian equivalents in the list.**

- |                            |                                |          |          |            |
|----------------------------|--------------------------------|----------|----------|------------|
| schedule                   | taxes                          | capital  | licence  | building   |
| decision                   | profits                        | employee | property | bankruptcy |
| 1. to get a ...            | a) платить налоги              |          |          |            |
| 2. to fire an ...          | b) составлять график работы    |          |          |            |
| 3. to rent a ...           | c) объявить личное банкротство |          |          |            |
| 4. to make a ...           | d) получать лицензию           |          |          |            |
| 5. to arrange a ...        | e) принимать решение           |          |          |            |
| 6. to keep the ...         | f) удерживать прибыль          |          |          |            |
| 7. to pay ...              | g) получать заем               |          |          |            |
| 8. to lose ...             | h) уволить служащего           |          |          |            |
| 9. to declare personal ... | i) арендовать здание           |          |          |            |
| 10. to raise ...           | j) лишиться собственности      |          |          |            |

**Ex. 8. Complete the following word-combinations with prepositions and make your own sentences with them.**

- |                             |  |
|-----------------------------|--|
| 1. disposition ___ profits  | 7. to belong ___ the service industries      |
| 2. in case ___ bankruptcy   | 8. the reason ___ its popularity             |
| 3. to fit ___ this category | 9. personal income tax ___ profits           |
| 4. an amount ___ capital    | 10. to be responsible ___ all business debts |
| 5. to decide ___ vacation   | 11. the risk ___ losing personal property    |
| 6. lack ___ opportunities   | 12. limitations ___ size and growth          |

**Ex. 9. Select the answer which best completes the meaning of the sentence. Translate the sentences into your native tongue.**

1. The single owner is seldom able \_\_\_ as much capital as it can be obtained by a partnership or a corporation.
- a) to find      b) to raise      c) to land



2. Unless the owner has much personal wealth, the business may have difficulty \_\_\_ money in critical times.  
a) hiring      b) looking for      c) borrowing
3. To run a business properly, one should \_\_\_ a professional manager.  
a) hire      b) look for      c) fire
4. Personal \_\_\_ can be sold for the business debts.  
a) money      b) assets      c) company
5. The company's manager makes a lot of important decisions concerning hiring and \_\_\_ employees.  
a) firing      b) retiring      c) training
6. Small \_\_\_ are very often service industries.  
a) enterprise      b) businesses      c) proprietors
7. A sole proprietor has unlimited liability for his company, which means that, in case of \_\_\_, he may lose both his company and his personal property.  
a) success      b) profitability      c) bankruptcy
8. The \_\_\_ industries don't produce material goods.  
a) private      b) service      c) automobile
9. Chris made considerable \_\_\_ by selling cars.  
a) payment      b) property      c) savings

**Ex. 10. Complete the following sentences with the given words and expressions. Translate them into your native tongue.**

personal property	forms of ownership
service industries	savings
self-employed	declare personal bankruptcy
paying taxes	takes responsibility

1. I decided to launch a business, so I invested all my \_\_\_\_\_ in it.
2. Currently, \_\_\_\_\_ are getting more and more developed in our country.
3. After the retiring, her grandparents spent all their \_\_\_\_\_ on travelling.
4. A simple teacher \_\_\_\_\_ for the development of every student.
5. There was nothing to be done, so the company had to \_\_\_\_\_.
6. If you can't work regular hours, sitting in the office and obeying one's orders, you have to be \_\_\_\_\_.
7. The sole proprietorship, the partnership and the corporation are the \_\_\_\_\_.
8. Mr. Brown was arrested and all his property was taken away because he avoided \_\_\_\_\_.

**Ex. 11. Rewrite the following sentences. Replace the underlined words and expressions with the words and expressions of the same meaning.**

1. A sole proprietorship is the easiest to begin and the easiest to end.
2. There is the opportunity to be successful, but the owner runs the risk of financial ruin.
3. His personal assets can be used to pay the debts in the event of bankruptcy.
4. The sole proprietor may keep all the profits derived from his business.
5. His business went bankrupt because of poor management and bad financial decisions.
6. If the sole proprietor wants to quit, he can simply find someone to purchase his enterprise.
7. This restaurant is owned and operated by one individual.
8. The owner is liable for all the debts of his enterprise. He owns all the assets but he owes all the liabilities.

**Ex. 12. Translate the following sentences into English.**

**a)**

1. Одноосібне володіння дуже популярне серед людей, які працюють на себе.
2. Ці підприємства не виробляють матеріальних товарів та належать до сфери обслуговування.
3. Підприємець ризикує втратити свою особисту власність, свій дім та свої заощадження.
4. Причиною популярності одноосібного володіння є просто-та його утворення.
5. Одноосібний власник володіє всіма активами компанії, приймає всі рішення та складає свій графік роботи.

**b)**

1. Единоличный владелец может в любое время прекратить работу своего предприятия.
2. Недолговечность единоличной формы собственности и неограниченная юридическая ответственность владельца являются основными недостатками этой формы бизнеса.
3. Как правило, все предприятия единоличной формы собственности, за редким исключением, небольшие по размеру.
4. Единоличная форма бизнеса требует минимальных капиталовложений.

5. В случае неудачи своего предприятия, владелец объявляет о своем банкротстве.

**Ex. 13. Fill in the table with advantages and disadvantages of sole proprietorship. Discuss them with your partners.**

Sole proprietorship	Advantages	Disadvantages
	1) <i>easy to organize</i> 2) ... 3) ...	1) <i>unlimited liability</i> 2) ... 3) ...

**Ex. 14. Imagine that you run your own business and you are a sole proprietor. Which sphere of service industries would you choose? Ground your choice and share your ideas with the partners.**

**FORMS OF BUSINESS:  
A PARTNERSHIP**

A partnership is a business owned and managed by two or more people who become partners. Partners, like sole proprietors, own all the assets, owe all the debts, make the decisions, and take all the risks. There are some types of partners. General partners have unlimited liability, i.e. each partner is liable for the debts and the business actions of the others to the full extent of his own resources. They are also called full, or active partners because they take part in management. If partners have limited liability, they are called limited partners. They don't take part in management and are called passive, or sleeping partners. There may be a silent partner as well – a person who is known to the public as a member of the firm but without authority in management. The reverse of the silent partner is the secret partner – a person who takes part in management but who is unknown to the public.

By a legal agreement, partners share the profits or losses and the responsibilities of their business. The partnership agreement, or the articles of co-partnership is a contract outlining everything which helps the partners in the business operation. Two important items are covered exactly – which assets each partner is contributing, and how the partnership can be changed or terminated.

Partnership is a common form of organization in the professions and in businesses where capital requirements are relatively small, e.g. retail and other service trades, architects, management consultants and auditors. Any business may have the form of a partnership, for example, in such professional fields as medicine, law, accounting, insurance and stockbrokerage.

There are some advantages of holding a partnership. It is easy to start the business. More sources of finance are available because partners combine their resources. They can put the same amount of capital into business, but often one partner can invest less capital or even no money at all. He can contribute important services or skills, sometimes just a name or a reputation. Partnerships often get tax benefits from the government. Partners pay only personal income tax on their share of the profits. More business skills are available because partners can bring fresh ideas and talents to business organization. Liability losses are divided up between the partners, thus reducing the risk of personal bankruptcy for any one partner.

Partnerships have certain disadvantages too. Each of partners is subject to unlimited liability. It means that they are individually responsible for all the debts of the business, even to losing personal property if the business fails. Each partner can make decisions, so there are more than one boss. The smooth operation of a partnership requires all owners to agree on management policy. Decisions are reached by consultation between partners who may disagree with each other, thus the interpersonal conflicts can take place. Partners are the business and not employees of it, so if one partner dies or becomes unable to continue with the business, the partnership is automatically dissolved.

Unlike sole proprietorships, partnerships can grow to be relatively large organizations, have many employees in addition to the partners, with offices in every major city in the country as well as overseas.

### ACTIVE VOCABULARY

to owe	бути винним / быть должным
general partner	спільний партнер, який несе повну юридичну відповідальність / общий партнер, несущий полную юридическую ответственность
to be liable for	нести юридичну відповідальність за / нести юридическую ответственность за
full (active) partner	партнер, який зайнятий повсякденним керівництвом / партнер, занимающийся повседневным руководством
limited partner	партнер з обмеженою юридичною відповідальністю / партнер с ограниченной юридической ответственностью
passive (sleeping) partner	партнер, який не бере участі в управлінні бізнесом / партнер, не принимающий участия в управлении бизнесом
silent partner	партнер без права голосу, але відомий громадськості / партнер без права голоса, но известный общественности
secret partner	секретний партнер (з правом голосу, але невідомий громадськості) / секретный партнер (с правом голоса, но неизвестный общественности)

authority in management	повноваження в управлінні / полномочия руководить
legal agreement	юридична угода / юридическое соглашение
to share the profits or losses	ділити прибутки та збитки / делит прибыль и убытки
partnership agreement	партнерська угода / партнерское соглашение
articles of co-partnership to terminate	статут товариства / устав товарищества припиняти діяльність / прекращать деятельность
capital requirements	необхідний капітал / необходимый капитал
retail trade	роздрібна торгівля / розничная торговля
management consultant	консультант з організації виробництва / консультант по организации производства
auditor	аудитор (бухгалтер-ревизор) / аудитор (бухгалтер-ревизор)
insurance	страхування / страхование
stockbrokerage	біржове маклерство / биржевое маклерство
to hold a partnership	володіти товариством / владеть товариществом
to get tax benefits	отримувати пільги з оподаткування / получать льготы по налогообложению
share of the profits	частка прибутку / доля прибыли
liability losses	втрати за зобов'язаннями / потери по обязательствам
to be subject to the smooth operation	підлягати / подвергаться, подлежат безперебійна робота / бесперебойная работа
to agree on management policy	погоджуватися з політикою управління / соглашаться с политикой управления
interpersonal conflicts	міжособистісні конфлікти / межличностные конфликты
to dissolve a partnership	припиняти діяльність товариства / прекращать деятельность товарищества

## COMPREHENSION QUESTIONS

1. What does partnership mean?
2. What types of partners do you know?
3. What is the difference between a general partner and a limited partner?
4. Is there any difference between a silent partner and a secret partner? If so, what is the difference?
5. What does the partnership agreement refer to?
6. What important items are covered in the articles of co-partnership?
7. What professions are common among the partnerships?
8. What are the advantages of a partnership?
9. What are the disadvantages of holding a partnership?

### *Ex. 1. Memorize the following definitions.*

**Partnership** – the association of two or more persons who share risks and profits according to a partnership agreement.

**Articles of co-partnership** – the agreement telling the terms and conditions of a partnership.

**A general partner** – a partner who is liable for the debts and the business actions to the full extent of his own resources.

**A silent partner** – a partner who is not engaged in the actual work of a firm but known to the public.

**A secret partner** – a partner who takes part in management but unknown to the public.

### *Ex. 2. Find in the text English equivalents of the following word-combinations and phrases. Make your own sentences using them:*

1) підприємство, яким керують дві чи більше особи; 2) партнери володіють всіма активами компанії та поділяють всі борги; 3) нести юридичну відповідальність за борги; 4) на повний обсяг власних ресурсів; 5) брати участь в управлінні; 6) особа, що відома громадськості як член фірми; 7) за юридичною угодою; 8) ділити прибутки та збитки; 9) внесок, який робить кожний партнер; 10) як можна реформувати чи ліквідувати партнерство; 11) необхідний капітал є відносно невеликим; 12) переваги володіння партнерством; 13) вкладати ідентичний обсяг капіталу в бізнес; 14) пропонувати важливі послуги чи вміння; 15) отримувати податкові пільги від уряду; 16) втрати за зобов'язаннями поділяються між партнерами; 17) несуть особисту відповідальність; 18) втрата особистої власності; 19) домовлятися щодо політики управління; 20) партне-

ри можуть не погодитися між собою; 21) міжособистісні конфлікти можуть мати місце; 22) неспроможний продовжувати бізнес; 23) на відміну від... 24) з офісами в кожному великому місті держави та за кордоном.

**Ex. 3. Find antonyms to the following words and expressions in the text:**

secret partner; profits; general partner; active partner; disadvantages; limited liability; to start business; to disagree.

**Ex. 4. Find synonyms to the following words and expressions in the text:**

partnership agreement; to dissolve; to hold; full partner; sleeping partner; finance; to contribute; to be liable for.

**Ex. 5. Match the words and expressions to their definitions.**

1. liability	a) the process of managing
2. a partnership	b) partners who have unlimited liability
3. silent partner	c) debt or legal responsibility
4. to dissolve	d) partners who have limited liability
5. active partners	e) contract outlining everything which helps the partners in the business operation
6. profits	f) a business owned by two or more individuals
7. secret partner	g) the amount of income above costs
8. management	h) a person with full authority in management but unknown to the public
9. partnership agreement	i) to break up a partnership or corporation
10. sleeping partners	j) a person who is known to the public but without authority in management

**Ex. 6. Match the words to get collocations and make your own sentences with them.**

- |                 |               |
|-----------------|---------------|
| 1. authority    | a) agreement  |
| 2. legal        | b) losses     |
| 3. capital      | c) income tax |
| 4. professional | d) skills     |



- |                   |                  |
|-------------------|------------------|
| 5. personal       | e) requirements  |
| 6. tax            | f) policy        |
| 7. smooth         | g) conflicts     |
| 8. interpersonal  | h) operation     |
| 9. management     | i) resources     |
| 10. to share      | j) benefits      |
| 11. to combine    | k) in management |
| 12. to contribute | l) fields        |

**Ex. 7. Complete the following word-combinations with prepositions and make your own sentences with them.**

1. to be liable \_\_\_ the debts
2. \_\_\_ the full extent
3. to be unknown \_\_\_ the public
4. to be subject \_\_\_ unlimited liability
5. to get tax benefits \_\_\_ the government
6. to bring ideas \_\_\_ business organization
7. income tax \_\_\_ the share \_\_\_ the profits
8. to divide \_\_\_ the partners
9. risk \_\_\_ personal bankruptcy
10. to put money \_\_\_ business
11. to agree \_\_\_ management policy
12. to disagree \_\_\_ each other
13. to continue \_\_\_ the business
14. consultation \_\_\_ partners

**Ex. 8. Complete the following sentences with the given words and expressions. Translate them into your native tongue.**

income tax	capital	dissolve	Articles of co-partnership
tax benefits	owed	share	profit
General partners	invest	management	combine

1. Having desire to start a business, you have to \_\_\_\_\_ substantial capital in it.
2. Both partners are responsible for the debts, so they \_\_\_\_\_ the risk of bankruptcy.
3. If I had known that you \_\_\_\_\_ so much money, I would have helped you.
4. As we have too many interpersonal conflicts, I'm afraid we have to \_\_\_\_\_ our partnership.

5. To be a successful businessman, one should \_\_\_\_\_ certain personal traits and professional skills.
6. Partnerships often receive \_\_\_\_\_ from the government.
7. \_\_\_\_\_ are partners with unlimited liability.
8. A secret partner isn't known to the public but he has the authority in \_\_\_\_\_.
9. \_\_\_\_\_ show that to start a partnership is not so easy as to start a sole proprietorship.
10. They pay only personal \_\_\_\_\_ on their share of the profits.
11. One advantage of a partnership is that it offers multiple sources of \_\_\_\_\_.
12. A partnership can bring much \_\_\_\_\_ to the partners.

**Ex. 9. Choose the correct words or word- combinations in italics to complete the sentences. Translate them into your native tongue.**

1. You, as a partner, can *contribute / contain* important services or skills, sometimes just a name or a reputation.
2. I suppose all business can be risky because, as partners, we are both *liable / interested*.
3. They are sharing the *bills / losses* equally.
4. The articles of co-partnership provide the smooth *operation / production* of a business.
5. The partnership was *decided / dissolved* because the two partners wanted to start their own business.
6. The owner of a sole proprietorship pays personal *income tax / special tax* on the profit he receives.
7. This document explains how this partnership can be changed or *started / terminated*.
8. The ability to *raise / rise* capital is greater in a partnership than in a sole proprietorship.

**Ex. 10. Make questions to the words and expressions in bold.**

1. They don't take part **in management** and are called passive or sleeping partners.
2. More sources of finance are available **because partners combine their resources**.
3. Partners pay only **personal income tax** on their share of the profits.
4. Each of partners is subject to **unlimited liability**.
5. The smooth operation of a partnership requires **all owners to agree on management policy**.
6. Liability losses are divided up between **the partners**.

7. He can contribute *important* services and skills.
8. They are called *full, or active partners* because they take part in management.

**Ex. 11. Translate the following sentences into English.**

**a)**

1. Кожний партнер може брати участь в управлінні підприємством.

2. Якщо партнери мають обмежену юридичну відповідальність, вони називаються партнерами з обмеженою відповідальністю.

3. Партнерство вважається поширеною формою організації у сферах бізнесу, де необхідний капітал є відносно невеликим.

4. Безперерйна робота підприємства вимагає, щоб всі власники домовилися щодо політики управління.

5. Особа, яка відома громадськості як член фірми, але без повноважень в управлінні, називається партнером без права голосу.

**b)**

1. Партнерства часто отримують льотги по налогообложенню от правительства.

2. Каждый партнер несет личную ответственность за все долги предприятия.

3. Одним из преимуществ партнерства является легкость начала бизнеса.

4. Партнерство уменьшает риск личного банкротства для любого из партнеров.

5. Партнеры могут не соглашаться друг с другом, поэтому могут возникать межличностные конфликты.

**Ex. 12. Fill in the table with advantages and disadvantages of a partnership. Discuss them with your partners.**

Partnership	Advantages	Disadvantages
	1) easy to organize	1) unlimited liability
	2) ...	2) ...
	3) ...	3) ...

**Ex. 13. Imagine that you are at the general meeting of the holders of a partnership. The current task of the meeting is to change some items of the partnership agreement. Stage the discussion with the holders which may take place in this case.**

***Ex. 14. Write a paragraph emphasizing the similarities between a sole proprietorship and a partnership. In your first, or topic sentence, state what the similarities are. Then write about three sentences about each similarity. Conclude your paragraph by mentioning that besides these similarities, there are some differences.***

## **FORMS OF BUSINESS: A CORPORATION**

The corporation is very different from both a sole proprietorship and a partnership. First of all, the corporation is a legal entity which is created and operated under a government charter. Thus, forming a corporation is not easy. It is owned by a number of people and acts as a single individual on behalf of its owners.

As a legal entity, the corporation can own property that is not the personal wealth of its owners. The ownership of the corporation is divided up into small segments which are called shares of stock. These can be of any value. By buying shares of stock, people become owners of the corporation. They are known as stockholders (Am), or shareholders (Br). A corporation may have a very few owners, but large companies like IBM and General Motors may have a million or more owners. Even if you own just one share of a company, you are still one of its owners.

A stockholder can buy, sell, and trade his shares without permission from the other owners. The larger the shareholding the more influential the shareholder. Control over the company can be gained by holding 51 percent of the shares. To have 51% will mean that the dominant shareholder can automatically veto any other shareholder's motion and install company management or policies of his choice. The stock owners vote for a Board of Directors who hire a President (Am) or Chief Executive Officer (CEO) (Br) to run the company. They also have the right to vote on certain aspects of company policy and choose company managers at the annual general meetings.

A corporation can raise large amounts of capital by selling shares of stock. In exchange for investment capital, the company agrees to return part of the money by dividing up some of the profit among the investors. The Board of Directors decides how to distribute the profits. It usually retains part of the profits for reinvestment in the company and distributes the other part to the shareholders as dividends. So, the shareholders receive a return on their investment (ROI).

The most common type of company in the UK is the limited liability company. Many of such companies are joint-stock companies. They can be divided up into public and private ones, depending on who owns the shares in business. Almost all large businesses are organized as public limited companies (plc). These companies may offer shares to the public on the Stock Exchange. Some public limited companies own other companies, known as 'subsidiaries'. The main parent organization

is called a holding company, owning a pyramid of other companies which can number many hundreds. Private limited companies (Ltd.) are usually small businesses in which shares are owned by a small number of individuals and not offered to the public. In the USA, these two types of joint-stock companies are abbreviated to 'Inc.' and the differences between them are rather small.

Corporation, as the form of business, is common in manufacturing industry. But educational, religious and charitable institutions can also incorporate. Usually, they do not issue stock and are nonprofit. The governmental and municipal corporations, such as state universities, state hospitals, fire departments, water treatment plants, do not issue stock either. They operate to provide a service but not for profit.

There are some favourable features of the corporate form of ownership. First of all, it is limited liability. The personal wealth of stockholders cannot be used to pay debts in case of bankruptcy. The ownership can be easily transferred through sale of stock. The corporation has the ability to attract large financial resources. It can invest capital in plants, equipment and research. Corporation can offer higher salaries and attract talented managers and specialists, so it has good organization for efficient operation. Another important advantage is that corporations have unlimited business life. When the corporate stockholders die, their shares of stock are passed to their heirs.

There are some disadvantages of the corporate form of business. It is difficult and expensive to start the corporation. There are many legal procedures to follow. First of all, it is necessary to obtain a corporate charter, then issue and sell stock in exchange for investment capital. Next, the stockholders have to hold a meeting to organize the corporation, elect Board of Directors, adopt bylaws and choose the company's officers who supervise daily management. The corporation doesn't get tax benefits from the government. The company's profits are taxed twice. The profits are taxed once as corporate profits, and then the individual stockholders pay personal income taxes on their dividends. Though the owners have a final authority, they do not have control of the decisions made each day unless they are officers of the company. The business activities of the corporation are limited to those stated in the certificate of incorporation and closely monitored by government agencies.

### ACTIVE VOCABULARY

entity

економічний суб'єкт, організація /  
экономический субъект, организация

government charter	установчий документ, державний патент / учредительный документ, государственный патент
share of stock	акція / акция
stockholder (shareholder)	акціонер / акционер
to trade	торгувати, обмінювати / торговать, обменивать
shareholding	пакет акцій / пакет акций
to veto	накладати вето, забороняти / налагать вето, запрещать
motion	пропозиція (на зборах) / предложение (на собрании)
to vote for / on	голосувати за / по / голосовать за / з
Board of Directors	рада директорів / совет директоров
Chief Executive Officer (CEO)	виконавчий директор / исполнительный директор
in exchange for investment capital	в обмін на вкладений капітал / взамен на вложенный капитал
investor	інвестор, вкладник / инвестор, вкладчик
to retain part of profits	утримувати частину прибутку / удерживать часть прибыли
reinvestment	реінвестування, повторне вкладання грошей / реинвестирование, повторное вложение денег
dividends	дивіденди / дивиденды
a return on investment (ROI)	повернення (компенсація) інвестицій / возвращение (компенсация) инвестиций
limited liability company	компанія з обмеженою юридичною відповідальністю / компания с ограниченной юридической ответственностью
joint-stock company	акціонерна компанія / акционерная компания
public limited company	акціонерна компанія відкритого типу / акционерная компания открытого типа

private limited company	акціонерна компанія закритого типу / акционерная компания закрытого типа
Stock Exchange subsidiary	фондова біржа / фондовая биржа дочірнє підприємство, філія / дочернее предприятие, филиал
holding company	холдинг-компанія / холдинг-компания
manufacturing industry	промислове виробництво / промышленное производство
charitable institution	благодійна організація / благотворительная организация
to incorporate	об'єднуватися в корпорацію / объединяться в корпорацию
to issue stock	випускати акції / выпускать акции
municipal corporation	муніципальна корпорація / муниципальная корпорация
efficient operation	ефективна робота / эффективная работа
to obtain a corporate charter	отримати корпоративний патент / получить корпоративный патент
to adopt bylaws	прийняти статут (юридичні положення для підприємств) / принять устав (юридические положения для предприятий)
to choose the company's officers	обирати адміністративних виконавців компанії / выбирать административных исполнителей компании
to supervise daily management	здійснювати щоденне управління / осуществляют ежедневное управление
to tax	обкладати податком, оподатковувати / облагать налогом
to have a final authority	мати вирішальне слово / иметь решающее слово
certificate of incorporation	статут корпорації / устав корпорации

## COMPREHENSION QUESTIONS

1. What does corporation mean?



2. How many people can own a corporation?
3. What people can be called the shareholders?
4. What are the rights of the shareholders?
5. When may the stockholder gain the control over the company?
6. How can a corporation raise capital?
7. What happens to the profits of a corporation?
8. What is the principal difference between private and public limited companies?
9. What company is called a holding company?
10. What types of business usually take the corporate form of ownership?
11. What kinds of corporations do not usually issue stock?
12. What are the advantages of incorporation?
13. What is the legal procedure of starting the corporation?
14. What are the disadvantages of the corporate form of ownership?

***Ex. 1. Memorize the following definitions.***

**Corporation** – a group of persons granted a charter to do business as a separate unit with its own rights and responsibilities.

**Share of stock** – one of the equal parts into which the ownership of a company is divided.

**Stockholder** – a person who owns shares in a business.

**Board of Directors** – a group of persons elected by stockholders to run a corporation.

**Chief Executive Officer (CEO)** – the top manager or director of a company.

**Joint-stock company** – a company that is owned by all the people with shares.

**Subsidiary** – a company that is owned or controlled by another company.

**Holding company** – a company that holds a controlling number of shares in other companies.

**Dividend** – a share of the profits of a corporation which is given to the stockholders.

**Certificate of incorporation** – the agreement telling the terms, conditions and purposes of a corporation.

***Ex. 2. Find in the text English equivalents of the following word-combinations and phrases. Make your own sentences using them:***

- 1) юридичний суб'єкт, управління якого відбувається на підставі установчого документа;
- 2) утворення корпорації;
- 3) діяти від іме-

ні власників; 4) власне майно; 5) поділяється на невеликі частки (сегменти); 6) будь-якої вартості; 7) стати власниками корпорації; 8) обмінювати акції; 9) отримати контроль над компанією; 10) головний акціонер; 11) забороняти пропозицію будь-якого іншого акціонера; 12) встановлювати політику; 13) голосувати за раду директорів; 14) мати право голосувати за деякими аспектами політики компанії; 15) розподіляє частину прибутків між інвесторами; 16) утримує частину прибутків для реінвестування у компанію; 17) пропонувати акції на фондових біржах; 18) головна організація називається холдинговою компанією; 19) функціонувати для надання послуг, але не для отримання прибутку; 20) сплачувати борги у разі банкрутства; 21) спроможність залучати значні фінансові ресурси; 22) акції передаються спадкоємцям; 23) дотримуватися процесуальних норм; 24) прибутки обкладаються податком; 25) діяльність корпорації обмежена рамками, вказаними у статуті корпорації; 26) уважно відстежуватися державними установами.

**Ex. 3. Find antonyms to the following words and expressions in the text:**

subsidiary; governmental; to retain; to be similar; favourable features; to buy; small businesses; public limited company.

**Ex. 4. Find synonyms to the following words and expressions in the text:**

to form; stockholder; president; to monitor; to vote; company's officers; corporate charter; shares of stock; holding company.

**Ex. 5. Match the words and expressions to their definitions.**

1. corporation	a) a company that owns and controls other companies
2. plc	b) the right to reject or forbid the decision
3. Ltd.	c) a rule made by an organization to control the people who belong to it
4. dividend	d) a legal entity which is created and operated under a government charter
5. bylaw	e) the owner of a corporation
6. parent company	f) a company whose shares can be bought on the Stock Exchange
7. shareholder	g) a company controlled by a holding company

8. Chief Executive Officer	h) a usually small business whose shares are not traded on the Stock Exchange
9. subsidiary	i) using money earned from investments to buy additional investments
10. reinvestment	j) the person with the most authority in a large company
11. share	k) return on the investment (ROI)
12. veto	l) value of the company divided into small segments

**Ex. 6. Match the words to make collocations and make your own sentences with them.**

- |                  |                |
|------------------|----------------|
| 1. legal         | a) shareholder |
| 2. government    | b) industry    |
| 3. personal      | c) meeting     |
| 4. dominant      | d) resources   |
| 5. annual        | e) entity      |
| 6. holding       | f) operation   |
| 7. manufacturing | g) institution |
| 8. charitable    | h) wealth      |
| 9. financial     | i) company     |
| 10. efficient    | j) charter     |

**Ex. 7. Fill in prepositions as in the text and make your own sentences with the following verbs.**

- |                                      |                                       |
|--------------------------------------|---------------------------------------|
| 1. to be abbreviated ___             | 9. ___ behalf ___ the owners          |
| 2. to be created ___ a government    | 10. shares ___ stock                  |
| charter                              |                                       |
| 3. to vote ___ a Board ___ Directors | 11. to vote ___ certain aspects       |
| 4. a return ___ the investment       | 12. to depend ___                     |
| 5. to transfer ___ sale ___ stock    | 13. to invest capital ___ plants      |
| 6. to pass ___ the heirs             | 14. to have control ___ the decisions |
| 7. to divide ___ small segments      | 15. ___ annual general meeting        |
| 8. ___ exchange ___ investment       | 16. ___ the Stock Exchange            |
| capital                              |                                       |

**Ex. 8. Complete the following sentences with the given words and expressions. Translate them into your native tongue.**

- |                          |             |                       |
|--------------------------|-------------|-----------------------|
| a public limited company | dividends   | joint-stock companies |
| entities                 | to be taxed | share                 |

charitable  
investments

bylaw  
issue stock

institution  
establish

1. Corporations are also known as \_\_\_\_\_ because they are owned jointly by different persons who receive \_\_\_\_\_ in exchange for their investments in the company.
2. The Red Cross is an international \_\_\_\_\_ organization.
3. The group of people from different countries is going to \_\_\_\_\_ a corporation.
4. A large company which sells shares to the public is called \_\_\_\_\_.
5. Fishing on this river is forbidden under a local \_\_\_\_\_.
6. The rich are supposed \_\_\_\_\_ at a higher rate than the poor.
7. What kind of \_\_\_\_\_ is better-buying stock or buying real estate?
8. An educational \_\_\_\_\_ usually reinvests all its money.
9. Washington the home town and Washington the historic landmark are physically the same but logistically, legally and pragmatically separate \_\_\_\_\_.
10. In order to attract greater financial resources, the company may \_\_\_\_\_.
11. The Board of Directors has decided to pay a dividend of \$5 per \_\_\_\_\_.

***Ex. 9. Select the answer which best completes the meaning of the sentence. Translate the sentences into your native tongue.***

1. The president is going to \_\_\_\_\_ a tax increase in gasoline next week.  
a) make                      b) veto                      c) rise
2. The two nations have not \_\_\_\_\_ with each other for over 30 years.  
a) communicated      b) traded                      c) spoken
3. A large \_\_\_\_\_ of the public is against the new tax.  
a) segment                      b) amount                      c) volume
4. Aid agencies are calling for local volunteers to help them \_\_\_\_\_ food and medicine.  
a) purchase                      b) sell                      c) distribute
5. Information Technology is usually \_\_\_\_\_ to IT.  
a) abbreviated                      b) written                      c) printed
6. The Board of Directors has hired a new \_\_\_\_\_ for the corporation.  
a) accountant                      b) CEO                      c) proprietor
7. Large businesses are operated as \_\_\_\_\_ because capital can be easily raised and liability is limited.  
a) corporations                      b) enterprises                      c) sole proprietorships

8. You could \_\_\_ up a subsidiary in Eastern Europe.  
 a) hang                      b) put                      c) set
9. As a separate entity, a corporation can own property apart from the individual \_\_\_\_\_.  
 a) managers                      b) persons                      c) stockholders
10. A university can be a \_\_\_ corporation.  
 a) charitable                      b) nonprofit                      c) limited
11. The corporation must have good organization for \_\_\_ operation.  
 a) efficient                      b) production                      c) economy
12. We can transfer Customer Service to outside service \_\_\_\_\_.  
 a) providers                      b) subsidiaries                      c) workforces

**Ex. 10. Translate the following English words of the same root into your native tongue:**

to invest – to reinvest – investor – investment – reinvestment  
 to share – share (n.) – shareholder – shareholding (n.)  
 corporate – to incorporate – corporation – incorporation

**Ex. 11. Translate the following word-combinations into English.**

- |  |                             |
|--|-----------------------------|
| 1) возвращение инвестиций                | 7) корпоративный патент     |
| 2) муниципальная корпорация              | 8) делить прибыль и убытки  |
| 3) вкладывать время и деньги в проект    | 9) реинвестировать в бизнес |
| 4) сертификат акции                      | 10) ведущий акционер        |
| 5) способность объединяться в корпорацию | 11) устав корпорации        |
| 6) приобрести контрольный пакет акций    | 12) зарубежный инвестор     |

**Ex. 12. Complete the following sentences with the correct form of the word in capitals. Translate them into your native tongue.**

1. It's one of many excellent \_\_\_\_\_ organizations that CHARITY work with the poor in the city.
2. Talks between the workers and the \_\_\_\_\_ broke MANAGE down today.
3. She's just been appointed as chief financial officer CORPORATE of a major \_\_\_\_\_.
4. Car \_\_\_\_\_ are facing a 10% rise in the price of OWN gasoline.
5. Elliot and Elver decided to form a \_\_\_\_\_ and PART launch their own business.
6. He is working hard even at not very \_\_\_\_\_ projects. PROFIT

- |  |        |
|--|--------|
| 7. Profit is often used for _____ – buying of new machinery and improving of the future prospects of the enterprise. | INVEST |
| 8. Some production processes need changing the _____ every two hours for performing different repetitive jobs a day. | EMPLOY |
| 9. Private companies may place certain restrictions on the transfer of _____ but not offer them to public.           | SHARE  |
| 10. The market works to compensate _____ for the chances they take.  | STOCK  |

**Ex. 13. Make sentences with the following phrases and translate them into your native tongue.**

***profit – profitable***

- |                              |                              |
|------------------------------|------------------------------|
| 1. to make a profit          | 3. to do smth. for profit    |
| 2. to sell smth. at a profit | 4. a profitable organization |

***tax – taxpayer***

- |                       |                           |
|-----------------------|---------------------------|
| 1. state / income tax | 3. to pay / to levy taxes |
| 2. to be tax free     | 4. a taxpayer             |

***to invest – investor – investment***

- |                           |                         |
|---------------------------|-------------------------|
| 1. to invest collectively | 4. a big investor       |
| 2. investment fund        | 5. financial investment |
| 3. to make an investment  | 6. capital investment   |

**Ex. 14. Make questions to the words and expressions in bold.**

- The ownership of the corporation is divided up ***into small segments***.
- To have 51 percent will mean that ***the dominant shareholder can automatically veto any other shareholder's motion***.
- The Board of Directors decides ***how to distribute the profits***.
- The personal wealth of stockholders*** cannot be used to pay debts in case of bankruptcy.
- The stock owners vote ***for a Board of Directors***.
- The business activities of the corporation are closely monitored ***by government agencies***.
- By buying shares of stock, people become ***owners of the corporation***.
- These companies may offer shares ***to the public*** on the Stock Exchange.

9. The corporation doesn't get tax benefits *from the government*.
10. The governmental and municipal corporations, such as *state universities, state hospitals, fire departments, water treatment plants*, do not issue stock.

**Ex. 15. Translate the following sentences into English.**

**a)**

1. Купуючи акції корпорації, можна стати її власником.
2. Створення корпорації доволі складна процедура, бо корпорація є власністю кількох людей та функціонує як єдиний суб'єкт від імені своїх власників.
3. Чим більше пакет акцій у акціонера, тим більш впливовим є акціонер.
4. Якщо ви володієте 51 відсотком акцій компанії, ви стаєте головним акціонером і маєте право встановлювати політику компанії.
5. Велика кількість компаній з обмеженою відповідальністю належать до акціонерних компаній.

**b)**

1. Акционер может купить, продать или обменять свои акции без разрешения других владельцев.
2. Правительственные и муниципальные корпорации не выпускают акции и являются неприбыльными.
3. Важным преимуществом корпорации является неограниченная во времени деловая активность.
4. Для создания корпорации необходимо в первую очередь получить корпоративный патент.
5. Прибыль компании облагается налогом дважды.

**Ex. 16. Fill in the table with advantages and disadvantages of a corporation. Discuss them with your partners.**

Corporation	Advantages	Disadvantages
	1) <i>limited liability</i>	1) <i>difficult and expensive to start</i>
	2) ...	2) ...
	3) ...	3) ...

**Ex. 17. Having gained the idea of sole proprietorship, partnership and corporation try to compare these forms of ownership according to the following: a) similar features; b) different features; c) specific**

*distinguished features, pertaining exclusively to this form of ownership. Share your ideas with partners.*

*Ex. 18. Answer the following questions: Would you risk starting a corporation if you had an opportunity? If so, what kind of corporation would you like to start? Give your reasons. If not, why not? Give your reasons.*

*Ex. 19. Imagine that your friend is a very good programmer. He is going to start working for a big software corporation. But you want him to form a partnership with you. You've got money and managerial skills to organize business. Try to convince him not to sell his services to the corporation but to join you in starting your own business together.*



## REVISION 2 (UNITS 5-7)

*Ex. 1. Read the definitions. Then put the anagrams in the correct order. The first letter of each word is in bold.*

- |  |                                    |
|--|------------------------------------|
| 1. Money gained from doing business.                                       | fo <b>p</b> r <i>rti profit</i>    |
| 2. The owner of a company's shares.  | reashol <b>e</b> r <i>hd .....</i> |
| 3. Property a company or person owns.                                      | ss <b>a</b> s <i>et .....</i>      |
| 4. Legally responsible.  | ib <b>l</b> e <i> .....</i>        |
| 5. A business where two or more people share risks and profits.            | an <b>r</b> e <i>pshtpti .....</i> |
| 6. To accept money from someone on the basis that you will repay it later. | ow <b>b</b> r <i>or .....</i>      |
| 7. Someone who owns a business.  | ri <b>t</b> e <i>roorpp.....</i>   |
| 8. Unable to pay debts.  | nr <b>u</b> b <i>aptk .....</i>    |
| 9. To check over a period of time.   | io <b>r</b> m <i>ont .....</i>     |
| 10. A unit of the capital of a company.                                    | ae <b>s</b> h <i>r .....</i>       |

*Ex. 2. Match the words and expressions to similar meanings.*

- |                           |                               |
|---------------------------|-------------------------------|
| 1. stockholder            | a) disadvantages              |
| 2. President              | b) parent organization        |
| 3. to monitor             | c) duties                     |
| 4. to distribute          | d) to control                 |
| 5. to dissolve            | e) CEO                        |
| 6. drawbacks              | f) articles of co-partnership |
| 7. holding company        | g) single owner               |
| 8. sole proprietor        | h) to allocate                |
| 9. obligations            | i) share owner                |
| 10. partnership agreement | j) to terminate               |

*Ex. 3. Rewrite the following sentences. Replace the underlined words and expressions with the words and expressions of the same meaning.*

- The activities of corporation are closely watched by the government.
- The Board of Directors keeps part of the profits to increase the capital of the corporation.
- The joint owners owe all the liabilities and pay personal income tax on their part of the profits.
- The ability to borrow capital is greater in a partnership than in a sole proprietorship.

5. The stockholders pay personal income tax on their profits from stock.
6. General partners are liable for the debts and all business operations.
7. Silent partners have no authority in management but they are known to the public as members of a business.
8. The shareholders vote for the Board of Directors who hires the CEO to run the company.
9. Partnerships can grow to be large organizations with many employees in addition to partners.
10. The personal wealth of the stock owners cannot be used to pay debts in case of business failure.

**Ex. 4. Match the words and expressions to opposite meanings.**

- |                           |                            |
|---------------------------|----------------------------|
| 1. advantage              | a) parent company          |
| 2. hiring                 | b) sleeping partner        |
| 3. subsidiary             | c) firing                  |
| 4. to buy                 | d) to terminate business   |
| 5. public limited company | e) to agree                |
| 6. active partner         | f) to sell                 |
| 7. to start business      | g) private limited company |
| 8. to disagree            | h) disadvantage            |

**Ex. 5. Underline the odd word in each set.**

- |     |   |            |   |                 |   |                 |
|-----|---|------------|---|-----------------|---|-----------------|
| 1.  | a | manager    | b | chief executive | c | <u>employee</u> |
| 2.  | a | property   | b | money           | c | assets          |
| 3.  | a | lose       | b | dissolve        | c | terminate       |
| 4.  | a | regulate   | b | operate         | c | run             |
| 5.  | a | vote       | b | elect           | c | select          |
| 6.  | a | manage     | b | monitor         | c | control         |
| 7.  | a | expand     | b | obtain          | c | grow            |
| 8.  | a | director   | b | proprietor      | c | owner           |
| 9.  | a | contribute | b | invest          | c | distribute      |
| 10. | a | profit     | b | capital         | c | income          |

**Ex. 6. Match each of the following nouns to the appropriate set of words to get collocations. Give their equivalents in your native tongue.**

agreement	operation	company
industry	partner	capital

1. efficient	<u>operation</u>	4. service	_____
smooth		manufacturing	

2. borrowed _____	5. legal partnership _____
personal _____	6. sleeping secret _____
3. holding private limited _____	general _____
public limited _____	active _____
joint-stock _____	

**Ex. 7. Match the words to get verbal collocations and give their equivalents in your native tongue.**

- |            |                   |
|------------|-------------------|
| 1. raise   | a) a partnership  |
| 2. combine | b) bylaws         |
| 3. pay     | c) profits        |
| 4. take    | d) capital        |
| 5. hold    | e) stock          |
| 6. share   | f) resources      |
| 7. issue   | g) responsibility |
| 8. adopt   | h) tax            |

**Ex. 8. Complete the following table with appropriate forms of the words.**

Noun (concept)	Noun (person)	Verb
<i>management</i>	<i>manager</i>	<i>manage</i>
		contribute
operation		
	partner	
		hold
consultation		
		control

**Ex. 9. Complete the following sentences with the correct form of the word in capitals. Translate them into your native tongue.**

- Unlike sole proprietorship, \_\_\_\_\_ can grow to be relatively large organizations. PART
- In some businesses, capital \_\_\_\_\_ are rather small. REQUIRE
- There are \_\_\_\_\_ of size and growth in holding a sole proprietorship. LIMIT
- The Board of Directors usually retains part of the profits for \_\_\_\_\_ in the company. INVEST
- Joint-stock companies can be classified according to who \_\_\_\_\_ the shares in business. OWN

- |   |           |
|---|-----------|
| 6. A partnership is not a _____ and therefore, has unlimited liability. | CORPORATE |
| 7. Partnership is fully liable for _____ on income.                     | TAX       |
| 8. The new _____ will require unnecessary investment of time and money. | REGULATE  |

***Ex. 10. Fill in the gaps with prepositions where necessary.***

1. Shares in corporations are usually sold ... the Stock Exchange.
2. Corporation is owned ... a number of people and acts as a single individual ... behalf ... its owners.
3. The value ... the share also depends ... the success ... the company.
4. Most self-employed people fit ... the category ... sole proprietorship.
5. Public limited company is abbreviated ... plc.
6. Secret partner takes part ... management but he is unknown ... the public.
7. The sole proprietor decides ... vacation, hiring and firing.
8. Partners pay only personal income tax ... their share ... the profits.
9. Corporations can issue and sell stock ... exchange ... money and property.
10. ... the annual general meetings, the stockholders vote ... the Board of Directors and ... certain aspects ... company policy.
11. The industry is growing ... size with special firms being established.
12. A profit is reinvested ... the institution rather than distributed ... private stockholders.

***Ex. 11. Fill in the blanks with appropriate forms of business.***

1. In \_\_\_\_\_, there are two or more joint owners of the business. Each of the partners is jointly and personally responsible for what is done by the firm. Capital availability is usually a little greater than in \_\_\_\_\_, though, most \_\_\_\_\_ are small, and often consist of members of the same family.
2. This category covers businesses which are owned and controlled by a single person, whether run by that person or by a hired manager. The owner, being solely responsible for everything done by the business, and accountable only to himself, can make all the decisions, subject only to market forces. \_\_\_\_\_ is common in most sectors of the UK economy, especially in retailing.

***Ex. 12. Determine the type of the following organizations.***

1. A group of engineers who work together to provide consultancy and design services. There are no outside shareholders.
2. A large British engineering company with 30,000 employees. Its shares are bought and sold on the stock market.
3. An American engineering company with outside shareholders.
4. An engineer who works by himself providing consultancy. He works from home and visits clients in their offices.
5. An independent British engineering company with 20 employees. It was founded by three engineers, who are shareholders and directors of the company. There are five other shareholders who do not work for the company.

***Ex. 13. Translate the following sentences into your native tongue.***

1. The sole proprietor can stop the business whenever he likes.
2. The partners can easily combine their resources, thus increasing the amount of capital available.
3. There are many legal procedures to follow if you want to start the corporation.
4. The sole proprietor is free to make all the decisions and he arranges his own schedule.
5. Partnerships usually get tax benefits from the government, the only payment they have to effect is a personal income tax.
6. Corporation is a common form of business in manufacturing industry.
7. The sole proprietor runs the risk of losing personal property, his house and savings.
8. The partnership should be automatically dissolved if one of the partners becomes unable to continue the business.
9. Having the ability of attracting large financial resources, the corporation can invest capital in plants, equipment and research.
10. Each of partners is individually responsible for all the debts of the business.

***Ex. 14. Translate the following sentences from Ukrainian into English.***

1. Одноосібний власник володіє всіма активами компанії, тому ризикує втратити особисту власність у разі свого банкрутства.
2. Незважаючи на недоліки одноосібного способу володіння, ця форма власності є найпопулярнішою у сфері обслуговування.

3. Кожна форма власності має певні переваги та недоліки, але початківець у бізнесі віддасть перевагу одноосібному способу володіння.
4. Одноосібна форма власності вимагає лише мінімального стартового обсягу капіталу.
5. Усі власники повинні домовитися щодо політики управління партнерством.
6. Втрати за зобов'язаннями поділяються між партнерами, таким чином, кожний партнер несе особисту відповідальність за борги своєї компанії.
7. Якщо партнери не погодяться між собою, це може стати причиною виникнення міжособистісних конфліктів.
8. Діяльність корпорації обмежена рамками, вказаними у статуті корпорації.
9. Урядові та муніципальні корпорації функціонують для надання послуг, але не для отримання прибутку.
10. Керівництво компанії може утримати частину прибутків для реінвестування у компанію.

***Ex. 15. Translate the following sentences from Russian into English.***

1. Единоличный владелец может использовать как собственный, так и заемный капитал.
2. Чтобы открыть салон красоты, сначала необходимо получить лицензию, затем арендовать помещение, закупить оборудование и нанять работников.
3. Частный предприниматель не платит никаких специальных налогов государству на свою коммерческую деятельность.
4. Каждый партнер делает свой посильный вклад в бизнес и принимает участие в управлении компании.
5. Офисы партнерства могут располагаться в любом большом городе страны и за границей.
6. Вкладом партнера в бизнес может быть не только денежный капитал, но и его опыт, умения, репутация и даже имя.
7. Лицо, не обладающее правом голоса, но известное общественности, называется партнером без права голоса.
8. Чтобы получить контроль над компанией, необходимо приобрести более 50% акций этой компании.
9. Акционеры имеют право голосовать по некоторым аспектам политики корпорации.
10. Образовательные, религиозные и благотворительные организации обычно не выпускают акции и считаются неприбыльными.

**UNIT 8****CAREERS IN BUSINESS.  
TYPES OF ORGANIZATION  
STRUCTURE**

Business is an increasingly important activity throughout the world today. So, the opportunities for a business career have grown in variety and number. Originally, the word ‘career’ meant ‘road’ or ‘path’. Today, it means a ‘progress through life’ or a ‘job path’. There are four broad fields or areas of business that offer exciting careers: management, marketing, accounting, and finance. Within each of these areas there are specific jobs in which one can specialise. For example, within the field of marketing one can specialise in market research, advertising, buying, selling, or distributing. The table below shows general career opportunities that are available in the various fields of business.

Business Fields and Careers

Management	Marketing	Accounting	Finance
general manager personnel manager production manager	researcher advertiser distributor	bookkeeper accountant	banker financial analyst stockbroker

In business, organization structure means the relationship between positions and people who hold the positions. In any company, some people have more authority than others. Organization structure is very important because it provides an efficient work system as well as a system of communication.

Historically, line structure is the oldest type of organization structure. It is also called hierarchical, or pyramidal with one person or a group of people at the top and an increasing number of people below at each successive level. Thus, the main idea of it is direct vertical relationships between the positions and tasks of each level, and the positions and tasks above and below each level. There is a clear line or chain of command running down the pyramid. All the people in the organization know who is their supervisor, or boss (to whom they report), and who are their immediate subordinates (to whom they can give instructions). It means that a worker in a line position receives orders from his immediate superior and gives orders to his immediate subordinate. For example, a sales manager may be in a line position

between a Vice-President of Marketing and a salesman. Thus, a Vice-President of Marketing has direct authority over a sales manager. A sales manager in his turn has direct authority over a salesman. This chain of command simplifies the problems of giving and taking orders.

Jobs in businesses and offices range from administration to general paperwork. The top officers of the company are called administrators. The group below consists of the vice-presidents, the heads of major departments and production managers. They are called executives. Each administrator, or an executive has his or her span of control, i.e. the number of people whom one manages directly. For example, the President of the company directly manages the Vice-President of Production, the Vice-President of Marketing and the Comptroller. Thus, his span of control includes three people.

An executive has a lot of important functions. He sets objectives, coordinates work, delegates authority, makes hiring, firing, evaluating and just general leading. It is very important because making careful decisions is the basis of good management.

The activities of most companies are too complicated to be organized in a single hierarchy. When a business grows in size and becomes more complex, there is a need for specialists. In such case, administrators may organize staff departments and add staff specialists to do specific work. These people are usually busy with services and they could do the same service for any company, for example, accounting, personnel, credit and advertising. They are not tied in with the company product. Generally, they do not give orders to other departments because they are not in a line relationship and do not constitute a level in the hierarchy. It means that a worker in a staff position reports directly to a line worker but he neither receives nor gives orders to line workers. But someone may have line authority over people in his department and not be considered a line administrator. It is possible when a whole department is a staff department. That's why the head of the credit department or the personnel department can hardly ever be president of the company.

### ACTIVE VOCABULARY

career	кар'єра, заняття, професія / карьера, занятие, профессия
to specialise in smth	спеціалізуватися в чомусь / специализироваться в чем-то
market research	дослідження ринку / исследование рынка
advertising	реклама / реклама



general manager	звичайний менеджер / простой менеджер
personnel manager	менеджер відділу кадрів / менеджер отдела кадров
production manager	керівник виробництва / руководитель производства
advertiser	рекламодавець / рекламодатель
bookkeeper	бухгалтер-рахівник / бухгалтер-счетовод
accountant	кваліфікований бухгалтер / квалифицированный бухгалтер
financial analyst	фінансовий аналітик / финансовый аналитик
stockbroker	біржовий маклер / биржевой маклер
organisation structure	організаційна структура / организационная структура
to hold the position	займати посаду / занимать должность
line structure	лінійно-функціональна структура / линейно-функциональная структура
level	рівень / уровень
chain of command	система підпорядкування / система подчинения
immediate superior	безпосередній керівник / непосредственный руководитель
immediate subordinate	безпосередній підлеглий / непосредственный подчиненный
to report to smb	бути підпорядкованим, підпорядковуватися / быть в подчинении, подчиняться
to give orders	давати доручення / давать поручения
line position	лінійна посада / линейная должность
Vice-President of Marketing	віце-президент з маркетингу (збуту) / вице-президент по маркетингу (сбыту)
sales manager	менеджер з продажу / менеджер по продажам
salesman	продавець / продавец
paperwork	канцелярська робота / канцелярская работа
top officers	керівники вищої ланки / руководители высшего звена
administrator	керівник, адміністратор / руководитель, администратор

executive	керівник / руководитель
span of control	норма управління, сфера безпосереднього підпорядкування / норма управління, сфера непосредственного подчинения
to manage	керувати / управлять, руководить
Vice-President of Production	віце-президент з виробництва / вице-президент по производству
Comptroller	головний фінансист / главный финансист
to set objectives	визначати цілі / определяют цели
to delegate authority	розподіляти обов'язки / распределять обязанности
to make general leading hierarchy	здійснювати загальне керівництво / осуществляют общее руководство
staff departments	ієрархія / иерархия
personnel	штабні відділи / штабные отделы
to constitute	управління персоналом / управление персоналом
credit department	утворювати, складати / образовывать, составлять
personnel department	кредитний відділ / кредитный отдел
	відділ кадрів / отдел кадров

### COMPREHENSION QUESTIONS

1. What business fields and careers do you know?
2. What does 'the organization structure' mean?
3. What does the organization structure provide?
4. What is historically the oldest type of organization structure?
5. What does a line structure of organization comprise?
6. What does 'the chain of command' mean?
7. What does 'span of control' refer to?
8. What are the main functions of an executive?
9. What are the staff departments busy with?
10. What is the difference between line and staff departments?

#### *Ex. 1. Memorize the following definitions.*

**Career** – a job or profession that you have been trained for, and which you do for a long period of your life.

**Market research** – a business activity that involves collecting information about what goods people buy and why they buy them.

**Stockbroker** – a person or organization whose job is to buy and sell shares or bonds to people.

**Hierarchy** – a system of organization in which people or things are divided into levels of importance.

**Ex. 2. Find in the text English equivalents of the following word-combinations and phrases. Make your own sentences using them:**

1) можливості кар'єрного зростання; 2) спеціалізуватися на ринкових дослідженнях; 3) в різних сферах бізнесу; 4) взаємозв'язки між посадами та людьми, які займають ці посади; 5) забезпечує ефективну систему роботи; 6) на кожному наступному рівні; 7) прямі вертикальні зв'язки між посадами та завданнями кожного рівня; 8) отримує накази від свого безпосереднього керівника; 9) має пряму владу над менеджером відділу продаж; 10) спрощує проблеми надання та прийняття наказів; 11) керівники головних відділів; 12) здійснює наймання, звільнення, оцінювання та загальне керівництво; 13) потреба в спеціалістах; 14) організувати штабні відділи; 15) виконувати особливу роботу; 16) займаються послугами; 17) не пов'язані з продуктом компанії; 18) не в лінійному взаємозв'язку; 19) не становлять рівень в ієрархії; 20) вважати-ся лінійним адміністратором.

**Ex. 3. Find antonyms to the following words and expressions in the text:**

immediate superior; line position; hiring; to receive orders; buying; above the level.

**Ex. 4. Find synonyms to the following words and expressions in the text:**

areas of business; hierarchy; supervisor; top officers; job; specific work; accountant; executive; task; to give instructions; complex.

**Ex. 5. Match the words and expressions to their definitions.**

1. subordinate	a) clerical work or red tape
2. organization structure	b) all the people who work for a company
3. staff departments	c) power or right to give orders and make others obey
4. span of control	d) person's obligation to carry out certain tasks or activities

5. hierarchy	e) the number of people who are directly accountable to the same supervisor
6. personnel	f) an administrator or manager of higher level of authority
7. authority	g) organization divisions engaged in services but not tied in with the company product
8. top officer	h) the relationship between positions and people who hold the positions
9. responsibility	i) junior in rank or position
10. paperwork	j) organization with grades of authority from the lowest to the highest level

**Ex. 6. Match the words to get collocations and make your own sentences with them.**

- |                  |                |
|------------------|----------------|
| 1. area          | a) authority   |
| 2. to coordinate | b) relations   |
| 3. market        | c) superior    |
| 4. top           | d) decisions   |
| 5. general       | e) work        |
| 6. vertical      | f) objectives  |
| 7. organization  | g) of business |
| 8. direct        | h) position    |
| 9. immediate     | i) leading     |
| 10. careful      | j) research    |
| 11. to set       | k) structure   |
| 12. staff        | l) officer     |

**Ex. 7. Complete the following word-combinations with prepositions and make your own sentences with them.**

- |  |                                    |
|--|------------------------------------|
| 1. progress ___ life                         | 9. the relationships ___ positions |
| 2. to specialise ___ market research         | 10. ___ each level                 |
| 3. ___ the top                               | 11. to be ___ a line position      |
| 4. to have direct authority ___ smb          | 12. to grow ___ size               |
| 5. a need ___ specialists                    | 13. to be busy ___ services        |
| 6. to receive orders ___ the superior        | 14. to report ___ smb              |
| 7. to be tied ___ the company product        | 15. a level ___ the hierarchy      |
| 8. to range ___ administration ___ paperwork | 16. to give orders ___ the worker  |

**Ex. 8. Complete the following sentences with the given words and expressions. Translate them into your native tongue.**

career                      manage                      personnel                      specialise  
salesman                      authority                      objective                      chain of command  
subordinates                      staff department                      delegate                      line department

1. We were visited by a young, dynamic \_\_\_\_\_ from a small publishing company.
2. One of her responsibilities is recruiting highly trained \_\_\_\_\_.
3. Later on, in his \_\_\_\_\_, he became a First Secretary at the British Embassy in Washington.
4. A few companies encourage tenants to form their own corporations and \_\_\_\_\_ their own property.
5. I have six \_\_\_\_\_ that report to me.
6. Why don't you \_\_\_\_\_ more work to the trainees?
7. As a rule, a \_\_\_\_\_ does not usually give orders to other departments.
8. After qualifying, Zelda decided to \_\_\_\_\_ in contract law.
9. He has no \_\_\_\_\_ of his own, but acts in the name of his superior.
10. As a marketing manager, he works in a \_\_\_\_\_, and he is responsible for the company product.
11. The main \_\_\_\_\_ of this policy is to reduce unemployment.
12. The organizational chart gives one an overview of the \_\_\_\_\_ in the company.

**Ex. 9. Select the answer which best completes the meaning of the sentence. Translate the sentences into your native tongue.**

1. The Board of Directors ought to \_\_\_\_\_ objectives and plan changes.  
a) do                      b) set                      c) create
2. Later, he \_\_\_\_\_ in war photography for different magazines winning a number of awards.  
a) specified                      b) simplified                      c) specialised
3. You'll be most successful in a \_\_\_\_\_ that best uses your talents.  
a) work                      b) business                      c) career
4. Copies of the report were \_\_\_\_\_ shortly after the meeting.  
a) sold                      b) distributed                      c) determined
5. Decisions like these can only be made at board \_\_\_\_\_.  
a) level                      b) rank                      c) top
6. Prices \_\_\_\_\_ from around £5 for a door in pine to £7.50 in cherry.  
a) grows                      b) decrease                      c) range
7. The head of the credit department doesn't \_\_\_\_\_ to the Comptroller.  
a) write                      b) report                      c) supervise

8. The \_\_\_ of staff departments is to do different services.  
 a) task            b) authority            c) objectives
9. The executive is accustomed to \_\_\_ hiring, firing and just general leading.  
 a) making            b) taking            c) doing
10. Information technology is one of the \_\_\_ with distinct lack of talented people.  
 a) businesses    b) jobs            c) areas

**Ex. 10. Form derivatives of the following words denoting business careers or positions:**

- |                                     |                    |
|-------------------------------------|--------------------|
| 1. to execute – <i>an executive</i> | 9. super           |
| 2. administration                   | 10. accounting     |
| 3. bank                             | 11. to manage      |
| 4. office                           | 12. research       |
| 5. to supervise                     | 13. to distribute  |
| 6. work                             | 14. advertising    |
| 7. bossy                            | 15. stockbrokerage |
| 8. analysis                         | 16. sales          |

**Ex. 11. Choose and use the correct word in the following sentences. Translate them into your native tongue.**

**career – job – work**

1. She's got a well-paid \_\_\_ in a foreign firm.
2. I have too much \_\_\_ to do.
3. He is looking for a serious \_\_\_ in international marketing.
4. Careful planning may help you to choose a successful \_\_\_ in business.
5. The \_\_\_ I am doing now is pretty difficult.
6. Travel abroad is a necessary part of an expert salesman's \_\_\_.
7. When paper \_\_\_ becomes disorganized, time is lost in sorting out papers.
8. His \_\_\_, as a banker, didn't last long.
9. If you are a clerk, your \_\_\_ probably involves using computers.
10. Ambitious young people today make their \_\_\_ dealing with ideas.
11. According to the survey of business schools, the most popular field of \_\_\_ is management consultancy now.
12. In all \_\_\_, it's important to meet new people.

**Ex. 12. Explain the meaning of the words in bold. Agree or disagree with the statements. Share your opinion with the partners.**

1. **Work** can be more than just a **job**. Your **work** can become a **career**.
2. One would rather have a **career** than just a **series of jobs**.

**Ex. 13. Translate the following expressions into English as in example using a pattern with the Present Participle. Make your own sentences with them.**

**E.g. компания, создающая рабочие места** – a company creating jobs

завод, делающий принтеры  
супермаркет, продающий эти продукты  
ресторан, обслуживающий эту делегацию  
завод, производящий компьютеры  
компания, рекламирующая эти продукты  
фирма, продающая оборудование  
бизнесмены, проводящие переговоры  
заказчики, покупающие эти товары

**Ex. 14. Translate the following sentences into English.**

**a)**

1. Усі люди в організації знають, хто їхній керівник або начальник, а хто – їхні безпосередні підлеглі.

2. У будь-якій компанії деякі працівники мають більше повноважень, ніж інші.

3. Лінійну структуру називають також ієрархічною чи пірамідальною. Вона вважається найстарішим традиційним типом організаційної структури.

4. У кожного адміністратора чи керівника є своя норма управління чи сфера безпосереднього підпорядкування, тобто кількість людей, якими він безпосередньо керує.

5. У керівника багато функцій: він ставить цілі, координує роботу, делегує повноваження, вирішує питання, пов'язані з найманням та звільненням працівників.

**b)**

1. Работа штабного отдела не связана с продуктом компании.

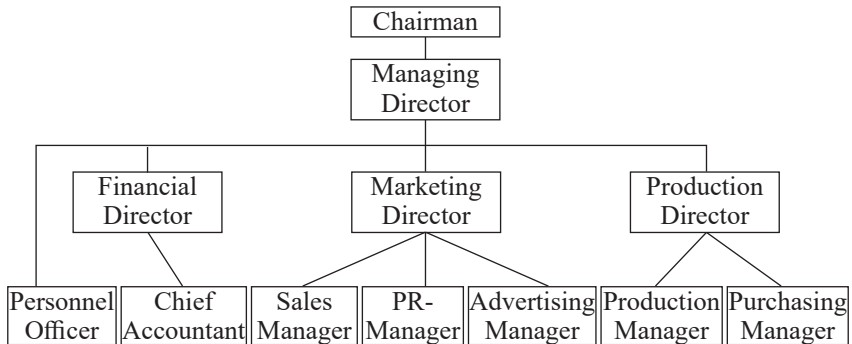
2. Работник в штабной должности напрямую отчитывается перед линейным работником, однако не дает и не получает приказов от линейных работников.

3. В основе хорошего управления лежит принятие осторожных решений.

4. Организационная структура очень важна – она обеспечивает эффективную рабочую систему и систему коммуникации.

5. Сегодня увеличились и расширились возможности для деловой карьеры.

**Ex. 15. Describe the typical management structure of a British company using the organizational chart given below.**



**Ex. 16. Compose a brief essay (not more than 100 words) about your prosperous career. Use the following questions as a plan. Present your essay to the group. Share your ideas with the partners.**

1. What area of business would you like to work in? Ground your choice.
2. What business career appeals to you? What education and qualifications are required for it?
3. Give a brief description of main responsibilities of your future job in business.
4. Would you like to set up your own business? If yes, what should be its profile?



## **UNIT 9 PERSONNEL**

‘Personnel’ refers to all the people who work for a firm. Most large companies have special personnel departments, or Human Resources (Am) – HR which are responsible for employer-employee relations. The personnel department is a staff department, which means that it is not directly involved with production, but it provides a service to the managers. The most important services which the personnel department provides are recruiting, i.e., finding new workers or managers for the company, deciding which applicants are most suitable for employment by the firm, and developing and installing personnel policies and procedures for the benefit of the company as well as employees.

Most businesses continually need to recruit good staff to replace workers who retire or quit and to fill new jobs created when the company expands. After management has determined the goals of the company and the positions needed, the personnel department must find qualified candidates to fill those positions. An employer has several options to consider when he wants to hire a new employee. First of all, he may look within his own company. It is called internal recruitment. This is either by promotion or transfer. Promotion means an employee receives a job with more authority and responsibility than his present job. The employee usually expects to receive an increase in salary along with the new position. A transfer refers to a job or department change for a worker.

If the employer can’t find anybody suitable for the position within the company, he will have to look outside the company. It is called external recruitment. For this purpose, many valuable sources are used, for example: employment agencies, consulting firms, placement offices and professional societies.

The other methods of recruiting involve the use of advertising in newspapers and professional publications.

Most recruiting involves a job announcement containing a description of the job. It is produced by the personnel department. If the firm is well known, the job description may begin with basic information about the company and its products. This is usually followed by the title of the position the company wants to fill. Then, the duties and responsibilities of the job are given. Next, appear the qualifications for the job, such as the professional training or skills needed. The salary and fringe benefits paid for by the company should also be mentioned.

Finally, the job description will tell the applicant exactly what to do if he is interested in the position.

The personnel departments usually have several methods for choosing the best candidate among the applicants for the position. The employer has two sets of qualifications to consider – professional qualifications and personal characteristics. Candidate's education, skills and previous job experience are included in his professional qualifications. These can be listed on a *Résumé* (Am), or *Curriculum Vitae* (Br) – CV. Personality traits, or personal characteristics and interests must be evaluated through the interview.

The other important function of the personnel department is the development of personnel policies. A company should have a specific formal written procedure for dealing with its employees. These procedures should state working conditions, salary scale and fringe benefits, such as paid vacation, paid sick leave, health insurance and pension, or retirement plan – all things received in addition to pay.

### ACTIVE VOCABULARY

personnel	персонал, особовий склад, кадри / персонал, личный состав, кадры
employer	роботодавець / работодатель
to recruit	приймати на роботу / принимать на работу
applicant	кандидат на посаду / кандидат на должность
employment	робота за наймом, зайнятість, служба / работа по найму, занятость, служба
to install personnel policies for the benefit of the company	застосовувати кадрову політику / применять кадровую политику на користь компанії / на благо компании
to retire	піти на пенсію / уходить на пенсию
to fill the position	заповнити робоче місце / заполнить рабочее место
internal recruitment	комплектування персоналу за допомогою внутрішніх резервів / комплектование персонала посредством внутренних резервов
promotion	службове підвищення / повышение по службе

to receive an increase in salary transfer	отримати підвищення зарплати / получить повышение зарплаты переведення на іншу посаду / перевод на другую должность
external recruitment	комплектування персоналу за допомогою зовнішніх резервів / комплектование персонала посредством внешних ресурсов
placement office	контора з працевлаштування / контора по трудоустройству
professional societies	профспілкові організації / профсоюзные организации
job announcement	оголошення про роботу / объявление о работе
job description	опис посади / описание должности
professional training	професійна підготовка / профессиональная подготовка
fringe benefits	додаткові пільги / дополнительные льготы
professional qualifications	професійні якості / профессиональные качества
job experience	досвід роботи / рабочий опыт
résumé	резюме / резюме
personal characteristics	особисті якості / личные качества
to evaluate	оцінювати / оценивать
paid sick leave	оплачуваний лікарняний листок / оплачиваемый больничный лист
health insurance and pension plan	план з медичного страхування та пенсій / план по медицинскому страхованию и пенсиям

## COMPREHENSION QUESTIONS

1. What does 'personnel' refer to?
2. Which department of a company is responsible for the employer-employee relations?
3. Why is the personnel department considered to be staff department?
4. What are the main functions of the personnel department?
5. Why do businesses continually need to recruit workers?
6. Which options should an employer first consider when he wants to find a new employee?
7. What is the difference between promotion and transfer?

8. How can the new employees be found outside the company?
9. What does the job description include?
10. What qualifications does the employer consider in choosing an employee?
11. What does 'professional qualification' mean?
12. What can interviews reveal about the applicants?
13. Besides recruiting and choosing new workers, what is another important function of the personnel department?
14. What are fringe benefits?

**Ex. 1. Memorize the following definitions.**

**Personnel** – all the people who work for a company.

**Recruitment** – the process of taking on new people.

**Transfer** – a change of job from one department of a company for another without an increase in responsibility, authority, or salary.

**Fringe benefits** – extra benefits, such as car, private health insurance provided by a company.

**Job description** – written statement of what the job holder actually does, how he or she does it, and under what conditions the job is performed.

**Résumé** – a document that gives details of a candidate's experience and qualifications.

**Ex. 2. Find in the text English equivalents of the following word-combinations and phrases. Make your own sentences using them:**

- 1) несуть відповідальність за зв'язки між роботодавцем та робітником;
- 2) не бути безпосередньо пов'язаним з виробництвом;
- 3) надає послуги керівникам;
- 4) найбільш підходящі кандидати на посаду;
- 5) розробка та застосування кадрової політики;
- 6) приймати на роботу персонал;
- 7) замінити працівників, які йдуть на пенсію чи звільняються;
- 8) визначити цілі компанії та потрібні посади;
- 9) знайти кваліфікованих кандидатів на посаду;
- 10) враховує декілька варіантів;
- 11) шукати в межах власної компанії;
- 12) отримує роботу з більшими повноваженнями та відповідальністю;
- 13) отримати підвищення заробітної плати;
- 14) використовуються багато цінних ресурсів;
- 15) загальна інформація про компанію та її продукцію;
- 16) назва посади, якої потребує компанія;
- 17) враховує два типи характеристик;
- 18) можуть бути вказані в резюме;
- 19) особисті якості чи риси характеру;
- 20) оцінюватися через інтерв'ю.

**Ex. 3. Find antonyms to the following words and expressions in the text:** employee; external recruitment; within the company.

**Ex. 4. Find synonyms to the following words and expressions in the text:**

staff; to recruit; position; candidate; personal characteristics; retirement; employment; Human Resources Department.

**Ex. 5. Match the words and expressions to their definitions.**

1. employer	a) a regular payment made to a person after he has retired from active work
2. employee	b) to teach someone the skills of a particular job or activity
3. staff	c) what is received in addition to salary
4. pension	d) the power to impose decisions
5. applicant	e) name given to a person in a certain job
6. to hire	f) a person taken on as a paid worker
7. qualification	g) the employees of an organization
8. to train	h) a person or organization that takes on paid workers
9. job title	i) a move to a more important job or rank in a company
10. promotion	j) a person who is applying for a position
11. fringe benefits	k) to take on a paid worker, employ someone
12. authority	l) an examination passed at school or university

**Ex. 6. Choose and use the correct word in the following sentences. Translate them into your native tongue. Mind the following definitions:**

**personal (adj.)** – belonging to someone; an individual’s ideas or preferences

**personnel (n.)** – the staff employed by the company

1. We haven’t got the \_\_\_\_\_ to cope with the administrative work efficiently.
2. Do not open any \_\_\_\_\_ letters.
3. You can leave your \_\_\_\_\_ property in the locker provided.
4. All our \_\_\_\_\_ have to wear a badge for security reasons.
5. The \_\_\_\_\_ department deals with the staff, keeps records and deals with any \_\_\_\_\_ problems.
6. We believe in providing a \_\_\_\_\_ service to all our clients.

7. \_\_\_\_\_ management is directed mainly to the organization's employees.  
 8. An interviewer shouldn't ask \_\_\_\_\_ questions during the interview.

**Ex. 7. Match the words to get collocations and make your own sentences with them.**

- |                 |                    |
|-----------------|--------------------|
| 1. external     | a) department      |
| 2. employment   | b) procedure       |
| 3. to fill      | c) characteristics |
| 4. personnel    | d) recruitment     |
| 5. professional | e) conditions      |
| 6. personal     | f) announcement    |
| 7. written      | g) societies       |
| 8. job          | h) the position    |
| 9. working      | i) insurance       |
| 10. health      | j) agency          |

**Ex. 8. Underline the verb which does not match the noun.**

1. A SITUATION  
 a) handle    b) operate    c) deal with    d) improve
2. AN APPLICANT  
 a) retire    b) select    c) evaluate    d) interview
3. AN INTERVIEW  
 a) carry out    b) attend    c) hold    d) make
4. AN EMPLOYEE  
 a) hire    b) fire    c) supply    d) choose
5. A JOB  
 a) offer    b) regulate    c) apply for    d) receive
6. A POSITION  
 a) change    b) control    c) fill    d) accept

**Ex. 9. Complete the following word-combinations with prepositions and make your own sentences with them.**

- |  |                                       |
|--|---------------------------------------|
| 1. to work ___ a firm                    | 9. to be involved ___ production      |
| 2. to provide a service ___ the managers | 10. ___ the benefit ___ the company   |
| 3. to be suitable ___ the position       | 11. to look ___ his own company       |
| 4. an increase ___ salary                | 12. a job ___ more authority          |
| 5. methods ___ recruiting                | 13. advertising ___ newspapers        |
| 6. to be interested ___ the position     | 14. qualifications ___ the job        |
| 7. to be listed ___ a résumé             | 15. to be evaluated ___ the interview |
| 8. ___ addition ___ pay                  | 16. to deal ___ the employees         |

**Ex. 10. Complete the following sentences with the given words. Translate them into your native tongue.**

qualifications    interview    pensions    résumé    communication  
Staff    training    Interviewers    recruitment    applicants

1. Some businesses have decided to ask their staff to contribute another 1% towards their \_\_\_\_\_.
2. All \_\_\_\_\_ are asked to provide a letter of reference.
3. Candidates must have \_\_\_\_\_ in accounting.
4. Preparing a good \_\_\_\_\_ should be the starting point for all job seekers.
5. The \_\_\_\_\_ and development manager plans, organizes and evaluates training programmes.
6. \_\_\_\_\_ are trained to watch for situations where they may be required to help.
7. A time limit was set: recruiters would \_\_\_\_\_ 60 people in four days.
8. Applicants demonstrated \_\_\_\_\_ skills by engaging in small talk.
9. \_\_\_\_\_ asked questions about each candidate's background.
10. Advertisements remain a good source of management \_\_\_\_\_.

**Ex. 11. Select the answer which best completes the meaning of the sentence. Translate the sentences into your native tongue.**

1. Simple \_\_\_\_, such as data entry, are given to junior employees.  
a) tasks    b) paperwork    c) missions
2. The personnel department must decide which applicants are the most suitable for the \_\_\_\_.  
a) benefits    b) promotion    c) employment
3. Successful \_\_\_\_ will be asked to complete a series of tests in June.  
a) applications    b) applicants    c) interviews
4. Our Managing Director, who was recruited from outside the \_\_\_\_, has been very successful.  
a) department    b) employment agency    c) firm
5. \_\_\_\_ was offered at each level in the department.  
a) Salary    b) Training    c) Promotion
6. He plans to go back to college to get a management \_\_\_\_.  
a) qualification    b) degree    c) profession
7. One of the \_\_\_\_ is vacant at present.  
a) careers    b) positions    c) personnel
8. People who apply for a job will be \_\_\_\_, regarding their experience and skills.  
a) interviewed    b) promoted    c) evaluated

9. Mr. Jackson has been \_\_\_ to our Swiss office for the next six months.  
 a) selected                      b) recruited                      c) offered
10. He received a \_\_\_ from the personnel department to the advertising department.  
 a) promotion                      b) transfer                      c) position
11. The \_\_\_ will work directly with the person he or she to replace.  
 a) director                      b) manager                      c) trainee
12. The manager has the \_\_\_ to see that all the work is completed by Friday.  
 a) task                      b) responsibility                      c) objective

**Ex. 12. Underline the correct relative pronouns in italics. Identify the sentences where it is possible to delete the relative pronoun. Translate the sentences into your native tongue.**

1. Thank you for your CV, *which* / *that* I received yesterday.
2. Maggie Night is the person *whose* / *whom* application form has gone missing.
3. Howard Carey, *what* / *who* is our HR manager, will be in touch shortly.
4. Jeremy, *who* / *that* worked here for three years, has been fired.
5. The résumé, *which* / *who* I have received, is in my office.
6. The person, to *whom* / *whose* you need to speak, is called Graham.

**Ex. 13. Complete the following table with appropriate forms of the words.**

Verb	Noun (concept)
<i>interview</i>	<i>interview</i>
retire	
	qualification
advertise	
	selection
employ	
	training
	description
announce	
apply	



**Ex. 14. Translate the following English words of the same root into your native tongue:**

employ – employment – self-employment – unemployment – employer – employee – employed – self-employed – unemployed  
apply (for) – application – applicant

**Ex. 15. Choose the correct words in italics to complete the sentences. Translate them into your native tongue.**

1. A lot of people *employ* / *are employed* in this industry.
2. *Employment* / *Unemployment* is unfortunately growing in the country.
3. Three young *employs* / *employees* took part in the experiment.
4. The *employ* / *employer* gave an interview to a journalist last week.
5. In 1986, Hamnett opened her first London store, and four years later she *employed* / *employing* 25 people.
6. Most of ads use abbreviated forms to announce conditions of *employing* / *employment*.
7. The organization has an obligation to give every *employee* / *employer* an opportunity to grow and realize his full potential.
8. In the UK, one in four young people want to be *self-employing* / *self-employed*.
9. She was worried that the company wouldn't see any relation between her work experience and the job she was *applying* / *applied* for.
10. *Applicants'* / *Application* forms vary from company to company; questions on them may be different.

**Ex. 16. Translate the following word-combinations into English.**

- |                               |                              |
|-------------------------------|------------------------------|
| 1) претендент на должность    | 7) нанять служащего          |
| 2) квалифицированный работник | 8) безработное население     |
| 3) самозанятость              | 9) полная занятость          |
| 4) уровень безработицы        | 10) обратиться за работой    |
| 5) работодатель и служащий    | 11) люди, работающие на себя |
| 6) форма заявления            | 12) агенство по найму        |

**Ex. 17. Make word-combinations as in the example and translate them paying attention to the use of the word 'policy'.**

*Eg. company / create new jobs – company's policy of creating new jobs*

corporation / to recruit qualified specialists

government / to decrease the unemployment rate

Microsoft / to invent new computer software  
Bosh / to sell household goods

**Ex. 18. Translate the following sentences into English.**

**a)**

1. Освіта кандидата на посаду, його навички та досвід роботи, залучені до переліку його професійних якостей.

2. Існують два основних способи комплектування персоналу: за допомогою внутрішніх та зовнішніх резервів.

3. Як правило, відділ кадрів розміщує в пресі оголошення про роботу з описом посади.

4. Службове підвищення – це отримання службовцем більше прав та повноважень порівняно з його теперішньою посадою.

5. Особисті якості кандидата повинні оцінюватися за допомогою інтерв'ю.

**b)**

1. Для поиска подходящей кандидатуры на должность можно использовать агентства по трудоустройству, консультационные фирмы и профсоюзы.

2. Работодатель решает, какие кандидаты на должность являются подходящими для приема на работу.

3. У компании должна быть особая официальная письменная процедура для работы со своими служащими.

4. Если работодатель не может найти подходящую кандидатуру в рамках своей компании, ему следует использовать внешние резервы.

5. Размер заработной платы, а также льготы, включая оплачиваемые больничные листы, медицинское страхование и пенсионное обеспечение, должны быть оговорены с кандидатом при приеме на работу.

**Ex. 19. Role-play**

<b>Student A</b>	<b>Student B</b>
You are a manager of the personnel department of the Translation Bureau. Interview a highly qualified translator (Student B) who is seeking a job in your organization.	You are looking for a job of a translator. Having read the job announcement, you decided to come to the Translation Bureau. Answer the questions of the manager of the personnel department (Student A).

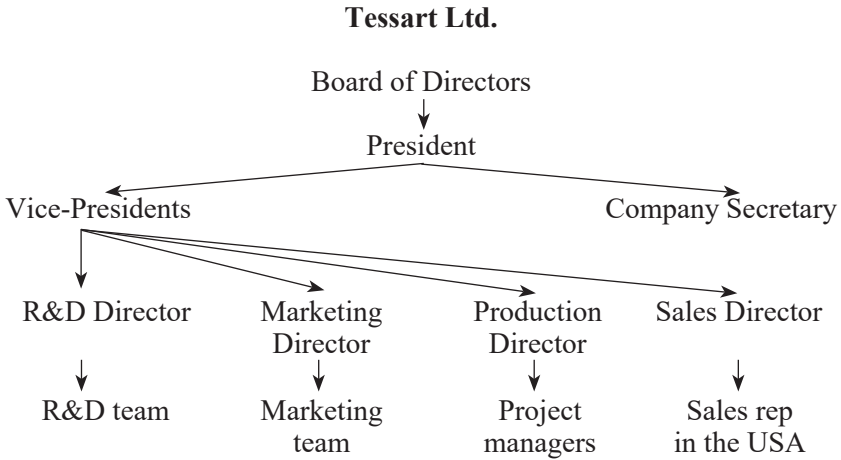
**Ex. 20. Make a company presentation using the given information.**

**Company profile:** software systems design

**Company background:** founded in 1995; 75 employees; annual turnover 1.7 hryvnyas (\$485,000); 84 projects performed; partners in the USA, the UK, Denmark, Switzerland, Russia and Ukraine

**Main activities:** Computer Telephony Integration (CTI)

**Major projects:** Graphic Flight Following, EasyDeal Business Information System



## **FOUR BASIC PRINCIPLES OF MANAGEMENT**

Management plays a vital role in any business or organized activity. There are several definitions of management. According to one of them, management is a process of planning, organizing, leading and controlling the work of organization members and using all available resources to reach the stated goals. The management is composed of a team of managers who have charge of the organization at all levels. Their duties make sure that the company objectives are met and the business operates efficiently.

Four major principles, or functions of management are: planning, organizing, directing, controlling.

Planning involves determining overall company objectives and deciding how these goals can be achieved. Managers evaluate alternative plans and definite tactics before choosing a specific course of action, and then, check to see that the chosen plan fits into the objectives established at higher organization levels. Planning is listed as the first management function because the others depend on it.

Organizing, the second management function, is the process of putting the plan into action. This involves allocating resources, especially human resources so that the overall objectives can be achieved. At this stage, managers decide on the positions to be created and determine the associated duties and responsibilities. Recruiting, choosing the right person for the right job, may also be included as part of the organizing function.

Third is the day-to-day direction and supervision of employees. In directing, managers guide, teach and motivate workers so that they reach their potential abilities and at the same time achieve the company goals that were established in the planning process. Effective direction, or supervision by managers requires constant communication with employees. They communicate objectives to the people responsible for achieving them. They make the people, who are performing individual jobs, form a team. They also make decisions about the salary and promotion.

In the last management function – controlling – managers evaluate how well company objectives are being met. If any problems exist and goals are not being achieved, then changes need to be made in the company's organizational or managerial structure. In making changes, managers might have to go back and replan, reorganize, and redirect.

## ACTIVE VOCABULARY

management	управління, керівництво, організація виробництва, адміністрація / управление, руководство, организация производства, администрация
planning	планування / планирование
organizing	організація / организация
directing	керівництво / руководство
controlling	контроль / контроль
all available resources	всі наявні засоби / все имеющиеся средства
to reach the stated goals	досягти поставлених цілей / достичь поставленных целей
at all levels	на всіх рівнях / на всех уровнях
to meet the objectives	досягти цілей / достигать целей
to operate efficiently	працювати ефективно / работать эффективно
overall company objectives	загальні цілі компанії / общие цели компании
alternative plans	альтернативні плани / альтернативные планы
tactic	метод / метод
to choose a specific course of action	обирати певний спосіб дій / выбирать определенный способ действий
to allocate resources	розподіляти ресурси / распределять ресурсы
human resources	кадровий потенціал, трудові резерви / кадровый потенциал, трудовые резервы
to create positions	утворювати посади / создавать должности
associated duties	відповідні обов'язки / соответствующие обязанности
supervision	нагляд, контроль / надзор, контроль

## COMPREHENSION QUESTIONS

1. What is management?
2. What are the four major management functions?

3. What does planning involve?
5. Why is planning considered to be the first management function?
6. What do managers do at the organizing stage?
7. What does the day-to-day direction include?
8. Why is constant communication necessary for effective direction?
9. What do managers evaluate at the controlling stage?
10. What actions can a manager take at the controlling stage if there are problems in the company?

***Ex. 1. Memorize the following definitions.***

**Management** – the act or skill of directing and organizing the work of a company or organization.

**Manager** – a person who is employed to control, organize and direct a part or all of a business or organization.

***Ex. 2. Find in the text English equivalents of the following word-combinations and phrases. Make your own sentences using them:***

1) відіграє провідну роль; 2) використання всіх наявних ресурсів; 3) досягти поставлених цілей; 4) складається з команди управлінців; 5) керувати організацією на всіх рівнях; 6) головні принципи управління; 7) визначення загальних цілей компанії; 8) оцінити альтернативні плани; 9) перед вибором конкретного принципу дій; 10) обраний план відповідає цілям; 11) процес запровадження плану в дію; 12) визначати пов'язані з цим обов'язки та відповідальність; 13) щоденне управління та контроль над працівниками; 14) направляють, навчають та мотивують працівників; 15) реалізують свої потенційні можливості; 16) потребує постійного контакту з працівниками; 17) формувати команду; 18) приймають рішення щодо підвищення зарплати та кар'єрного зростання; 19) в управлінській системі компанії; 20) змінювати плани, реорганізувати та переорієнтовувати.

***Ex. 3. Find antonyms to the following words in the text:***

overall; workers.

***Ex. 4. Find synonyms to the following words and expressions in the text:***

to reach the goals; to be composed of; company; leading; to direct; specific.

**Ex. 5. Match the words and expressions to their definitions.**

1. organizing	a) to give money or other resources in certain proportions
2. controlling	b) the particular method to achieve something
3. planning	c) to watch and direct work, workers or organization
4. to supervise	d) achieving desired results through other people
5. to allocate	e) to make people want to do hard work
6. to achieve	f) a sum of money paid monthly
7. to motivate	g) getting other people to do their best
8. human resources	h) monitoring work and taking correct actions
9. salary	i) the obligation or responsibility for a job
10. tactic	j) workforce of an organization
11. duty	k) to succeed in doing something
12. management	l) deciding what to do and how to achieve

**Ex. 6. Complete the following word-combinations with prepositions and make your own sentences with them.**

- |                                |   |
|--------------------------------|---|
| 1. process ___ planning        | 6. to decide ___ the positions          |
| 2. ___ all levels              | 7. ___ this stage                       |
| 3. to put the plans ___ action | 8. to be composed ___                   |
| 4. according ___               | 9. ___ the same time                    |
| 5. course ___ action           | 10. to have charge ___ the organization |

**Ex. 7. Match the words to get collocations as in the text and make your own sentences with them.**

- |                   |                  |
|-------------------|------------------|
| 1. overall        | a) goals         |
| 2. available      | b) tactics       |
| 3. alternative    | c) structure     |
| 4. day-to-day     | d) duties        |
| 5. potential      | e) communication |
| 6. planning       | f) abilities     |
| 7. constant       | g) resources     |
| 8. organizational | h) direction     |
| 9. vital          | i) objectives    |
| 10. associated    | j) plans         |
| 11. stated        | k) process       |
| 12. definite      | l) role          |

**Ex. 8. Match each of the following nouns to the appropriate verbs to get as many collocations as possible. Give their equivalents in your native tongue.**

	duties	goals	tactics	plans	objectives	abilities
1. to reach		<u>goals</u>	_____	_____	_____	_____
2. to meet		_____	_____	_____	_____	_____
3. to fit into		_____	_____	_____	_____	_____
4. to determine		_____	_____	_____	_____	_____
5. to achieve		_____	_____	_____	_____	_____
6. to set		_____	_____	_____	_____	_____

**Ex. 9. Complete the following sentences with the given words and expressions. Translate them into your native tongue.**

managers objectives management available efficiently team  
 role resources planning supervise evaluate set

- The work will be evaluated by members of the management \_\_\_\_\_.
- The government is \_\_\_\_\_ to simplify the tax laws.
- Inflation happens when there is a lot more money \_\_\_\_\_ than there are goods for sale.
- We need to \_\_\_\_\_ how the policy is working.
- The term 'finance' refers to money or the \_\_\_\_\_ of money.
- Entrepreneurs have always played a key \_\_\_\_\_ in the economy.
- The \_\_\_\_\_ in our company have a great deal of authority.
- I have a meeting with my line manager to fix my \_\_\_\_\_ every six months.
- We have to \_\_\_\_\_ the trainees very closely.
- Tasks are generally \_\_\_\_\_ to employees at the start of the week.
- A key element of the new strategy is the more effective use of our \_\_\_\_\_.
- The plan is designed to motivate employees to work more \_\_\_\_\_.

**Ex. 10. Select the answer which best completes the meaning of the sentence. Translate the sentences into your native tongue.**

- His personal assistant \_\_\_ his schedule and prepares all his appointments.  
 a) determines                      b) manages                      c) controls
- The most important skill for managers is the ability to motivate their \_\_\_\_\_.  
 a) employer                      b) colleagues                      c) staff



3. In future, the department is going to \_\_\_ more resources to the project than intended .  
 a) put                                      b) allocate                                      c) invest
4. The company will meet all its \_\_\_ by spring.  
 a) objectives                                      b) plans                                      c) projects
5. A combination of the ideal working \_\_\_ and appropriate reward would create the efficiency required to increase productivity.  
 a) hours                                      b) conditions                                      c) place
6. Does the fear really \_\_\_ people to do better in their work?  
 a) motivate                                      b) make                                      c) choose
7. Let the sales \_\_\_ know that tomorrow's meeting has been postponed until next Wednesday.  
 a) company                                      b) department                                      c) team
8. Developing an effective strategy plays the key role in the \_\_\_ process for all businesses.  
 a) production                                      b) commercial                                      c) planning
9. Employees don't want to be led; they want to be \_\_\_ .  
 a) rewarded                                      b) organized                                      c) managed
10. Good \_\_\_ are rarely afraid to take risks.  
 a) employees                                      b) leaders                                      c) supervisors
11. To put idea effectively and profitably into practice, generally, requires \_\_\_ experience and authority.  
 a) managerial                                      b) organizational                                      c) structural
12. Effective leaders need not only to see where the \_\_\_ of a particular individual would be used; they also have to be teachers to those around them.  
 a) abilities                                      b) features                                      c) knowledge

**Ex. 11. Underline the correct modal verb in italics and translate the sentences into your native tongue.**

1. In some places, people *have to / should* work more than 12 hours a day.
2. You *mustn't / don't have to* donate any money if you don't want to.
3. Employers *ought to / must* stop using child labour or they face a fine.
4. You *needn't / shouldn't* speak to the press. I can do it if you are busy.
5. I *didn't have to / mustn't* take part in yesterday's meeting.
6. How much money do you think I *ought to / have to* donate?
7. If you want to sign the document, you'll *need to / must* do it soon as I'm posting it off today.
8. The government has warned companies that they *don't have to / mustn't* break the law.

**Ex. 12. Translate the following sentences into English.**

**a)**

1. Планування, організація, управління та контроль є основними принципами управління.
2. Планування означає визначення загальних цілей компанії та можливостей їх досягнення.
3. Ефективне управління та контроль потребує постійного контакту з працівниками на всіх рівнях організації.
4. При наявності проблем в компанії, потрібні зміни в її організаційній структурі.
5. Керівники визначають цілі та приймають рішення щодо заробітної плати працівників.

**b)**

1. Менеджеры оценивают альтернативные планы и определяют тактику, перед тем как выбрать конкретный принцип действий.
2. Для эффективной работы компании необходимо разумно распределять ее ресурсы и особенно ее кадровый потенциал.
3. Организация – это внедрение намеченных целей и планов в действие.
4. В процессе управления руководитель ставит цели, направляет, обучает и мотивирует работников.
5. Хороший руководитель способен создать из работников, выполняющих разные задачи, одну команду.

**Ex. 13. Which book would be useful for each of these people? Discuss in groups.**

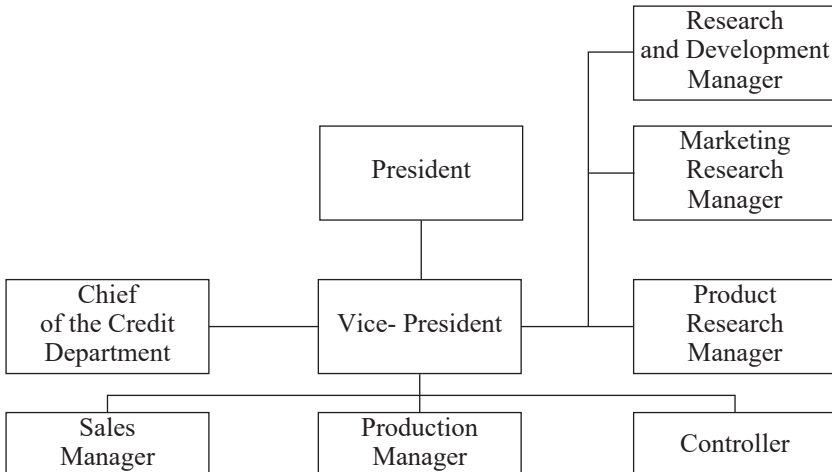
<b>a) Democratic Management: You Can Reap the Rewards</b>	<b>b) Delegate: The Way to Clear Your Desk and Your Head</b>	<b>c) Crisis Management Systems: Planning to Cope</b>	<b>d) Change Management: The Manager's Handbook for Interesting Times</b>
<b>Bob:</b> "There are lots of new developments in our field. We need to be prepared to cope with their effects on our firm."		<b>Ian:</b> "My boss finds it very hard to accept ideas. I need to convince her that this can be good for the firm."	
<b>Sally:</b> "I'm always worrying that something might go wrong at the factory or with our delivery system. What would happen if it did?"		<b>Geoff:</b> "I'm simply overloaded. I spend all day making decisions and meeting all kinds of people, so I never have any time to actually manage the firm."	

**Ex. 14. Comment on the following five functions of management: planning, organizing, staffing, directing, controlling.**

**Ex. 15. Look through the list of manager’s abilities. Choose the three features which are the most important in the work of any manager. Give your reasons.**

- |                      |                      |                           |
|----------------------|----------------------|---------------------------|
| general education    | motivation to work   | foreign languages         |
| flexibility          | resistance to stress | ability to make decisions |
| communication skills | punctuality          | fantasy                   |

**Ex. 16. Imagine that you are the president of the company. Look over the organizational chart. Compose a brief essay (not more than 80 words) about the organization structure of your firm. Use the questions below as a plan.**



- How many departments are there at your company?
- How many managers work for the company?
- What is, in your opinion, the most important department?
- What line and staff positions can you distinguish?
- Are there any overseas branches?

## REVISION 3 (UNITS 8-10)

*Ex. 1. Read the definitions. Then put the anagrams in the correct order. The first letter of each word is in bold.*

- |   |                          |
|---|--------------------------|
| 1. To stop doing a job because of age.                                      | terrie retire            |
| 2. To give someone a more important job and more money.                     | met <b>p</b> roo .....   |
| 3. The word related to losing a job.  | reif .....               |
| 4. Two words for people being considered for a position.                    | nidcateda .....          |
| 5. To fill in a form, write a letter for a job.                             | plactapin .....          |
| 6. Two words related to finding new workers to join the company.            | lypap .....              |
| 7. A person who has other people working for him.                           | crutrie .....            |
| 8. The capital, personnel and knowledge that a company has at its disposal. | reih .....               |
| 9. To ask a candidate questions.  | leperomy .....           |
| 10. The system of authority within an organization.                         | socsreuer .....          |
|   | ert <b>i</b> nwiew ..... |
|   | rahicyerh .....          |

*Ex. 2. Match the words to similar meanings.*

- |               |                  |
|---------------|------------------|
| 1. personnel  | a) pension       |
| 2. hiring     | b) CV            |
| 3. position   | c) pyramid       |
| 4. retirement | d) recruitment   |
| 5. objectives | e) administrator |
| 6. résumé     | f) staff         |
| 7. hierarchy  | g) candidate     |
| 8. supervisor | h) goals         |
| 9. executive  | i) boss          |
| 10. applicant | j) job           |

*Ex. 3. Rewrite the following sentences. Replace the underlined words and expressions with the words and expressions of the same meaning.*

1. The CEO must know lots of little things and must direct the every day aspects of the business.
2. Workers may have to seek employment elsewhere.
3. All the people in the organization know to whom they report and to whom they can give instructions.

4. The personnel department is a service department.
5. Businesses continually need to find good personnel to take the place of workers who quit because of old age.
6. Each administrator has the number of people whom he manages directly.
7. The policies describe what employees receive in addition to salary.
8. This organization recruits externally.
9. He changed a job from the accounting department to the personnel department.
10. Because of his hard work, he received a higher position with more authority and responsibility.

**Ex. 4. Match the words and expressions to opposite meanings.**

- |                         |                         |
|-------------------------|-------------------------|
| 1. employee             | a) internal recruitment |
| 2. superior             | b) to quit              |
| 3. external recruitment | c) outside the company  |
| 4. line position        | d) unemployment         |
| 5. to receive orders    | e) staff position       |
| 6. to receive a job     | f) employer             |
| 7. within the company   | g) to give instructions |
| 8. employment           | h) subordinate          |

**Ex. 5. Underline the odd word in each set.**

- |                         |              |              |
|-------------------------|--------------|--------------|
| 1. a <u>subordinate</u> | b manager    | c leader     |
| 2. a meet               | b achieve    | c lose       |
| 3. a directing          | b organizing | c managing   |
| 4. a supervise          | b train      | c teach      |
| 5. a abilities          | b skills     | c experience |
| 6. a vertical           | b staff      | c line       |
| 7. a supervisor         | b boss       | c officer    |
| 8. a rank               | b top        | c level      |
| 9. a area               | b business   | c field      |
| 10. a policies          | b tactics    | c procedures |

**Ex. 6. Match the words to get collocations and give their equivalents in your native tongue.**

- |           |              |
|-----------|--------------|
| 1. job    | a) work      |
| 2. line   | b) officers  |
| 3. fringe | c) manager   |
| 4. paper  | d) structure |
| 5. human  | e) positions |

- |                 |                |
|-----------------|----------------|
| 6. top          | f) resources   |
| 7. personnel    | g) description |
| 8. sales        | h) authority   |
| 9. to create    | i) department  |
| 10. to delegate | j) benefits    |

**Ex. 7. Which of the following words refer to:**

**a) all the people in a company;**

**b) people who are in charge of others? Some words don't belong in either group.**

- |              |          |                    |     |
|--------------|----------|--------------------|-----|
| 1. boss      | <u>b</u> | 5. labour force    | ___ |
| 2. assistant | ___      | 6. chief executive | ___ |
| 3. personnel | ___      | 7. staff           | ___ |
| 4. employees | ___      | 8. supervisor      | ___ |

**Ex. 8. Complete the following table with appropriate forms of the words.**

<b>Noun (concept)</b>	<b>Adjective</b>	<b>Verb</b>
<i>communication</i>	<i>communicative</i>	<i>communicate</i>
		organize
supervision		
	managerial	
employment		
		increase
	qualified	
		promote

**Ex. 9. Complete the following sentences with the correct form of the word in capitals. Translate them into your native tongue.**

- His new job has more \_\_\_\_\_ and responsibility. AUTHORIZE  
He is now \_\_\_\_\_ to sign all papers.
- People, who wish to \_\_\_\_\_ for the position, should APPLY  
fill out an \_\_\_\_\_ for the personnel department. \_\_\_\_\_  
chosen for the interviews will be notified by mail.
- The personnel department is giving a \_\_\_\_\_ PROMOTE  
examination to see which of the employees will be  
\_\_\_\_\_ to the new position.
- The job \_\_\_\_\_ states the job title. It also \_\_\_\_\_ all DESCRIBE  
the duties as well as the requirements for employment.

5. Does the applicant have the \_\_\_\_\_ skills? Does he meet all the other \_\_\_\_\_? REQUIRE
6. \_\_\_\_\_ applicants will be contacted for an interview. Professional \_\_\_\_\_ include a candidate's education and previous job experience. QUALIFY
7. This company has a policy of internal \_\_\_\_\_. Companies, which \_\_\_\_\_ internally, hire new workers at beginning levels. If you want to get a job, make yourself known to \_\_\_\_\_ and employment agencies. RECRUIT
8. The personnel department always tries to fill \_\_\_\_\_ positions with current employees. The new \_\_\_\_\_ is joining the staff in November. MANAGE
9. Haworth, formerly a \_\_\_\_\_ of 120 people at a printing company, left to start his own business. Constant communication with employees is the basis of the effective \_\_\_\_\_. SUPERVISE
10. During the year, we \_\_\_\_\_ 65 workers. The \_\_\_\_\_ manager would like to talk to some of the company's supervisors and department heads. \_\_\_\_\_ people often find themselves viewed by others as failures. EMPLOY

***Ex. 10. Fill in the gaps with prepositions where necessary.***

1. A team ... ten people reports ... the IT Manager.
2. Who is responsible ... staff development ... this department?
3. One advantage ... working ... TBF is the career structure.
4. Many companies provide lifelong employment ... their workers.
5. I'm thinking ... applying ... the position ... Team Leader because I've got all the necessary qualifications ... this job.
6. A Vice-President ... Marketing has direct authority ... a sales manager.
7. If the recruiter has a need ... specialists, he can advertise ... a newspaper.
8. The personnel department is not directly involved ... production.
9. The employer may look ... his own company to hire an employee ... the job ... more authority.
10. Katherine is very good at dealing ... problems and putting plans ... action, so she's got a promotion and an increase ... salary.
11. At the moment, we are looking ... a specialist suitable ... the position ... Purchasing Manager.
12. Staff departments are not tied ... the company product, they are busy ... services.

**Ex. 11. Read the fragment of a job description and fill in the blanks.**

It is generally the job of a company's \_\_\_\_\_ to consider the needs of the future, and to take responsibility for innovation, without which any organization can only expect a limited life. The \_\_\_\_\_ also has to manage business relations with customers, suppliers, distributors, bankers, investors, public authorities, and so on, as well as to deal with any major crises which arise. The \_\_\_\_\_ is appointed, supervised, advised and dismissed by a company Board of Directors.

**Ex. 12. Choose the right meaning of the words. Translate the word combinations into your native tongue.**

1. working environment  
environment – окружение, условия, среда
2. labour protection  
protection – защита, охрана, протекция
3. line position  
position – место, позиция, должность
4. job title  
title – титул, название, должность
5. field of business  
field – сфера, поле, площадь
6. specific work  
specific – специфическая, характерная, определенная
7. placement office  
office – офис, кабинет, контора
8. human resources  
resources – ресурсы, потенциал, средства

**Ex. 13. Translate the following sentences into your native tongue.**

1. The chain of command simplifies the problems of giving and taking orders.
2. A worker in a staff position reports directly to a line worker.
3. Span of control means the number of people whom one manages directly.
4. Organization structure provides an efficient work system and system of communication.
5. An employee usually expects to receive an increase in salary along with the new position.
6. The personnel departments usually have several methods for choosing the best candidate among the applicants for the position.



7. Candidate's education, skills and previous job experience are included in his professional qualifications.
8. The management is composed of a team of managers who have charge of the organization at all levels.
9. Managers evaluate alternative plans and definite tactics before choosing a specific course of action.
10. A team of managers makes sure that the company objectives are met and the business operates efficiently.

***Ex. 14. Translate the following sentences from Ukrainian into English.***

1. Деякі компанії спеціалізуються на ринкових дослідженнях, які є дуже важливими для успішної торгівлі.
2. Зазвичай працівник отримує накази від свого безпосереднього керівника, але іноді взаємозв'язки між посадами та людьми ускладнюються.
3. Керівники головних відділів складають вищий рівень ієрархії.
4. Штабні відділи, як правило, не пов'язані з кінцевим продуктом компанії.
5. Особисті якості та риси характеру кандидата на посаду вказуються в резюме.
6. Керівник відділу кадрів може приймати на роботу персонал, щоб замінити працівників, які йдуть на пенсію чи звільнюються.
7. Працівнику, що сподівається на підвищення заробітної плати, треба надати роботу з більшими повноваженнями та відповідальністю.
8. Щоб знайти найбільш придатного кандидата на посаду, треба шукати як в межах, так і за межами власної компанії.
9. Працівники повинні реалізувати свої потенційні можливості (в процесі роботи).
10. Перш за все керівник повинен визначити загальні цілі своєї компанії.

***Ex. 15. Translate the following sentences from Russian into English.***

1. Руководители производственных отделов находятся в линейной взаимосвязи друг с другом.
2. Практически в любой развивающейся коммерческой фирме есть возможности для деловой карьеры.
3. Правильная организационная структура компании упрощает процесс отдачи и принятия приказов.

4. Организация штабных отделов способствует эффективной работе крупных компаний.
5. Руководитель компании использует все имеющиеся у него ресурсы для достижения поставленных целей.
6. Постоянный контакт с работниками компании содействует ее эффективному управлению и контролю.
7. Руководитель оценивает тактику перед выбором конкретного принципа действия.
8. Хорошее управление играет жизненно важную роль на любом предприятии.
9. При замене руководителя компании, необходимо произвести изменения в ее организационной и управленческой системе.
10. Чтобы сформировать хорошую команду, руководитель направляет, обучает и мотивирует работников.

## **ACCOUNTING AND FINANCIAL STATEMENTS**

All businesses need to keep financial records in order to find out if they are making a profit. These records exist in several forms because bookkeepers deal in cash flow (cash receipts and cash disbursements), taxes, sales, purchases, uses of raw materials, and different business transactions of the company.

First, bookkeepers record all the appropriate figures in the book of original entry, or a Journal. At the end of a period, usually a month, the totals of each Journal are posted into the proper page of the Ledger. The Ledger is a book containing all the accounts of a company. An account is a financial record which contains information about a group of similar transactions. For example, all sales activities are recorded in one account. Another type of account may be a record of all the costs of raw materials. So, the Ledger shows all the expenditures and all the earnings of the company.

Interpretation of the data recorded in accounts is referred to as accounting. Accounting shows a financial picture of a firm. An accounting department records, analyzes and measures the activity of a business. It reports on the effects of the transactions on the firm's financial condition. The accountant is to determine the ways in which the business may grow in the future. Accounting data is used by management as a basis for business decisions, such as allocation of financial resources, development of new products, advertising campaign, reorganization and expansion of operations.

The chief accounting officer of a large company is the Controller, or Comptroller. Controllers are responsible for measuring the company's performance. They interpret the results of the operations, plan and recommend future actions. This position is very close to the top executives of the company. The financial information of a company is also used by stockholders, creditors, investors, independent analysts, individual businesses, banks and governments.

Accountants use the information in accounts to construct financial statements. The two major forms of these financial statements for companies are the balance sheet and the profit and loss account (Br), or income statement (Am). Both statements show how money was received and spent by the company. The balance sheet represents a summary of a firm's financial position at the end of an accounting period, usually a year, i.e. fiscal year. The profit and loss account is a statement of a

company's expenditure and income over an accounting period showing whether the company has made a profit or loss.

The balance sheet is a financial statement which indicates the condition of a company on a specific date. It is always in two parts: on the left-hand side – the firm's assets, and on the right-hand side – the firm's liabilities. So, every business deal results in two entries – debit and corresponding credit. If these entries are added up, they will come to the same figure, i.e. balance.

Companies have different types of assets which are usually divided into two groups: current assets and fixed assets.

Current assets are either cash or items, which will be turned into cash during the current business period, such as merchandise to be sold and payments to be received. In addition to cash, inventories and accounts receivable, companies sometimes have stocks and bonds. These are referred as securities.

Fixed assets are those that will be kept and used for a long time. New machinery and production equipment are valued at their cost. As the equipment is used, its value decreases. This decrease in value is called depreciation. Used equipment is, therefore, kept on the books at original cost less depreciation. Depreciation is usually calculated on a yearly basis by dividing the total cost of the equipment by the number of years of useful life.

Other fixed assets are furniture and fixtures. Fixtures refer to equipment that is attached to the building. There are light fixtures and plumbing fixtures. Fixtures would also include items, such as shelves, air-conditioning and heating equipment. Buildings are another fixed asset. On the balance sheet, the value of fixtures and buildings would also indicate accumulated depreciation. Land is also a fixed asset, but its value does not decline, and so, it shows no depreciation.

The opposite side of the balance sheet shows the liabilities. These are accounts which the company owes. Companies owe money to banks, to governments for taxes, and to other companies, who have sold the goods which they haven't yet paid for. Liabilities, like assets, are divided into two groups.

Current liabilities are debts which must be paid during the current business cycle. They would include accounts payable, taxes, accumulated wages, and interest on borrowed money.

Companies also have long-term liabilities. These are long-term debts with interest that has to be paid. These debts may be in the form of bonds, which are securities sold to banks or other investors, or a mortgage which is money borrowed from banks for the purpose of

purchasing property or equipment. The payment of bonds is usually guaranteed by the reputation of the company. Mortgages, on the other hand, are guaranteed by the value of the mortgaged property.

After a company subtracts its debts from its assets, the figure arrived at is the net worth of the company.

**Johnson plc**  
**Profit and Loss Account on December 31, 2007**

<b>INCOME</b>		<b>EXPENDITURE</b>	
\$000		\$000	
Sales	837	Raw Material Purchases	255
		Depreciation	28
		Salaries and Wages	37
		Transport Expenses	43
		Distribution	15
		Administrative Expenses	58
		Taxes	127
		Dividends	20
<b>Total</b>	<b>837</b>	<b>Total</b>	<b>583</b>

**Johnson plc**  
**Balance Sheet on December 31, 2007**

<b>ASSETS</b>		<b>LIABILITIES</b>	
\$000		\$000	
<b>Current Assets</b>		<b>Current Liabilities</b>	
Cash	25	Accumulated Wages	45
Stock	43	Taxation	27
Accounts Receivable	116	Accounts Payable	86
Inventories	34	Depreciation	10
Investments	20		
<b>Fixed assets</b>		<b>Long-Term Liabilities</b>	
Buildings	550	Dividends	40
Plant and Equipment	253	Bonds Payable	10
Transport	102		
Furniture & Fixtures	12		
<b>Total</b>	<b>1,155</b>	<b>Total</b>	<b>218</b>

**ACTIVE VOCABULARY**

statement

звіт, витяг, таблиця, розрахунок,  
підрахунок, кошторис / отчет, выписка,

	ведомость, таблица, расчет, подсчет, смета
to keep financial records	вести фінансові записи / вести финансовые записи
cash	готівка в касах та банках / наличность в кассах и банках
cash flow	рух готівки / движение наличных средств
cash receipts	грошові надходження / денежные поступления
cash disbursements	виплата грошей / выплата денег
business transaction	ділова (господарська) операція / деловая (хозяйственная) операция
book of original entry	книга первісних записів / книга первоначальной записи
entry	бухгалтерський запис, проводка / бухгалтерская запись, проводка
Journal	бухгалтерський журнал / бухгалтерский журнал
to post	переносити (в головну книгу) / переносить (в главную книгу)
Ledger	головна книга, гробсбук / главная книга, гробсбук
total	сума, підсумок / сумма, итог
account	рахунок / счет
to report on smth.	робити звіт про що-небудь / делать отчет о чем-либо
data	дані, інформація / сведения, информация
advertising campaign	рекламна кампанія / рекламная кампания
chief accounting officer	головний бухгалтер / главный бухгалтер
company's performance	ступінь ефективності роботи компанії / степень эффективности работы компании
to construct financial statements	складати фінансові звіти / составлять финансовые отчеты
balance sheet	балансовий звіт, баланс / балансový отчет, баланс

profit and loss account	рахунок прибутку та збитків / счет прибыли и убытков
accounting period	звітний період / отчетный период
fiscal year	фінансовий рік / финансовый год
assets and liabilities	активи та пасиви / активы и пассивы
debit and credit	дебіт та кредит / дебит и кредит
current assets	поточний капітал, оборотні (обігові) кошти / текущий капитал, оборотные средства
fixed assets	основний капітал, основні кошти / основной капитал, основные средства
merchandise	товари / товары
inventories	товарно-матеріальні запаси, оборотні (обігові) фонди / товарно-материальные запасы, оборотные фонды
accounts receivable	рахунки до отримання / счета к получению
bonds	облігації / облигации
securities	цінні папери / ценные бумаги
machinery	верстатне обладнання / станочное оборудование
depreciation	амортизація, знецінення, нарахування зносу обладнання / амортизация, обесценивание, начисление износа оборудования
original cost	первісна вартість / первоначальная стоимость
fixtures	вбудоване обладнання, складова части- на нерухомості / встроенное оборудова- ние, составная часть недвижимости
current liabilities	короткострокові, поточні зобов'язання / краткосрочные, текущие обязательства
accounts payable	рахунки до сплати / счета к оплате
interest on borrowed money	відсотки на позиковий капітал / проценты на заемный капитал
long-term liabilities	довгострокові зобов'язання / долгосрочные обязательства
mortgage	застанова, іпотека / закладная, ипотека

mortgaged property	заставне майно / заложенное имущество
net worth of the company	чиста вартість компанії / чистая стоимость компании

## COMMENTARY

**Assets and liabilities** – активи та пасиви: *активи* містять цифрові дані про склад та розміщення капіталу, *пасиви* показують цифрові дані про джерела утворення капіталу.

**Accounts receivable** – кошти дебіторів: надходження та суми, які очікуються та повинні бути отримані від клієнтів за товари чи послуги, що вже було поставлено чи надано.

**Accounts payable** – кошти кредиторів: наступні виплати, кошти, які повинні сплатити клієнти за товари чи послуги, що вже було поставлено чи надано.

**Mortgage** – застава під нерухомість: передача дебітором (хто бере позику) кредитору права на нерухомість як виплата за позику.

## COMPREHENSION QUESTIONS

1. Why do businesses keep financial records?
2. Where are business transactions first recorded?
3. What are examples of things recorded in the Journal?
4. What is another name for the Journal?
5. What is contained in the Ledger?
6. What do we call a record of similar financial transactions?
7. What is the name for the activity of interpreting financial information?
8. Why do managers need financial statements?
9. What are the main functions of the Controller?
10. What institutions are particularly interested in financial information of individual businesses?
11. What do accountants do with the information contained in the accounts?
12. What are the two major forms of financial statements for companies?
13. What kind of financial statement is a profit and loss account?
14. What kind of financial statement is a balance sheet?
15. What does the balance sheet indicate?
16. Where are the assets and liabilities listed on the balance sheet?
17. What are the two kinds of assets and liabilities?
18. Why is merchandise regarded as a current asset?
19. What is the method of determining yearly depreciation of equipment?



20. What is the difference between calculating the value of land and the value of a building?
21. Where do companies list debts on which they must pay interest?
22. What is the difference between a bond and a mortgage? What is the similarity?

**Ex. 1. Memorize the following definitions.**

**Accounting** – keeping and checking financial records and the interpretation of the data contained in them.

**Financial statement** – a document showing the state of the finances of an organization or business.

**Balance sheet** – a statement showing the wealth of a business or organization on a particular date.

**Profit and loss account** – a financial statement showing revenue, expenditure and profit from operations during a given period.

**Merchandise** – goods produced in order to be sold.

**Inventories** – stored supplies of raw materials or unsold goods.

**Depreciation** – the decrease in value of certain fixed assets due to use or wear.

**Mortgage** – a document which gives the ownership rights but not possession of a piece of property to a creditor as guarantee for the payment of a loan.

**Net worth** – the difference between the value of the assets of a company and the value of its liabilities.

**Ex. 2. Find in the text English equivalents of the following word-combinations and phrases. Make your own sentences using them:**

- 1) для того, щоб з'ясувати, чи є у них прибуток; 2) записи існують у декількох формах; 3) ділові операції компанії; 4) заносити відповідні дані до книги первісних записів; 5) книга, яка містить всі рахунки компанії; 6) всі дані щодо продажу записуються на один рахунок; 7) показує всі витрати та прибутки компанії; 8) інтерпретація інформації, яку записано на рахунках; 9) звітує про результати операцій; 10) розміщення фінансових ресурсів та розробка нової продукції; 11) оцінювання ефективності роботи компанії; 12) дві головні форми фінансового звіту; 13) зведення фінансового стану фірми на кінець звітного періоду; 14) стан компанії на визначену дату; 15) товари, які треба продати та виплати, які треба отримати; 16) зменшення вартості; 17) показувати накопичену амортизацію; 18) протилежний бік балансового звіту; 19) довгострокові борги,

які потребують виплати відсотка; 20) гроші, що позичено в банках для купівлі майна чи обладнання.

**Ex. 3. Find antonyms to the following words and expressions in the text:**

expenditures; to subtract; profit; credit; current assets; cash receipts; purchases; left-hand side; accounts payable; liabilities.

**Ex. 4. Find synonyms to the following words and expressions in the text:**

Comptroller; income statement; accounting period; entry; information; value; to measure; bookkeeper; to decline; transaction; financial condition; profit; salaries; production equipment; merchandise; book of original entry.

**Ex. 5. Match the words and expressions to their definitions.**

1. Journal	a) all the money a company owes to other companies for goods or services received
2. account	b) money which is owed
3. depreciation	c) the book which records a company transactions in accounts
4. long term liabilities	e) action of doing something well or badly
5. accounts receivable	f) statement showing a firm's income and expenditure throughout the accounting period
6. fixed assets	g) the book where financial transactions are first recorded
7. debit	h) summary of a firm's financial position at the end of an accounting period
8. balance sheet	i) a financial record of similar transactions
9. accounts payable	j) assets which a company uses on a continuous basis, such as property and machinery
10. profit and loss account	k) all the money which should be paid to a company by other companies for goods or services supplied

11. Ledger	l) the decreased value of the equipment
12. performance	m) debts that have to be paid in more than a year

**Ex. 6. Match each of the following words to one set of nouns to get collocations. Give their equivalents in your native tongue.**

business      cash      financial      accounting      company's

1. <u>cash</u>	receipts	4. _____	performance
	disbursements		expenditure
	flow		income
2. _____	period	5. _____	record
	data		information
	department		picture
	officer		statement
3. _____	transaction		condition
	period		position
	cycle		resources

**Ex. 7. Match the words to get collocations and make your own sentences with them.**

- |                |                 |
|----------------|-----------------|
| 1. mortgaged   | a) assets       |
| 2. net         | b) cost         |
| 3. current     | c) totals       |
| 4. original    | d) depreciation |
| 5. fiscal      | e) property     |
| 6. income      | f) records      |
| 7. accumulated | g) statement    |
| 8. long-term   | h) worth        |
| 9. to post     | i) year         |
| 10. to keep    | j) liabilities  |

**Ex. 8. Complete the following word-combinations with prepositions and make your own sentences with them.**

- |   |                                 |
|---|---------------------------------|
| 1. ___ order to find ___                          | 12. ___ the balance sheet       |
| 2. company's income ___ an accounting period      | 13. the book ___ original entry |
| 3. to post ___ the proper page ___ the Ledger     | 14. a decrease ___ value        |
| 4. to report ___ the effects ___ the transactions | 15. ___ a yearly basis          |

- |  |                                 |
|--|---------------------------------|
| 5. allocation ___ financial resources          | 16. ___ the form ___ bonds      |
| 6. interest ___ borrowed money                 | 17. to owe money ___ banks      |
| 7. ___ the end ___ a period                    | 18. to record ___ account       |
| 8. a basis ___ business decisions              | 19. to deal ___ cash flow       |
| 9. every business deal results ___ two entries | 20. ___ a specific date         |
| 10. ___ the right-hand side                    | 21. these entries are added ___ |
| 11. to keep ___ the books ___ original cost    | 22. ___ addition ___ cash       |

**Ex. 9. Complete the following sentences with the given words and expressions. Translate them into your native tongue.**

financial statements	company's performance	financial year
accumulated depreciation	balance sheet	profit and loss account
business transactions	current liabilities	Inventories
assets and liabilities	Journal entry	mortgage

1. This year's \_\_\_\_\_ shows that the company is clearly on the road to recovery.
2. Accounting principles determine which financial events and \_\_\_\_\_ should be kept on the bookkeepers' books.
3. The money, obtained from selling a company's current assets, is usually calculated at the end of a \_\_\_\_\_.
4. Proper business decisions made by the manager depend mainly on the \_\_\_\_\_ the accountant regularly prepares for him.
5. The \_\_\_\_\_ indicates the date, the accounts affected and a brief description of the transaction.
6. Falling sales will probably affect the \_\_\_\_\_.
7. Like many British people, we have to arrange a \_\_\_\_\_ or a loan in order to buy a house.
8. The value of machinery is determined by subtracting its \_\_\_\_\_ from its original cost to the company.
9. The account, which describes the trading activities of a business over a stated period of time, is the \_\_\_\_\_.
10. If current assets are less than \_\_\_\_\_, the stockholders can't expect any dividends.
11. A statement, produced usually at the end of a fiscal year, showing the financial state of a business and including among other things its \_\_\_\_\_, is a balance sheet.
12. \_\_\_\_\_ are also carried on the books as current assets.

**Ex. 10. Select the answer which best completes the meaning of the sentence. Translate the sentences into your native tongue.**

1. When the \_\_\_ is complete, it will be at least two weeks before you receive your copy of the contract.  
a) action                      b) arrangement                      c) transaction
2. The company, unable to meet its \_\_\_ in due time, cannot expect to stay in business.  
a) payments                      b) liabilities                      c) investments
3. Items, which the business expects to keep for a year or more, are its \_\_\_ assets.  
a) net                      b) fixed                      c) current
4. Detailed \_\_\_\_\_ of the accounts has revealed suspicious transactions.  
a) analysis                      b) figures                      c) facts
5. The accountants are not only responsible for the keeping financial records, but also their \_\_\_\_\_.  
a) control                      b) allocation                      c) interpretation
6. The company said it would pay in full all its \_\_\_ except Credit Suisse.  
a) distributors                      b) creditors                      c) bankers
7. Assets are equal to liabilities plus \_\_\_\_\_.  
a) debit                      b) net worth                      c) credit
8. Sales transactions are recorded in the sales \_\_\_\_\_.  
a) books                      b) statement                      c) account
9. Air conditioning and other \_\_\_ will remain attached when the building is sold.  
a) fixtures                      b) machinery                      c) inventories
10. \_\_\_ are regarded as long-term liabilities.  
a) Securities                      b) Mortgages                      c) Accounts receivable
11. At the end of each month, we send each customer a \_\_\_ which shows all the transactions in that month.  
a) bill                      b) data                      c) statement
12. I won't buy shares in a company if its \_\_\_ isn't healthy.  
a) balance sheet                      b) profit and loss account                      c) income statement

**Ex. 11. Choose and use the correct word in the following sentences. Translate them into your native tongue. Mind the following definitions:**

**cost (n.)** – the price paid for something; the amount of money which has to be paid

**costs (n./pl.)** – the money that must be regularly spent in order to continue business

**cost (v.)** – to have a particular price

1. The enterprise has been extremely slow to cut \_\_\_\_.
2. It looks like production and labour \_\_\_\_ will be higher than we expected.
3. The company can't sell the goods at their original \_\_\_\_.
4. It \_\_\_\_ a lot to buy real estate in Manhattan.
5. Transport \_\_\_\_ have gone up as a result of the increase in oil prices.
6. The price of the raw materials was \$10,000 and the production \_\_\_\_ were \$7,000 so the total \_\_\_\_ was \$17,000.
7. First, we need to value the products at their \_\_\_\_ if we are to make a profit.
8. The parking space \_\_\_\_ about \$1,000 a month.
9. Businesses protested that the new taxes would increase delivery \_\_\_\_ unreasonably.
10. The new equipment \_\_\_\_ \$1.5m to install.
11. To lower the \_\_\_\_, a new machine was developed.
12. The next step is to determine the \_\_\_\_ of manufacturing each component of the product.

**Ex. 12. Complete the following table with the appropriate parts of speech. Mind stress in some words completed.**

Verb	Noun
<i>re'cord</i>	' <i>record</i>
	cost
value	
	decrease
guarantee	
	increase
result	
	deal
purchase	

**Ex. 13. Complete the sentences paying attention to the Infinitive used to express the purpose of actions. Translate the sentences into your native tongue.**

In order to

measure company's performance, ...  
 interpret financial information, ...  
 employ factors of production, ...  
 finance this project, ...  
 economize finance, ...  
 charter a corporation, ...

**Ex. 14. Make questions to the words and expressions in bold.**

1. The accounting department regularly prepared **the income statement and balance sheet**.
2. **The board of directors** checked out assets and liabilities and the net worth.
3. He has worked as a chief accountant **for two years**.
4. Accounting **helps to analyze and measure the business activity**.
5. The accounting department reports on **the effects of the transactions**.
6. An accountant uses the information found in the Ledger **to construct financial statements**.
7. **Because the company is in good financial condition**, it will be able to sell bonds in order to buy the additional production equipment.
8. The company has recently sold some of its assets **to an Australian investor**.

**Ex. 15. Make sentences with the following phrases and translate them into your native tongue.**

**to value – value – valuable**

- |  |                           |
|--|---------------------------|
| 1. to value a house at a certain sum   | 4. the value declines     |
| 2. of great / little / some / no value | 5. the value rises        |
| 3. valuable office equipment           | 6. to determine the value |

**total – to total**

- |                   |                      |
|-------------------|----------------------|
| 1. total sum      | 4. total costs       |
| 2. total earnings | 5. total expenses    |
| 3. total receipts | 6. to total accounts |

**Ex. 16. Make sentences with the word 'to result' and translate them using the example:**

*resulted in higher prices – привело к увеличению цен*

... resulted in	higher prices
	higher rates of unemployment
	better working conditions
	more profits
	lower costs
	higher productivity

**Ex. 17. Translate the following sentences into your native tongue paying attention to the word 'result'.**

1. The innovations *resulted* in growing profits.

2. We announced some good *results* for last year.
3. A number of jobs have been created as a *result* of investment in this project.
4. This development may *result* in environmental damage.
5. Their efforts *resulted* badly.
6. The *result* of the calculation is a little bit different from that presented yesterday.

**Ex. 18. Translate the following sentences into English.**

**a)**

1. Двома головними формами фінансового звіту для компаній є баланс та рахунок прибутку та збитків.
2. Головний бухгалтер несе відповідальність за оцінку діяльності компанії.
3. Баланс – це фінансовий звіт, який характеризує стан компанії на певну дату.
4. У компанії є різні типи активів, які поділяються на поточний та основний капітал.
5. Амортизація вираховується шляхом ділення загальної вартості обладнання на кількість років його експлуатації.

**b)**

1. Финансовые записи ведутся, чтобы определить эффективность работы компании.
2. Выплата облигаций гарантируется репутацией компании, а выплата ипотеки – заложенной собственностью.
3. Помимо наличных средств и материально-производственных запасов, компании могут обладать ценными бумагами.
4. Данные бухгалтерського учета используются руководителями предприятий для размещения финансовых ресурсов и разработки новых товаров.
5. Бухгалтеры используют информацию в счетах и главной книге, чтобы составить финансовые отчеты.

**Ex. 19. Explain the difference in the following key notions:**

- a) bookkeeper – accountant
- b) accountant – Controller
- c) Journal – Ledger
- d) current assets – fixed assets
- e) current liabilities – long-term liabilities
- f) accounts payable – accounts receivable



**Ex. 20. Role – play**

<b><i>Student A</i></b>	<b><i>Student B</i></b>
You are an experienced accountant of a huge manufacturing company. You want to share your experience with a trainee. Provide basic information about the work of your accounting department and explain his / her main duties and functions.	You have just started working in the position of an accountant assistant. You want to know as much as possible about your future job and your duties. Show your competence and interest in accounting and the desire to work for the company.

Before a business can function, two ingredients are essential: people and money. In many ways money is to business what water is to plants. Plants need water to begin life, to survive, and to grow. Similarly, firms need money to begin operations, to meet their day-to-day expenses, and to expand.

Acquisition is the way how the owners can attract capital. The process of acquiring capital is known as financing. So, corporations need financing for the purchase of assets and the payment of expenses.

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

Most of the money, used by a business, comes from the sale of its products and services. First, this finance is used to cover company's operating costs (Am), or running expenses (Br). The funds that remain after paying expenses are the firm's profits, or earnings. The owners, or stockholders could take all the profits for themselves, but in most cases, some portion of the profits is retained by the business. About 50–70% of a firm's funding comes this way.

Sales do not remain steady from one season, or month, or week to the next. There are times when more capital comes into a business than it needs to pay its bills. Similarly, at other times, there is not enough money coming in to cover operating costs. When this happens, there are only four things that the firm can do: reduce spending, use savings, sell shares of stock, and borrow.

So, there are two main sources of corporate financing: internal and external.

The internal funds, such as shares and stocks, which are often referred to as equity capital, are the basic categories in equity financing. The corporations can issue shares in exchange for money or property. Each share is represented by a stock certificate which is negotiable. It

means that it can be bought and sold. The value of a share is determined by the net assets divided by the total number of shares outstanding. It also depends on the success of the company. The greater the success, the more value the shares have. If the company needs to raise more capital for expansion, it might issue new shares. Often it gives the existing shareholders the right to buy these new shares at a low price. This is called rights issue. If the company wants to turn some of its profit into capital or capitalize some of its profit, it can issue new shares at no cost to the existing shareholders. This is called bonus or capitalization issue. Companies often issue such shares instead of paying dividends to the shareholders.

There are two classes of shares issued by corporations: preference share (Pr), or preferred stock (Am) and ordinary share (Or), or common stock (Am).

Preference share doesn't provide the right of a co-owner but it has higher interest. It also has priority over ordinary share in payment of dividends. Dividends on this share are paid first. Preferred stock may also have priority on the return of the amount invested if the firm goes out of business. Preference shareholders first will receive a certain share of property if a company fails. Preferred stock is less risky than common stock.

Ordinary shares give the ownership rights in a company, i.e. participation in management. They give the right to share profits but they have no stated dividend rate. The dividends on ordinary shares will relate to the profits made by the company. Thus, if the profits are good, the ordinary shareholder can expect to receive the attractive dividends. Ordinary shareholders receive their dividends only after preference shareholders are paid their part of dividends. But the value of an ordinary share can increase. The market price of common stock can change rapidly – either up or down. Ordinary shares also give their owners the right to vote for the Board of Directors, to demand information about the company, and to have a part of property if the firm fails. So, equity financing refers to funds that are invested by owners of a company. In this case, company won't be a debtor. It means self-financing.

A corporation can also raise capital by borrowing. It is called debt financing. The basic categories here are external funds, such as bonds, letters of credit, drafts, and bills of exchange. Debt funding means that a company applies to a bank or people and asks them for money. In this case, bonds or notes are issued. They are also negotiable. When a corporation sells its bonds to the public, it makes two important promises: to pay the bondholder a fixed rate of interest for a specific

number of years and to repay the face value of the bond when it comes due. The interest cannot change and it has to be paid out whether the company is profitable or not. So, debt financing refers to funds provided by the external sources.

‘Securities’ is a general term for stocks and bonds which are sold by corporations and governments to raise large sums of money. Securities of all kinds are traded on the Stock Exchange where only stock exchange dealers are admitted to transact business. This activity is closely monitored by government agencies. In the USA, the Securities and Exchange Commission (SEC) regulates the stock trades. An investor, who wishes to buy or sell securities, must act through a broker. Then, the broker approaches the jobber who deals in a particular group of securities. The jobber quotes two prices: his buying price, or the bid and his selling price, or the offer. The difference in the two prices is the jobber’s turn. The speculator on the Stock Exchange who buys securities in expectation of a rise in their prices is a ‘bull’. The speculator wishing to sell securities in anticipation of a fall in their prices is a ‘bear’. The stock market is a highly sensitive market. All the stock exchange members should be always looking in the future and anticipating events because businesses are independent and affected by the general economic climate.

### ACTIVE VOCABULARY

to meet expenses	покривати витрати / покрывать затраты
outflow and inflow of capital	відтік та приплив капіталу / отток и приток капитала
supplies	ресурси / ресурсы
to deduct	вираховувати / вычитать
losses on bad debts	збитки за безнадійними боргами / потери по безнадежным долгам
interest on borrowed capital	відсотки на позиковий капітал / проценты на заемный капитал
fund-raising	збір коштів / сбор средств
acquisition	придбання / приобретение
to cover operating costs	покривати поточні витрати / покрывать текущие расходы
funds	фонди, кошти, капітал, цінні папери / фонды, средства, капитал, ценные бумаги

to pay bills	сплачувати рахунки / оплачивать счета
equity capital	акціонерний капітал / акционерный капитал
equity financing	власне фінансування / собственное финансирование
negotiable	обіговий, який можуть купити, продати, поступитися / оборотный, могущий быть купленным, проданным, переуступленным
net assets	чиста вартість / чистая стоимость
outstanding shares	акції, які випущено, несплачені акції / выпущенные, неуплаченные акции
rights issue	випуск акцій для розміщення серед існуючих акціонерів / выпуск акций для размещения среди существующих акционеров
to capitalize profit	капіталізувати прибуток / капитализировать прибыль
bonus	бонус, премія, додатковий дивіденд / бонус, премия, добавочный дивиденд
preference share (Br)	привілейована акція / привилегированная акция
ordinary share (Br)	звичайна акція / обыкновенная акция
stated dividend rate	встановлений розмір дивідендів / установленный размер дивидендов
self-financing	самофінансування / самофинансирование
debt financing	кредитне фінансування / кредитное финансирование
letter of credit	акредитив / аккредитив
draft	трата / тратта
bill of exchange	переказний вексель / переводной вексель
note	вексель, боргова розписка / вексель, долговая расписка
fixed rate of interest	фіксована відсоткова ставка / фиксированная процентная ставка
face value	номінальна вартість, про яку заявлено / номинальная, объявленная стоимость
jobber	джобер / джоббер

bid	ціна купівлі / цена покупки
offer	ціна продажу / цена продажі
jobber's turn	прибуток джоббера / прибуток джоббера
speculator	біржовий спекулянт / биржевой спекулянт

## COMMENTARY

**Equity financing** – власне фінансування; акціонерний (пайовий) спосіб утворення грошового фонду підприємства.

**Debt financing** – кредитне фінансування; утворення грошового фонду підприємства за допомогою позики.

**Net assets** – чиста вартість підприємства; вартість майна з відрахуванням зобов'язань.

**Letter of credit** – акредитив; форма виплати, де покупець заздалегідь дає вказівку своєму банку виплатити банку продавця певну суму при отриманні певних документів.

**Draft** – трата; платіжний документ, який виписується покупцем для платежу продавцеві.

**Bill of exchange** – вексель; безумовний наказ особі, на яку виставлений вексель, виплатити його пред'явникові певну суму (виписується на того, хто позичає).

**Securities and Exchange Commission (SEC)** – Комісія з цінних паперів та біржових операцій.

**Bull** – “бик”; покупець цінного паперу, який сподівається продати його за більш високу ціну через деякий час.

**Bear** – “ведмідь”; продавець цінного паперу, який сподівається купити його назад за нижчу ціну через деякий час.

**Jobber** – джоббер; професійний біржовик, який укладає угоду за свій рахунок.

**Speculator** – спекулянт на біржі; особа, яка займається на біржі купівлею-продажем валюти, цінних паперів, товарів, нерухомості заради отримання прибутку від зміни ціни.

## COMPREHENSION QUESTIONS

1. What is acquisition?
2. Why do all corporations need financing?
3. What activities produce an inflow and outflow of capital?
4. What can happen if an enterprise has a greater outflow of capital than an inflow?

5. Why is the risk involved an important factor in determining the fund-raising?
6. Where does most of the money, used by a business, come from?
7. How does a company usually use its earnings?
8. What can a firm do if there isn't enough money to cover its operating costs?
9. What are the two main sources of corporate financing?
10. What does equity financing mean?
11. How is the value of a share determined?
12. What does the term 'rights issue' mean?
13. What does capitalization issue refer to?
14. What are the priorities of a preference share over an ordinary share?
15. What advantages and disadvantages of the ordinary shareholding?
16. What does debt financing mean?
17. What does the term 'securities' mean?
18. What organizations issue bonds, notes, and other securities?
19. What functions do the stock exchange dealers perform?
20. What people are called speculators on the stock exchange market?

***Ex. 1. Memorize the following definitions.***

**Acquisition** – the act of getting money, shares, company, land, power, etc.

**Supplies** – an amount of something that is available to be used.

**Finance** – money used to run a business; the activity of managing money.

**Funding** – money for a particular purpose; the act of providing money for such a purpose.

**Bill** – debt; money which must be paid to someone for a service or product received.

**Equity capital** – the part of a company's money owned by shareholders who have the right to a share in the company's profits.

**Rights issue** – an offer of company shares at a cheaper price than usual to people who own some already.

**Bond** – a printed promise of a company, government, etc. to pay a definite amount of money, with interest, at a specified time.

**Face value** – the value printed on a share, coin, or banknote which may be more or less than its market price.

**Securities Exchange Commission (SEC)** – the US agency responsible for stock market regulation.

**Ex. 2. Find in the text English equivalents of the following word-combinations and phrases. Make your own sentences using them:**

1) покривати щоденні витрати; 2) для купівлі активів та оплати витрат; 3) відраховувати збитки за безнадійними боргами та відсотки на позиковий капітал; 4) обсяги продажу не залишаються на одному рівні; 5) внутрішні та зовнішні джерела фінансування корпорації; 6) основні категорії; 7) випускати акції в обмін на гроші чи майно; 8) загальна кількість акцій в обігу; 9) купувати нові акції за низькою ціною; 10) капіталізувати частину своїх прибутків; 11) випускати акції безкоштовно для існуючих акціонерів; 12) надавати право бути співвласником; 13) має пріоритет над звичайною акцією при виплаті дивідендів; 14) частина майна; 15) давати право участі в управлінні компанією; 16) не мати фіксованої ставки дивіденду; 17) очікувати на отримання привабливих дивідендів; 18) ринкова ціна звичайних акцій; 19) запитувати інформацію про компанію; 20) отримувати гроші через позику; 21) звертається до банку; 22) виплачувати власнику облигацій фіксовану відсоткову ставку; 23) цінні папери усіх видів продаються та купуються на фондовій біржі; 24) ретельно контролюється урядовими установами; 25) регулює торгівлю акцій; 26) діяти через брокера; 27) призначає дві ціни: купівельну ціну та продажну ціну; 28) надчутливий ринок.

**Ex. 3. Find antonyms to the following words and expressions in the text:** an outflow; ordinary share; 'bull'; a purchase; a rise in prices; internal; buying price; debt financing.

**Ex. 4. Find synonyms to the following words and expressions in the text:**

to cover operating costs; earnings; funds; capitalization issue; preference share; common stock; stocks and bonds; to grow; funding; value; stated rate; stock exchange member; equity financing; a portion; the right of a co-owner.

**Ex. 5. Match the words and expressions to their definitions.**

1. draft	a) a person who buys and sells shares to clients
2. bid	b) debt which will not be paid
3. outstanding	c) a written order for money to be paid by a bank
4. broker	d) money available to spend or kept for a particular purpose



5. funds	e) profit from an investment
6. speculator	f) a dealer, who acts as a market maker on the Stock Exchange, trading with brokers and the general public
7. dealer	g) an official letter from a bank allowing a company or an individual to take money from another bank
8. bad debt	h) an offer to buy something at a particular price
9. letter of credit	i) someone who buys goods, property, shares in a company to make profit by selling them
10. jobber	j) a person who specializes in trading a particular type of goods
11. a return	k) a signed document ordering someone to pay someone else a particular amount of money
12. bill of exchange	l) issued for circulation

**Ex. 6. Match the words to get collocations and make your own sentences with them.**

1. equity	a) value	1. to capitalize	a) spending
2. jobber's	b) market	2. to meet	b) a price
3. bad	c) funding	3. to pay	c) business
4. face	d) raising	4. to reduce	d) profit
5. rights	e) capital	5. to demand	e) costs
6. debt	f) stock	6. to quote	f) bills
7. preferred	g) turn	7. to anticipate	g) shares
8. fund-	h) dividend	8. to cover	h) events
9. attractive	i) issue	9. to issue	i) information
10. stock	j) debt	10. to transact	j) expenses

**Ex. 7. Match the words on the right to the nouns with prepositions on the left to make as many collocations as possible. Give their equivalents in your native tongue.**

purchase of	expenses
	products
	assets
payment of	dividends
	supplies
	goods
	salaries

sale of

inventory  
services

**Ex. 8. Complete the following word-combinations with prepositions and make your own sentences with them.**

1. to result \_\_\_ a profit
2. an inflow and outflow \_\_\_ the capital
3. losses \_\_\_ bad debts
4. interest \_\_\_ borrowed capital
5. some portion \_\_\_ the profits
6. \_\_\_ exchange \_\_\_ money or property
7. to depend \_\_\_ the success
8. to raise capital \_\_\_ expansion
9. to buy shares \_\_\_ a low price
10. to turn some profit \_\_\_ capital
11. \_\_\_ no cost \_\_\_ the shareholders
12. to have priority \_\_\_ ordinary share
13. to go \_\_\_ business
14. participation \_\_\_ management
15. dividends \_\_\_ ordinary share
16. to relate \_\_\_ the profits
17. to demand information \_\_\_ the company
18. to apply \_\_\_ a bank
19. to ask smb. \_\_\_ money
20. to trade \_\_\_ the Stock Exchange
21. to act \_\_\_ a broker
22. to deal \_\_\_ securities
23. a rise \_\_\_ prices
24. a fall \_\_\_ prices

**Ex. 9. Complete the following sentences with the given words. Translate them into your native tongue.**

outflow    expansion    dealers    funding    costs    shares    loss  
equity    face value    bills    expenses    bonuses    inflow    bonds

1. A corporation borrows money and gives a promise to pay a definite amount of money in the form of \_\_\_\_\_.
2. The company only uses authorized \_\_\_\_\_ who are fully trained.
3. Super Bowl tickets with a \_\_\_\_\_ of \$300 are being sold for \$2,000.
4. As a firm sells its products or services, it receives money, which it uses to meet its running \_\_\_\_\_.
5. It is a very profitable deal, for that purpose we need extra \_\_\_\_\_.
6. The investor, who becomes a partial owner of a business, receives \_\_\_\_\_.
7. He sold 260 ordinary \_\_\_\_\_ at yesterday's price of \$10.12.
8. Workers in big firms receive a substantial part of their pay in the form of \_\_\_\_\_.

9. If there is a regular \_\_\_\_ of receipts from sales and a regular \_\_\_\_ of payments for the expenses of operation, there are no serious problems.
10. Our business suffered a \_\_\_\_\_ last year because we were unable to raise prices enough to cover our operating \_\_\_\_\_.
11. Most suppliers want the partners to pay the \_\_\_\_\_ within thirty days.
12. The company requires more capital for the \_\_\_\_\_ of production facilities.

***Ex. 10. Select the answer which best completes the meaning of the sentence. Translate the sentences into your native tongue.***

1. Property prices continued to rise substantially faster than inflation, and there was evidence of increasing public anger towards \_\_\_\_.  
a) stockbrokers    b) jobbers    c) speculators
2. As Mr. Stalls points out, over half the \_\_\_\_ was in the form of short-term investment.  
a) earnings    b) acquisition    c) dividends
3. Although San Marcos may have been the first city in the county \_\_\_\_ such bonds, San Diego was right behind.  
a) to issue    b) to print    c) to publish
4. A fall in interest rates will lead to an \_\_\_\_ of short-term capital from the country.  
a) inflow    b) outflow    c) acquisition
5. The government has worked out a scheme how to attract foreign \_\_\_\_.  
a) stocks    b) investments    c) securities
6. Liz earned a £1,000 \_\_\_\_ for being the best salesperson of the year.  
a) profit    b) dividend    c) bonus
7. Some of the \_\_\_\_ cannot afford to pay these high interest rates.  
a) borrowers    b) debtors    c) shareholders
8. New construction techniques resulted in a \_\_\_\_ of 25% operation and maintenance costs.  
a) covering    b) saving    c) meeting
9. Ahold's profit and loss account did not show all its \_\_\_\_.  
a) figures    b) purchases    c) losses
10. The SEC is the official \_\_\_\_ for all US stock market trading.  
a) dealer    b) broker    c) regulator
11. All \_\_\_\_ must be submitted in writing.  
a) bids    b) bonds    c) dividends
12. Companies can trade their shares and bonds because they are \_\_\_\_.  
a) raising    b) negotiable    c) efficient

**Ex. 11. Choose and use the correct word in the following sentences. Translate them into your native tongue. Mind the following definitions:**

**expense (n.)** – the amount of money spent on smth.

**expenses (n./pl.)** – money paid for covering extra costs

**expenditure (n.)** – (more formal) large sums of money spent for a particular purpose

1. The new machine cost a lot to install, but it was worth the \_\_\_ because of the time it has saved.
2. The \_\_\_ of millions of pounds on new plant was not accompanied by an increase in production.
3. All reasonable travel and accommodation \_\_\_ will be reimbursed.
4. British Telecom's \_\_\_ on telephone exchange modernization was over \$500m.
5. Economic progress in the Third World should not be at the \_\_\_ of rural employment.
6. \_\_\_, such as electricity, water, and local taxes, rose last year.
7. Capital \_\_\_ is the money we have spent on fixed assets.
8. The fee did not include travel \_\_\_.
9. The \_\_\_ of public services has been cut by the government.
10. I suggest you have all the documentation translated by a specialist agency; it's well worth the \_\_\_.
11. Most agents want a 10% commission plus \_\_\_ for entertainment, advertising and so on.
12. I flew to India first class at the Company's \_\_\_.

**Ex. 12. Complete the following sentences with the correct form of the word in capitals. Translate them into your native tongue.**

1. The \_\_\_\_\_ of wealth usually takes time. ACQUIRE
2. His cheque was not \_\_\_\_\_ because it was out of date, and a replacement cheque had to be requested. NEGOTIATE
3. Our \_\_\_\_\_ will be pleased with this year's figures. SHARE
4. What do you offer as \_\_\_\_\_ for this loan? SECURE
5. This deal should be highly \_\_\_\_\_. PROFIT
6. In a large organization, good internal communication is \_\_\_\_\_. ESSENCE
7. The company has recently expanded its UK \_\_\_\_\_. OPERATE
8. You can choose to \_\_\_\_\_ some of the value of your pension. CAPITAL
9. Dutch \_\_\_\_\_ of the company was formally recognized. OWN

10. The company has looked at a number of ways of EXPAND financing its \_\_\_\_\_.

**Ex. 13. Make sentences with the following words and phrases and translate them into your native tongue.**

***deal – dealer – to deal***

- |                             |  |
|-----------------------------|--|
| 1. a petrol dealer          | 6. to have a fantastic deal                  |
| 2. to deal in exporting oil | 7. to negotiate a better deal                |
| 3. to deal with the UK      | 8. to set up a deal with a former competitor |
| 4. to deal in securities    | 9. to deal in new and second-hand cars       |
| 5. to deal in this region   | 10. to deal with reliable partners           |

***share – shareholder***

- |                       |  |
|-----------------------|--|
| 1. oil shares         | 7. a shareholders' meeting                 |
| 2. an ordinary share  | 8. to issue shares                         |
| 3. a preference share | 9. to hold shares in a company             |
| 4. rising shares      | 10. shares have gone up                    |
| 5. falling shares     | 11. shares have fallen sharply             |
| 6. a shareholder      | 12. there were heavy falls for many shares |

**Ex. 14. Make and translate sentences paying attention to the equivalent of the modal verb 'must'.**

Firm	has	to borrow some funds
Firms	have	to raise a big sum of money
They	had	to sell shares
	will have	to issue new stock
		to act through a broker
		to capitalize some of the profits

**Ex. 15. Explain the difference in the following key notions:**

- finance – finances – financing – equity financing
- fund – funds – funding – debt-funding – fund-raising
- shares – bonds – securities – equities – drafts – bills of exchange
- dealer – broker – jobber – 'bull' – 'bear'

**Ex. 16. Translate the following sentences into your native tongue paying attention to the words 'risk – risky'.**

1. They do not want to run the *risk* of a fall in demand.
2. One of the factors, which will determine the price of the shares, is the degree of *risk*.

3. Many businesses are sometimes very *risky*.
4. Entrepreneurs have to evaluate the *risks* involved in setting up a business.
5. There is a *risk* that the prices may go up.
6. That's a *risky* venture.
7. Drilling for oil is an activity that involves considerable *risk*.
8. Good leaders are really afraid to take *risks*.
9. It was a calculated *risk* to appoint a man without management experience to such a senior post.
10. Buying a second-hand car is a *risky* business.
11. There is an element of *risk* in any kind of investment.
12. The Board of Directors failed to inform the shareholders of the *risks* of investing in South Africa.

**Ex. 17. Translate the following sentences into English.**

**a)**

1. Корпораціям потрібне фінансування для придбання активів та сплати витрат.
2. Якщо приплив капіталу буде перевищувати його відтік, це приведе до прибутку.
3. Кожна акція представлена акціонерним сертифікатом, що є обіговим. Це означає, що його можна продати чи купити.
4. Привілейована акція не надає права співвласника, але має підвищену відсоткову ставку.
5. У разі кредитного фінансування випускаються обігові облігації.

**b)**

1. Фондовый рынок очень чувствительный, т. к. зависит от общего экономического климата.
2. Обычная акция дает своему владельцу право выбирать совет директоров путем голосования.
3. Процент по акциям не может быть изменен, он должен быть выплачен независимо от того, прибыльна компания или нет.
4. Всеми видами ценных бумаг торгуют на фондовой бирже, где заключают сделки исключительно биржевики.
5. Дивиденды по обычным акциям не имеют фиксированной ставки. Они соотносятся с прибылью компании.

**Ex. 18. Imagine that you are one of the shareholders of a private enterprise. Discuss with your partner the problem of fund-raising**

*in your company giving the extensive answers to the following questions.*

1. What kind of funding is preferable for your enterprise: equity or debt?
2. What should you do to produce more inflow of capital?
3. How can you calculate net assets of your enterprise?
4. If you are going to get capital by borrowing, what bond interest would you charge? Explain why.

***Ex. 19. Write a brief essay (not more than 50–60 words) about the professional and personal traits of a stockbroker.***

## **UNIT 13** **BANKING AS A BUSINESS**

Banks are sophisticated business organizations which provide a wide range of financial services to individuals, businesses, and government agencies. The major service offered by a bank to anyone who becomes a customer is that of the safe-keeping of his money. Banks can also help the customer's money grow by putting it to work in the community through loans and offer advice on how to manage money so that it will be used in the best way.

Banks are different in different countries. The British banking today is a complicated three-layer system that is headed by the Bank of England established under a royal charter in 1694. The Bank of England is a national bank. As all central banks, it controls the whole national banking system, determines monetary policy, charges the interest rate, issues banknotes and mints coins which are considered legal tender in the community. It lends and borrows money from the government, manages the national debt and is in the control of the nation's gold reserve. An individual cannot open an account with this bank because it is bankers' bank. It takes deposits from other banks, makes loans to large businesses and invests in large projects. The other two layers of British banking are the commercial, or joint-stock clearing banks and specialized banking institutions, such as the discount houses and merchant banks. The commercial, or joint-stock banks deal with the general public and render various services to companies and individuals. Merchant banks and discount houses deal only with special customers providing funds for special purposes. They arrange foreign trade payments, accept bills of exchange, and offer advisory services about new issues of securities, mergers, takeovers and reorganizations.

Bank's operations are regulated more strictly than the operations of most businesses because if a bank fails, thousands of people are affected. Government regulation is necessary to assure the safety of customers' money.

So, there are two major types of banks: national banks, that are chartered and supervised by the government, and commercial banks.

Most banks are organized as commercial. These are often called full-service banks because they offer a full range of financial services. Commercial banks handle current accounts (Br), or checking accounts (Am), make loans to individuals and to businesses, accept deposits, exchange money, make foreign exchange transactions, issue various cheques (Br), or checks (Am), provide overdrafts and a variety of



other services. Some banks are organized for special purposes. Savings banks, for example, often provide a wide range of services, but they are organized mainly to handle savings accounts and to make loans to home buyers. In England, the Building Societies grant loans to house purchasers and offer cheque facilities to their own depositors. The major purpose of trust companies is managing people's money and property for them. Merchant banks (Br), or investment banks (Am) help large corporations get money for new buildings, machinery, and other long-term needs. Credit union is a kind of a bank formed by workers in the same firm, labour union, or government agency. Credit unions serve their members only.

There are many other types of financial institutions, for example, the World Bank. The World Bank, technically known as the International Bank for Reconstruction and Development, was established at the same time as the IMF (International Monetary Fund). The two organizations supplement each other. The World Bank facilitates the provision of private long-term credits from developed to developing countries for the construction of basic capital projects. Loans may be made to either governments or private firms. The bank doesn't give grants or aid; the projects must show promise of being self-financing. Agriculture, rural development, energy, and transport are the largest sections financed.

There are over 150 ways in which banks and other financial institutions serve their customers. One of the main services, that banks offer, is accepting money from their customers for safe-keeping. Companies and individuals can deposit cash resources that are not needed at present. They can withdraw the money either any day they need it or after a certain period in case of time deposits. These deposits are not used for making current payments. They are only kept in a bank during a definite period of time. Bank pays interest on the deposits.

Current account services are offered to anyone whom banks regard as reliable. A new depositor should be recommended by his employer or should present a reference. If this proves satisfactory, the bank will accept a deposit which will be entered to the customer's current account. With a current account, a client can issue cheques and make different payments. The interest is not paid.

Many people, businesses, and government units need to borrow money at some time. For example, a business may want to borrow money to expand, to build a new warehouse, or to buy merchandise for resale. If the company is eligible for a loan, it may choose a long-term or a short-term loan. Banks are glad to lend money to those who need to borrow if the loans are repaid when due. A line of credit is a maximum

amount of money that company can borrow from a bank. This top amount of customer's credit is based on the profits and earnings of a business. Bank receives most of its income from the interest it charges the borrowers. It can be different. Prime-rate is the lowest interest rate available at the particular time and for the preferred customers only.

Besides offering a place to deposit money, banks offer safe-deposit boxes where clients can store valuables. They are the safest places to keep such things as jewellery, securities, birth records, lists of insurance policies, and copies of wills. Not even the bank has the right to open the safe-deposit box unless it is ordered to do so by a court of law.

The money or other property that is turned over to the banks for investment is said to be held in trust. This service can be offered through a trust company or through trust departments. Many banks help their customers by offering financial advice and investment services.

There are some other services that the banks can provide: making and receiving payments, supplying foreign currency, issuing letters of credit and credit cards. They provide customers with cash and current-account balance through automated teller machines (ATM's), or cash dispensers which can be used at any time and at any location.

### ACTIVE VOCABULARY

banking	банківська справа / банковское дело
sophisticated	складний / сложный
loan	позика, кредит / заем, ссуда, кредит
Bank of England	Банк Англії / Банк Англии
central bank	центральний банк / центральный банк
monetary policy	грошово-кредитна політика / денежно-кредитная политика
to charge the interest rate	визначати відсоткову ставку / определять процентную ставку
to issue banknotes	випускати банкноти / выпускать банкноты
to mint coins	карбувати монети / чеканить монеты
legal tender	законний платіжний засіб / законное платежное средство
gold reserve	золотовалютний резерв / золотовалютный резерв
to take deposits	приймати депозити / принимать депозиты

clearing bank	кліринговий банк / клиринговый банк
discount house	обліковий дім / учетный дом
merchant bank	торговий банк / торговый банк
foreign trade payments	платежі в міжнародній торгівлі / платежи в международной торговле
advisory services	консультативні послуги / консультативные услуги
merger	злиття компаній / слияние компаний
takeover	поглинання компанії / поглощение компании
to handle current account	обробляти поточний рахунок / обрабатывать текущий счет
cheque (Br)	чек / чек
overdraft	овердрафт / овердрафт
savings account	ощадний рахунок / сберегательный счет
Building Society	будівельне товариство (спілка) / строительное общество (союз)
to grant a loan	надавати кредит / предоставлять кредит
cheque facilities	чекові послуги / чековые услуги
depositor	вкладник / вкладчик
trust company	трастова компанія / трастовая компания
credit union	кредитна спілка / кредитный союз
International Monetary Fund	Міжнародний валютний фонд / Международный валютный фонд
to facilitate	полегшувати, сприяти / облегчать, содействовать
grant	субсидія, дотація / субсидия, дотация
rural development	розвиток села / развитие села
to withdraw	вилучати, відкликати / изымать, отзывать
time deposit	терміновий депозит / срочный депозит
to make current payments	здійснювати поточні платежі / осуществляют текущие платежи
reference	рекомендація / рекомендация
to issue cheques	видавати чеки / выдавать чеки
to be eligible for a loan	платоспроможний, придатний для позики / платежеспособный, подходящий для займа
line of credit	кредитний ліміт / кредитный лимит

prime-rate	найменший відсоток з позики / наименьший процент из ссуды
safe-deposit box	сейф для депозитів / сейф для депозитов
insurance policy	страховий поліс / страхової поліс
to hold in trust	володіти на засадах дорученої власності / владеть на началах доверительной собственности
foreign currency	іноземна валюта / иностранная валюта
automated teller machine (ATM)	банкомат / банкомат

### COMMENTARY

**Clearing system** – клірингова система; безготівкові розрахунки між банками.

**Discount house** – обліковий дім; банк, який спеціалізується на операціях на грошовому ринку, включаючи облік векселів.

**Merchant bank** – торговий банк, який спеціалізується на фінансуванні зовнішньої торгівлі та операціях на ринку капіталів.

**Overdraft** – овердрафт; сума, яку отримують за чеком понад залишку на поточному рахунку клієнта; перевищення суми виплати порівняно із сумою, яка є на рахунку.

### COMPREHENSION QUESTIONS

1. What is the major service offered by a bank?
2. What are the main functions of the Bank of England?
3. What does the term 'banker's bank' mean?
4. What are the other two layers of British banking besides the national bank?
5. Why are bank's operations strictly regulated by the government?
6. What banks are called full-service banks and why?
7. What types of financial institutions do you know and what are their major services?
8. What is the main function of the World Bank?
9. What is the difference between the deposit and current accounts?
10. What does the line of credit of the company depend on?
11. What process is known as prime-rate?
12. What is the main function of the safe-deposit boxes?
13. What types of financial institutions can hold money in trust?
14. What services do the ATM's provide a customer with?

**Ex. 1. Memorize the following definitions.**

**Deposit** – an amount of money that is paid into a bank account.

**Time deposit** – money left by a client in the bank for a minimum specified period of time.

**Deposit account** – the type of bank account that is used for short-term or small savings.

**Current account** – the type of bank account that is used for everyday transactions because a customer can withdraw money from it at any time.

**Cheque** – a customer's written order to his bank to pay a certain amount of money to a certain person or organization.

**Bill of exchange** – note to a bank asking to pass money from one account to another.

**Credit card** – a small plastic card that is used to buy goods or services.

**Ex. 2. Find in the text English equivalents of the following word-combinations and phrases. Make your own sentences using them:**

1) надавати широкий спектр фінансових послуг; 2) давати пораду, як використовувати гроші; 3) контролює всю національну банківську систему; 4) визначає грошово-кредитну політику; 5) відкривати рахунок у банку; 6) надає позики великим компаніям; 7) інвестує великі проекти; 8) приймати векселі; 9) надавати консультаційні послуги; 10) гарантувати збереження грошей клієнта; 11) банки, які заснуються та контролюються урядом; 12) універсальні банки; 13) виконувати валютні операції; 14) надавати чекові послуги; 15) спрощує процедуру надання довгострокових приватних кредитів; 16) депонувати грошові ресурси; 17) виплачує відсоток за депозит; 18) випускати чеки; 19) робити різні виплати; 20) позичати гроші для розвитку та розширення компанії; 21) купувати товари для перепродажу; 22) базується на прибутках та надходженнях підприємства; 23) пропонувати сейфи для депозитів, де клієнти можуть зберігати коштовності; 24) поточний платіжний баланс; 25) банкомати, якими можна користуватися у будь-який час та де завгодно.

**Ex. 3. Find synonyms to the following words and expressions in the text:**

to render services; to regulate; central bank; current account; full-service bank; cheque; a home-buyer; to grant loans; merchant bank; to accept deposits; a customer; income; government unit; to store; cash dispenser.

**Ex. 4. Find antonyms to the following words and expressions in the text:**

to lend; developed country; to withdraw; short-term loan; a depositor; to receive payments.

**Ex. 5. Match the words and expressions to their definitions.**

1. to withdraw	a) money lent to an individual or organization
2. credit limit	b) organization that represents the interests of employees
3. legal tender	c) the amount of money which is withdrawn from a bank account and which is more than in the account
4. loan	d) act or result of joining companies together
5. banking	e) notes and coins circulated in a particular country
6. to lend	f) money placed into a bank account by a customer
7. labour union	g) to take money from a bank account
8. banknote	h) buying an existing business
9. merger	i) business of accepting deposits and lending money
10. deposit	j) a piece of printed paper money
11. overdraft	k) to allow temporary use of money
12. takeover	l) maximum amount of money that a customer can owe

**Ex. 6. Match each of the following words to one set of words and word-combinations to get collocations. Give their equivalents in your native tongue.**

money                      to offer                      to issue                      to provide

1. _____	safe-deposit boxes financial services advice cheque facilities	3. to lend _____	
2. _____	funds overdrafts cash current account balance	to borrow to manage to withdraw to exchange	
		4. _____	banknotes cheques letters of credit

**Ex. 7. Complete the following sentences with the given words. Translate them into your native tongue.**

World Bank                      cheque card                      currency  
ATM's                      loan                      Legal tender

savings account  
Bank of England

interest  
financial institutions

overdraft  
Industrial

1. The company is almost bankrupt and will need to get a \_\_\_ to survive.
2. The Euro is the \_\_\_ of most member states of the European Union.
3. \_\_\_ is money that must be accepted if offered in payment for a purchase or settlement of a debt.
4. A \_\_\_ provides the means for the customer to enjoy the convenience of cash-free shopping because it is a bank's guarantee that payment will be made.
5. The \_\_\_ has agreed to a five-year loan of \$125m.
6. \_\_\_ banks make loans for the purchase or manufacture of industrial products.
7. An individual cannot open a \_\_\_ with a central bank or borrow money from it.
8. \_\_\_ can be found in major shopping centres, in factories, on campus sites of university, on railway stations, and so on.
9. The American central bank, the FRS, is the equivalent of the \_\_\_ in Britain.
10. The \_\_\_, which a bank charges on loans, is at a rate which is usually higher than its base rate.
11. Before you draw a cheque for more than you have in your account, you must apply for an \_\_\_.
12. Cards, issued by \_\_\_, often serve also as cheque cards and may be used to withdraw cash from ATM's.

**Ex. 8. Complete the following word-combinations with prepositions and make your own sentences with them.**

- |                                   |  |
|-----------------------------------|--|
| 1. to borrow money ___ a bank     | 6. International Bank ___ Reconstruction and Development |
| 2. to open an account ___ a bank  | 7. to pay interest ___ the deposits                      |
| 3. to take deposits ___ customers | 8. to buy merchandise ___ resale                         |
| 4. to make loans ___ individuals  | 9. to enter money ___ account                            |
| 5. to deal ___ the public         | 10. to hold ___ trust                                    |

**Ex. 9. Match the words to get collocations and make your own sentences with them.**

- |             |              |              |                      |
|-------------|--------------|--------------|----------------------|
| 1. monetary | a) dispenser | 1. to take   | a) coins             |
| 2. legal    | b) policy    | 2. to open   | b) deposits          |
| 3. savings  | c) union     | 3. to charge | c) bills of exchange |
| 4. credit   | d) bank      | 4. to mint   | d) loans             |

- |               |             |                |                     |
|---------------|-------------|----------------|---------------------|
| 5. time       | e) company  | 5. to make     | e) cash resources   |
| 6. cash       | f) deposit  | 6. to accept   | f) interest rate    |
| 7. foreign    | g) tender   | 7. to handle   | g) an account       |
| 8. commercial | h) rate     | 8. to deposit  | h) current accounts |
| 9. interest   | i) reserve  | 9. to pay with | i) credit card      |
| 10. gold      | j) credit   | 10. to pay in  | j) a legal tender   |
| 11. trust     | k) account  | 11. to pay by  | k) cash             |
| 12. long-term | l) currency |                |                     |

**Ex. 10. Select the answer which best completes the meaning of the sentence. Translate the sentences into your native tongue.**

- We'll need an additional \_\_\_ from the bank to cover our purchases.  
a) expense      b) loan      c) account
- Most member states of the EU have adopted the Euro as the single \_\_\_\_\_.  
a) currency      b) exchange      c) cash
- Incorporated state banks are those which have a \_\_\_ from the state to act as an individual.  
a) permission      b) document      c) charter
- Mutual savings banks are savings banks owned by their \_\_\_\_\_.  
a) customers      b) depositors      c) employees
- A young person who inherits money may not have the skill and experience to \_\_\_ it wisely.  
a) control      b) regulate      c) manage
- Every \_\_\_ country has one or more financial markets for financing domestic trade and investment.  
a) developed      b) developing      c) rural
- Building \_\_\_ lend money to people who want to buy houses.  
a) companies      b) associations      c) societies
- A bank will sometimes give you a loan if someone is prepared to stand as your guarantor, agreeing to \_\_\_ the loan if you fail to do so.  
a) resell      b) repay      c) rewrite
- The Bank of England is a \_\_\_ bank and acts as banker for government and other banks.  
a) central      b) local      c) major
- If you wish to \_\_\_ a large sum from your bank, the branch manager may require authorization from his Head Office.  
a) receive      b) borrow      c) deposit
- \_\_\_, such as Visa or American Express, are used to buy goods without needing to pay for them immediately.  
a) Plastic money      b) Cheque cards      c) Credit cards



12. If the importer buys \_\_\_ from another country, he will pay for it in the currency of this country.

- a) currency                      b) dollars                      c) legal tender

**Ex. 11. Fill in the names of the financial institutions described below.**

1. \_\_\_\_\_

It is the central bank of the UK, and it is often referred to as just 'the Bank'. It is the principal organ for implementing the state's financial and monetary policy.

2. \_\_\_\_\_

It is the main government-controlled bank in a country which controls the financial affairs of a country by fixing main interest rates, issuing currency, and controlling the foreign exchange rate.

3. \_\_\_\_\_

It is a private bank which offers banking services to the individuals and firms. In most countries, these banks are concerned mainly with making and receiving payments, receiving deposits and making short-term loans. The banks provide a number of other services to their customers: supply of foreign currency, purchase and sale of securities, personal loans, insurance, and credit card facilities.

4. \_\_\_\_\_

It is a bank which lends money to companies and deals in international finance including the acceptance of bills of exchange, issuing and placing loans and securities. Many of such banks are well-known.

5. \_\_\_\_\_

It is a central bank, controlled by the United Nations, whose funds come from the member states of the UN, and which lends money to member states.

**Ex. 12. Make sentences with the following phrases and translate them into your native tongue.**

**loan**

- |                        |                            |
|------------------------|----------------------------|
| 1. to grant a loan     | 5. to pay off a loan       |
| 2. to apply for a loan | 6. a housing loan          |
| 3. to get a loan       | 7. loans for purchasing    |
| 4. to make a loan      | 8. a loan without interest |

**account**

- |                            |                                   |
|----------------------------|-----------------------------------|
| 1. accounts receivable     | 8. to have an account with a bank |
| 2. accounts payable        | 9. on one's own account           |
| 3. profit and loss account | 10. on somebody's account         |

- |   |                           |
|---|---------------------------|
| 4. to keep accounts                     | 11. in somebody's account |
| 5. to open an account with a bank       | 12. current account       |
| 6. to close an account                  | 13. deposit account       |
| 7. to enter a sum to a personal account | 14. savings account       |

**Ex. 13. Match the following English terms to their Ukrainian equivalents.**

***to lend – lender – lending***

- |                                      |                                      |
|--------------------------------------|--------------------------------------|
| 1. international lending             | a) позичка комерційному підприємству |
| 2. money lender                      | b) міжнародні кредити                |
| 3. to lend money at the rate of ...% | c) відсоткова ставка позички         |
| 4. lending to business               | d) позичати гроші під ...%           |
| 5. the lending rate                  | e) кредитор, позичкодавець           |

**Ex. 14. Match the following English terms to their Russian equivalents.**

***rate***

- |                         |   |
|-------------------------|---|
| 1. interest rate        | a) размер налога на добавленную стоимость |
| 2. borrowing rate       | b) курс покупателей                       |
| 3. value-added tax rate | c) курс продавцов                         |
| 4. bank rate            | d) ставка по депозитам                    |
| 5. buying rate          | e) ставка процента на заемный капитал     |
| 6. selling rate         | f) валютный курс                          |
| 7. exchange rate        | g) ставка процента, ссудный процент       |
| 8. deposit rate         | h) учетная ставка банка                   |

**Ex. 15. Choose the words to complete the sentences below. Translate them into your native tongue.**

- |      |          |         |                       |
|------|----------|---------|-----------------------|
| bank | exchange | close   | withdraw              |
| open | interest | current | VAT – value-added tax |

**RATES**

- The rate of the tax added to the price of an item, paid by the buyer to the seller and by the seller to the government, is the \_\_\_\_\_ rate.
- The sum, that borrowers pay to lenders for the use of their money, is determined by the \_\_\_\_\_ rate.
- The value of the money of one country compared to that of another, is shown by the \_\_\_\_\_ rate.
- The rate of interest, fixed by a central bank, such as the Bank of England, is the \_\_\_\_\_ rate.

## ACCOUNTS

1. The bank account that covers daily needs is the \_\_\_\_\_ account.
2. To start an account with a bank or with a supplier is to \_\_\_\_\_ it; to finish using an account with a bank or with a supplier and formally to end the arrangement is to \_\_\_\_\_ it.
3. To obtain cash from a bank with which one has an account is to \_\_\_\_\_ cash.

**Ex. 16. Translate the following sentences into English.**

**a)**

1. Компанії та приватні особи можуть депонувати свої гроші, в яких на цей час нема потреби.
2. Якщо компанія є платоспроможною, вона може обрати довгострокову чи короткострокову позику.
3. Однією з головних послуг банку є прийняття грошових вкладів від своїх клієнтів для зберігання.
4. Міжнародний банк реконструкції та розвитку та Міжнародний валютний фонд доповнюють діяльність один одного.
5. Найменший відсоток з позики – це найменша відсоткова ставка, яка дійсна на певний час та тільки для привілейованих клієнтів.

**b)**

1. Банк получает свой доход от процента, который он взимает у заемщиков.
2. Иногда предприятию необходим заем для расширения производства или строительства складов.
3. Многие банки помогают своим клиентам, предлагая финансовые консультационные услуги.
4. Услуги текущего банковского счета предоставляются клиентам, которых банк считает надежными.
5. Национальные банки учреждаются и контролируются государством.

**Ex. 17. Make up a dialogue between a bank officer and a student who wants to open an account with a bank. Use the following expressions.**

I'd like to open...

What sort of account would you like?

Have you got any large sums to deposit?

We can open a current account with a cheque book for you.

I'd advise you, in your case, to take an account that gives you more interest.

We normally advise students to open deposit accounts.

Can I take out money whenever I like?

The account permits you to withdraw...

Do you need my passport?

***Ex. 18. Speak about banking system in Ukraine, answering the following questions.***

1. Is there a difference between banking system in Ukraine and other countries? If yes, what is the difference?
2. What services of Ukrainian banks are you familiar with?
3. Do the banks in this country have safe-deposit boxes?
4. Who do the banks make loans in this country to?

## REVISION 4 (UNITS 11-13)

*Ex. 1. Read the definitions. Then put the anagrams in the correct order. The first letter of each word is in bold.*

- |  |                  |
|--|------------------|
| 1. A piece of metal money.   | onci coin        |
| 2. The system or type of money that a particular country uses.               | urreyenc .....   |
| 3. Coming from outside the company.  | naextre .....    |
| 4. A person whose business is buying and selling a particular product.       | aelred .....     |
| 5. Money or materials saved by economical work.                              | viassgn .....    |
| 6. Money that an organization needs or has.                                  | nsufd .....      |
| 7. Another name for stocks and shares.                                       | cutirseies ..... |
| 8. A specialist who helps investors to buy and sell stocks and bonds.        | erbork .....     |
| 9. Note ordering a bank to pay money to a customer.                          | queche .....     |
| 10. Accept money from somebody on the basis that it will be repaid later.    | rrowob .....     |
| 11. Offer to buy all or most of the shares in a company so as to control it. | dib .....        |
| 12. Money in notes and coins.  | asch .....       |

*Ex. 2. Match the words and expressions to similar meanings.*

- |                             |                     |
|-----------------------------|---------------------|
| 1. net worth                | a) to raise funds   |
| 2. to deduct                | b) investment bank  |
| 3. to raise capital         | c) running expenses |
| 4. fiscal year              | d) net assets       |
| 5. partial owner            | e) central bank     |
| 6. current account          | f) common stock     |
| 7. national bank            | g) checking account |
| 8. operating costs          | h) to subtract      |
| 9. transaction              | i) income statement |
| 10. profit and loss account | j) financial year   |
| 11. ordinary share          | k) deal             |
| 12. merchant bank           | l) co-owner         |

**Ex. 3. Rewrite the following sentences. Replace the underlined words and expressions with the words and expressions of the same meaning.**

1. A partial owner of a business usually receives equity or certificates of common stock which represent his portion of ownership.
2. If business companies need financing, they usually turn to the capital market and the commercial banks to assist them.
3. All national banks are chartered and supervised by the government.
4. The national bank issues paper money and coins, the country's currency.
5. In daily business operations, figures are first entered to the book of original entry.
6. Accountants use Ledger information to construct balance sheets and income statements.
7. Management uses financial statements in order to make business decisions and to determine how much tax to pay.
8. Debts are divided into two groups: debts to be paid during the present business year and debts to be paid over many years.
9. Equipment, attached to the building, should also show decline in value.
10. Investors, purchasing these securities, believe in the good name of the company.

**Ex. 4. Match the words and expressions to opposite meanings.**

- |                     |                        |
|---------------------|------------------------|
| 1. internal         | a) accounts receivable |
| 2. a depositor      | b) earnings            |
| 3. to borrow        | c) external            |
| 4. accounts payable | d) to deposit          |
| 5. liabilities      | e) a creditor          |
| 6. expenditures     | f) spending            |
| 7. to withdraw      | g) to lend             |
| 8. acquiring        | h) assets              |

**Ex. 5. Match the words to get collocations and give their equivalents in your native tongue.**

- |              |                 |
|--------------|-----------------|
| 1. advisory  | a) bank         |
| 2. legal     | b) rate         |
| 3. clearing  | c) depreciation |
| 4. cash      | d) service      |
| 5. long-term | e) value        |
| 6. face      | f) currency     |
| 7. interest  | g) tender       |
| 8. balance   | h) flow         |

- |                |                |
|----------------|----------------|
| 9. accumulated | i) sheet       |
| 10. foreign    | j) liabilities |

**Ex. 6. Match the words to get verbal collocations and give their equivalents in your native tongue.**

- |                 |                         |
|-----------------|-------------------------|
| 1. to keep      | a) shares               |
| 2. to construct | b) deposits             |
| 3. to meet      | c) costs                |
| 4. to issue     | d) business             |
| 5. to quote     | e) financial records    |
| 6. to cover     | f) expenses             |
| 7. to open      | g) loans                |
| 8. to accept    | h) a price              |
| 9. to make      | i) an account           |
| 10. to transact | j) financial statements |

**Ex. 7. Complete the following text with the correct options below.**

Balance sheet is a **1** \_\_\_\_\_ of the wealth of a business on a given date usually the **2** \_\_\_\_\_ day of the financial year. It shouldn't be confused with the profit and loss account which records **3** \_\_\_\_\_ in the company's wealth over one year. In the **4** \_\_\_\_\_ there are two entries: a debit and a corresponding **5** \_\_\_\_\_. The **6** \_\_\_\_\_ entry records are in the left-hand column in accounts. They indicate the **7** \_\_\_\_\_ of finance, e.g. shareholders' capital, funds acquired from other businesses or generated through current **8** \_\_\_\_\_. The credit entry records the use to which that finance is put, e.g. **9** \_\_\_\_\_ of fixed assets and stocks, covering debts and current running **10** \_\_\_\_\_.

- |                              |                              |                        |
|------------------------------|------------------------------|------------------------|
| <b>1.</b> a <u>statement</u> | <b>b</b> document            | <b>c</b> record        |
| <b>2.</b> a first            | <b>b</b> last                | <b>c</b> second        |
| <b>3.</b> a changes          | <b>b</b> figures             | <b>c</b> entries       |
| <b>4.</b> a income statement | <b>b</b> financial statement | <b>c</b> balance sheet |
| <b>5.</b> a credit           | <b>b</b> account             | <b>c</b> side          |
| <b>6.</b> a assets           | <b>b</b> debit               | <b>c</b> debt          |
| <b>7.</b> a sources          | <b>b</b> resources           | <b>c</b> beginning     |
| <b>8.</b> a expenditures     | <b>b</b> expenses            | <b>c</b> operations    |
| <b>9.</b> a investment       | <b>b</b> acquisition         | <b>c</b> spending      |
| <b>10.</b> a costs           | <b>b</b> depreciation        | <b>c</b> expenses      |

**Ex. 8. Fill in the gaps with prepositions where necessary.**

1. They have had to increase prices ... order ... cover rising costs.

2. ... the end ... the month or more frequently, the Journal totals are posted ... the book ... accounts.
3. A forced sale ... a short period ... time may result ... heavy losses.
4. They found ... a prospective partner to start manufacture and sales ... Great Britain.
5. ... the basis ... this forecast, we can expect a return ... about 40% ... our investment.
6. ... 1998, business improved, and there was a slow rise ... sales.
7. The difference will be larger when the sale of comparatively few shares can lead to a large fall ... prices.
8. Our company deals ... furniture manufacturers, and now they intend to make a loan ... our company.
9. We are going to open an account ... this bank because they pay high interest ... the deposits.
10. Our partners borrowed money ... a bank to buy merchandise ... resale.
11. To enter an item ... a Ledger means to post it ... that Ledger.
12. The company is eligible ... a loan, so it decided to apply ... a bank ... order to raise capital ... expansion.

**Ex. 9. Make the derivatives of the words below with the help of the prefixes: in-, out-, re-, co-. Translate them into your native tongue:** organization; pay, placement, flow, construction, standing, sale, owner, present.

**Ex. 10. Complete the following table with appropriate parts of speech.**

Verb	Noun (concept)
<i>negotiate</i>	<i>negotiation</i>
acquire	
	capitalization
transact	
	expansion
operate	
	participation
interpret	
	information
construct	
	calculation
manage	



	regulation
perform	
	payment
invest	

**Ex. 11. Complete the following sentences with the correct form of the word in capitals. Translate them into your native tongue.**

1. Our company specializes in \_\_\_\_\_ computers in Japan. ACQUIRE
2. Unfortunately, the \_\_\_\_\_ broke down just after a few hours. NEGOTIATE
3. \_\_\_\_\_ account enables small \_\_\_\_\_ to put money away for particular purposes, for example for holidays. SAVE
4. These services may be handled in different departments, such as savings department, trust department, real estate department or \_\_\_\_\_ department. INVEST
5. \_\_\_\_\_ wealth is the key to financial independence. ACCUMULATE
6. Nokia is committed to \_\_\_\_\_ consumers with the information they need. PROVIDE
7. Buildings and \_\_\_\_\_ are assets that should be listed on the balance sheet. MACHINE
8. Financial \_\_\_\_\_ must be completed by the end of August. STATE
9. Increased labour costs have reduced our \_\_\_\_\_. PROFIT
10. Gross profit is always calculated without \_\_\_\_\_ taxes and other charges. DEDUCT
11. Some banks provide \_\_\_\_\_ services to their customers. ADVICE
12. Shareholders lost money when the company declared itself \_\_\_\_\_. BANK

**Ex.12. Translate the following text from English into your native tongue.**

Most customers of a bank have current (or cheque) accounts. Interest is not paid on these accounts but withdrawals can be made by cheque. The other type of bank account is the deposit or savings account. Interest is paid on these accounts.

Banks lend surplus money to their customers in two ways. They grant loans or overdrafts. Loans are for a fixed sum and interest has to be

paid on the whole amount borrowed. In addition to loans to businesses, banks also grant personal loans. By contrast, by means of an overdraft it is possible for cheques to be drawn in excess of the sum standing to the customer's withdrawal in the current account. Interest is then paid only on the actual amount overdrawn.

If the customers wish to buy some items, they may approach the bank manager for a loan or overdraft. If they have conducted their accounts satisfactorily in the past, and the amounts involved are in keeping with their income, the manager will agree to grant a loan or overdraft.

***Ex. 13. Translate the following sentences from Ukrainian into English.***

1. Клієнт може зберігати свої гроші та коштовності у сейфі для депозитів.
2. Проекти мають показувати можливість самофінансування, тому що банки не надають грантів чи дотацій.
3. Торговельні банки мають справу тільки з особливими клієнтами та надають кошти для певних цілей.
4. Кредитне фінансування – це утворення грошового фонду підприємства за допомогою позики.
5. Привілейована акція не надає права співвласності, але має підвищену відсоткову ставку.
6. Якщо компанія хоче отримати більше капіталу для свого розширення, вона може випустити нові акції.
7. Процес залучення капіталу називається фінансуванням.
8. Кожний бухгалтер знає, що двома основними формами фінансового звіту для компанії є баланс та рахунок прибутків та збитків.
9. Інтерпретація інформації, що записана в рахунках, називається бухгалтерською справою.
10. Кожна ділова операція підлягає запису у дві бухгалтерські форми – у дебіт та у відповідний кредит.

***Ex. 14. Translate the following sentences from Russian into English.***

1. Если банк предлагает весь спектр финансовых услуг, его называют универсальным банком.
2. Центральные банки, как правило, контролируют национальную банковскую систему, определяют кредитно-денежную политику, выпускают банкноты и чеканят монеты.
3. Банки могут предоставить ссуды для заемщиков при условии своевременного возврата денег.

4. Обыкновенные акции дают возможность их владельцу принимать участие в управлении компанией.
5. Фиксированная процентная ставка не меняется и выплачивается независимо от успеха и прибыльности компании.
6. Акции и облигации – это ценные бумаги, которые продают корпорации и государство для получения больших сумм денег.
7. Фондовая биржа является неустойчивым рынком, так как она зависит от общего состояния экономики.
8. Амортизация – это уменьшение стоимости оборудования в процессе его эксплуатации.
9. Долгосрочные долги с обязательной выплатой процента называются долгосрочными обязательствами.
10. Чистую стоимость компании можно подсчитать путем вычитания долгов из активов компании.

# PART II

**UNIT 1 PRODUCTION PROCESS**

**UNIT 2 FACTORY LAYOUT**

**REVISION 1 (Units 1-4)**

**UNIT 3 MARKETS**

**UNIT 4 MARKETING**

**UNIT 5 DISTRIBUTION**

**REVISION 2 (Units 3-5)**

**UNIT 6 PROMOTION AND BRANDING**

**UNIT 7 ADVERTISING AND PR**

**REVISION 3 (Units 6-7)**

**UNIT 8 INTERNATIONAL BUSINESS**

**UNIT 9 COMPUTERS AND COMMUNICATION**

**REVISION 4 (Units 8-9)**

Production is the process of making something of value. It means bringing together materials, machinery, and workers to make goods. Production changes the value of materials by changing their form. The process of production makes the materials more valuable.

There are four types of production: analysis, synthesis, extraction, and fabrication. Analysis is the process of separating a raw material into several components. For example, in petroleum refining, oil is separated into petrol (Br), or gasoline (Am), kerosene, fuel oil, asphalt, and many other products. Synthesis is the process of putting together two or more raw materials into one finished product. For example, glass is made by joining together lime, soda, potash, and other chemicals. All of the raw materials used in production are extracted from the land, the sea, or the air. Mining and petroleum production extract raw materials from the earth. Fish and minerals, such as magnesium, sodium, chlorine, and bromine, are extracted from the sea. Nitrogen and oxygen are extracted from the air. Fabrication is the process of making products of more value from already manufactured materials. The materials may be cut, machined, woven, knitted, shaped, or put together with other materials. For example, cloth is made from thread. Automobiles are made from already manufactured parts.

There are two basic methods of production: intermittent and continuous. In intermittent production, several of the same type of item are produced. Then production of that item stops and production of another item begins. Labour and equipment work on one particular product for a short period of time. The company makes a product either because a customer has ordered it or because they think a customer will order it. Machinery is set up and adjusted for a specific job. When the job is finished, the machinery is taken apart or reset for a different job.

With intermittent production, many designs and styles are possible, so a large variety of goods can be produced. The design can easily be changed to suit each individual customer. When goods are made to customer specifications, they are called custom-made. Only a limited number, perhaps only one, of each specification are made. Therefore, automatic machines have limited use, and increased labour is necessary, which makes custom-made goods expensive. However, one of the reasons that custom-made goods are popular is that they are expensive; if someone owns one, it shows that he has money.

In continuous production, labour and equipment work continuously, making one type of product for a long period of time.

The company buys specialized machinery, or they adjust their machinery for a production period that will probably continue for months. The products must be standardized and the volume must be large. The assembly line method of manufacturing is one way of using continuous production. Coordination is more necessary in continuous production than in intermittent production, because if there is a break at any step in production, it can halt the whole process.

Continuous production is generally less flexible than intermittent production. Standardization is necessary in order to get the greatest benefit from continuous production. Therefore, there can be only a few models, styles, and designs. To say it another way, if the number of models and styles of a product increases, the volume must also increase in order to use the continuous process efficiently. Because the major automobile manufacturers (Am) have a very large volume of production, they can produce several body designs, engine sizes and style series, and still use the continuous process of manufacturing. In addition to car manufacturers (Br), many other factories use continuous production. For example, it is used in making consumer appliances, producing cement, making paper, refining sugar, refining petroleum, weaving cloth, and grinding grain.

Standard goods are generally manufactured, using the continuous type of production process. They are made to the manufacturer's specifications, not the customer's. In order to sell goods, it is necessary to make items that the customers will buy; however, standard goods are made not for a specific customer, but for a group of customers. We can say that standard design tries to please the average taste. When a large volume of each design is produced, as a practical matter, it is necessary to make goods to suit the average customer. Standard goods usually carry the manufacturer's brand and are advertised over a large area to reach many customers.

In deciding on the type of production to use in a plant, the important factors are volume and the number of models and designs. Intermittent production can be used if volume is small or there are many designs. Often a company begins production with job lots, using intermittent production. As the company grows and the volume increases, it is more efficient to use continuous production.

### ACTIVE VOCABULARY

analysis

розклад, відділення, аналіз /  
разложение, отделение, анализ

synthesis	з'єднання, сполучення, синтез / соединение, синтез
extraction	видобування / добыча
fabrication	складання, виготовлення / сборка, изготовление
petroleum	нафта / нефть
to refine	очищувати / очищать
petrol	бензин / бензин
kerosene	гас / керосин
fuel oil	паливо, пальне масло, мазут / топливо, горючее масло, мазут
finished product	готовий продукт / готовый продукт
lime	вапно / известь
potash	поташ / поташ
magnesium	магній / магний
sodium	натрій / натрий
chlorine	хлор / хлор
bromine	бром / бром
nitrogen	азот / азот
oxygen	кисень / кислород
to machine	обробляти на верстаті / обрабатывать на станке
to weave	ткати / ткать
to shape	надавати форми / придавать форму
intermittent production	переривчасте виробництво / прерывающееся производство
continuous production	безперервне виробництво / непрерывное производство
item	виріб, одиниця товару / изделие, единица товара
to adjust	налагоджувати / настраивать, налаживать
to take apart	розбирати на частки / разбирать на части
to reset	перевстановлювати, переобладнувати / переустанавливать, переоборудовать
specification	специфікація / спецификация
custom-made	зроблений на замовлення / сделанный на заказ

assembly line	складальна лінія, конвеєр / сборочная линия, конвейер
body design	конструкція, дизайн кузова / конструкция, дизайн кузова
engine size	розмір двигуна / размер двигателя
consumer appliance	побутовий електроприлад / бытовой электроприбор
to grind	молотити, перемелювати / молоть, перемалывать
standard goods	стандартні товари / стандартные товары
manufacturer's brand	фабрична марка / фабричная марка
job lot	партия товару / партия товара

### COMPREHENSION QUESTIONS

1. What is production?
2. What are the four types of production?
3. What is analysis as the production process?
4. What is synthesis in production?
5. What areas of industry are involved in extraction?
6. What does the term 'fabrication' mean in production?
7. What are the two basic methods of production?
8. What does intermittent production refer to?
9. What goods are called custom-made? Why are they popular?
10. What does continuous production refer to?
11. What method of production has a larger volume and why?
12. What does the company need in order to produce a larger volume?
13. What are the benefits and drawbacks of continuous production?
14. What areas of industry apply continuous method of production?
15. What goods are called standard goods?

#### *Ex. 1. Memorize the following definitions.*

**Production** – the act of manufacturing or the volume of manufactured products.

**Analysis** – the separation of a whole into its various parts so that the components are used as products.

**Synthesis** – the combination of two raw materials for the purpose of producing a product.

**Extraction** – the process of removing raw materials from the land for the purpose of production.



**Fabrication** – the assembly of manufactured parts.

**Specifications** – exact details of the dimensions, materials, and workmanship of a product.

**Custom-made** – specially made for a particular customer according to the customer's specifications.

**Assembly line** – production system where the product moves slowly through the factory with new parts added as it goes along.

**Standard goods** – products designed for the general market, not for a particular individual.

**Job lot** – a group of mass produced goods all manufactured at the same time to the same exact specifications.

*Ex. 2. Find in the text English equivalents of the following word-combinations and phrases. Make your own sentences using them:*

1) процес створення чогось, що має вартість; 2) процес розділення сировини на складові; 3) процес з'єднання двох чи більше сировинних матеріалів в один готовий продукт; 4) видобувати сировину з землі; 5) мінерали видобуваються з моря; 6) азот та кисень вилучаються з повітря; 7) процес створення продуктів більшої вартості з вироблених матеріалів; 8) тканина виробляється з ниток; 9) обладнання устанавлюється та налагоджується; 10) обладнання розбирається чи перевстановлюється для іншої роботи; 11) автомати мають обмежене використання; 12) це робить замовлені товари дорогими; 13) перепона на будь-якому етапі виробництва; 14) зупинити весь виробничий процес; 15) отримати максимальну користь; 16) інакше кажучи; 17) використовувати безперервне виробництво ефективно; 18) виробляються згідно зі специфікаціями виробника; 19) задовольнити уподобання середнього споживача; 20) стандартні товари мають на собі фабричну марку; 21) бути рекламованим у великому регіоні; 22) вирішувати, який тип виробництва буде використано на підприємстві.

*Ex. 3. Find antonyms to the following words and expressions in the text:*

separating; analysis; raw materials; to stop; intermittent; a short period of time; custom-made product; large volume.

*Ex. 4. Find synonyms to the following words and expressions in the text:*

machinery; petroleum; petrol; putting together; to produce; products; production; to halt; automobile manufacturer; to please the average taste; factory; fabrication; land; components.

**Ex. 5. Match the words and expressions to their definitions.**

1. appliance	a) non-stop, without interruption
2. coordination	b) using the least amount of energy and materials to produce the greatest output
3. design	c) goods or products that are ready to be sold on to consumers
4. continuous	d) an electrical household machine used for performing various kinds of housework
5. finished goods	e) products all made exactly alike to a given set of specifications
6. volume	f) starting and stopping, not operating continuously
7. efficiently	g) fashion, type, or way of making something
8. raw materials	h) an arrangement of parts or details according to plan
9. intermittent	i) the quantity produced in a certain amount of time
10. standardized goods	j) control and orderly arrangement of workers, machines, and materials working together efficiently
11. style	k) able to be changed in some manner
12. flexible	l) substances used as a base for manufacturing

**Ex. 6. Read the sentences below and select the answer which best explains the underlined word.**

- In continuous production, labour and equipment work continuously, making one type of product.
  - unit
  - style
  - job
  - material
- Products must be standardized and the volume must be large.
  - number of units
  - range
  - cost
  - efficiency
- Coordination is more necessary in continuous production than in intermittent production.
  - efficiency
  - control of all aspects of manufacturing
  - design
  - standardization
- Continuous production is less flexible than intermittent production.
  - expensive
  - standardized
  - efficient
  - adaptable



1. _____	body designs engine sizes consumer appliances cement paper	6. to machine _____	
2. to set up to adjust to take apart to reset	_____	7. _____	minerals fish sodium chlorine magnesium bromine nitrogen oxygen raw materials
3. _____	several components petrol and kerosene fuel oil and asphalt		
4. _____	lime, soda, and potash chemicals		
5. _____	petroleum sugar		

**Ex. 9. Complete the following word-combinations with prepositions and make your own sentences with them.**

- |  |                                  |
|--|----------------------------------|
| 1. to begin production ___ job lots          | 8. to separate ___ several parts |
| 2. to make cars ___ manufactured parts       | 9. ___ a short period ___ time   |
| 3. to work ___ a particular product          | 10. to adjust ___ a specific job |
| 4. to make goods ___ customer specifications | 11. ___ any step ___ production  |
| 5. to get the greatest benefit ___           | 12. ___ order ___ use            |
| 6. to advertise ___ a large area             | 13. ___ addition ___             |
| 7. ___ deciding ___ the type ___ production  | 14. to extract ___ the earth     |

**Ex. 10. Complete the following sentences with the given words and expressions. Translate them into your native tongue.**

fabrication job lot intermittent extracted labour synthesized analysis  
continuous identical Production efficient volume custom-made average

- In production, \_\_\_\_\_ refers to the number of units produced in a given period of time.
- Glass is \_\_\_\_\_ by joining together lime, soda, potash, and other raw materials.
- Using the \_\_\_\_\_ method of production, a manufacturer sets up his machinery to produce a certain number of units, a \_\_\_\_\_.
- \_\_\_\_\_ involves bringing together workers, machinery, and raw materials to make goods.

5. Some raw materials, such as coal and copper ore, are \_\_\_\_\_ from the earth.
6. In \_\_\_\_\_ production, the machinery is set up to produce identical products for a long period of time.
7. Goods produced to suit individual customers are called \_\_\_\_\_.
8. Through \_\_\_\_\_, gasoline, kerosene, fuel oil, asphalt, and many other products are obtained from oil.
9. To keep production most \_\_\_\_\_, we need to produce the highest volume, using the least amount of machines and \_\_\_\_\_.
10. The \_\_\_\_\_ of automobiles involves the assembly of previously manufactured parts.
11. Standard goods are designed to please the \_\_\_\_\_ taste.
12. Continuous production of \_\_\_\_\_ items is made possible by standardization of parts.

**Ex. 11. Make sentences with the following phrases and translate them into your native tongue.**

four types of raw materials used in mining petroleum two basic methods of intermittent continuous at any step in	production	process of production separating putting together making products
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**Ex. 12. Complete the following sentences with the correct form of the word in capitals. Translate them into your native tongue.**

1. In \_\_\_\_\_ production, labour and equipment work CONTINUE nonstop, producing a high volume of standard product.
2. The \_\_\_\_\_ line was first used by Henry Ford ASSEMBLE for \_\_\_\_\_ automobiles.
3. \_\_\_\_\_ parts are produced by the manufacturer STANDARD because he believes that someone will buy them. The \_\_\_\_\_ of parts enables manufacturers to produce in a continuous process.
4. The \_\_\_\_\_ of oil from underneath the ocean FLOOR requires expensive equipment. EXTRACT

5. The continuous process is a much more \_\_\_\_\_ PRODUCE  
method of manufacturing certain goods than the  
intermittent process.
6. Many \_\_\_\_\_ products are made from oil. SYNTHESIZE
7. By means of \_\_\_\_\_, many important fuels ANALYZE  
can be produced from crude oil.
8. These items were \_\_\_\_\_ in Switzerland. MANUFACTURE
9. We shall use the new \_\_\_\_\_ developed by our PROCEED  
research staff.
10. The customer \_\_\_\_\_ how he wanted the SPECIFY  
product designed. We must build it to his \_\_\_\_\_.

***Ex. 13. Select the answer which best completes the meaning of the sentence. Translate the sentences into your native tongue.***

1. Iron is one of the \_\_\_ used in making steel.  
a) products      b) materials      c) raw materials
2. These screws and nuts come in \_\_\_ sizes.  
a) standard      b) similar      c) individual
3. Our production methods are \_\_\_ because it is easy to change the  
machines to produce different products.  
a) effective      b) productive      c) flexible
4. A wealthy person can afford to have \_\_\_ clothes.  
a) style      b) custom-made      c) design
5. Washing machines, vacuum cleaners, and refrigerators are examples  
of \_\_\_\_\_.  
a) techniques      b) appliances      c) production machines
6. Gasoline is produced from crude oil by \_\_\_\_\_.  
a) analysis      b) synthesis      c) extraction
7. \_\_\_ products are designed to please the average consumer.  
a) Manufactured      b) Custom-made      c) Standard
8. To use the continuous method of production, it is necessary to have  
good \_\_\_ of workers, materials, and machines.  
a) team      b) coordination      c) synthesis
9. The machinery must be \_\_\_ in order to change the design of the  
product.  
a) reset      b) taken apart      c) adjust
10. Oil, metals, and other minerals are obtained through the process of  
\_\_\_\_\_  
a) fabrication      b) extraction      c) analysis

11. These pieces of steel will be \_\_\_ into screws and nuts.  
a) grinded                      b) shaped                      c) machined
12. These replacement parts are made to the original manufacturer's \_\_\_\_\_.  
a) plan                              b) specifications              c) design

**Ex. 14. Rewrite the following sentences. Replace the underlined words and expressions with the words and expressions of the same meaning.**

1. Mining and petroleum production take raw materials from the earth.
2. In non-stop production, the products must be similar and the quantity must be large.
3. Standard goods are made according to what the manufacturer requires.
4. Gasoline and kerosene are made by separating crude oil into component parts.
5. Continuous production is used in making appliances for the home.
6. Assembly is the process of putting together manufactured parts.
7. As production increases, it will become more economical to use the continuous production.
8. Using intermittent production, a manufacturer produces one order.

**Ex. 15. Choose and use the correct word in the following sentences. Translate them into your native tongue. Mind the following definitions:**  
**equipment** – machines or manufactured goods required for a particular purpose  
**material (n.)** – cloth made of cotton, wool or synthetic fibres  
**raw materials** – natural substances used in the industrial process

1. The Third World is a source of \_\_\_ for western industry.
2. They exported \$250,000 worth of stereo \_\_\_.
3. Dentists must take great care in sterilizing all their \_\_\_.
4. We sell good quality \_\_\_ for dressmaking.
5. They are starting to import hi-tech telecommunications \_\_\_.
6. Our partners supply us with curtain \_\_\_ at a low cost.
7. Securing long-term supplies of \_\_\_ is critical.
8. By using new \_\_\_, the company hopes to be able to increase production and reduce costs.

**Ex. 16. Translate the following sentences into English.**

a)

1. У безперервному виробництві дуже широко використовуються конвеєр.

2. На відміну від замовлених товарів, стандартні товари виробляються за специфікаціями виробника, а не споживача.

3. Стандартні товари звичайно мають фабричну марку та задовольняють потреби середнього споживача.

4. Якщо обсяги виробництва компанії зростають, ефективнішим буде використання безперервного виробництва.

5. Можливість використання різноманітних стилів та дизайнів є характерною рисою переривчастого виробництва.

**b)**

1. Для успешной продажи больших объемов товара, необходимо, чтобы товар был широко прорекламирован.

2. При производстве бытовых электроприборов, изготовлении цемента и бумаги обычно используется непрерывное производство.

3. Изменяя форму материалов, производство меняет и их стоимость: оно делает их более дорогостоящими.

4. Добыча полезных ископаемых, вылов рыбы, очистка нефти – все это является производством.

5. Компания может купить специальное оборудование или построить свое оборудование для долгосрочного производства стандартизованного товара.

***Ex. 17. Discuss the arguments for and against the prefabricated housing as the best answer to the increased costs of building. Be sure to deal with the problem of standardization in style.***

***Ex. 18. Write a paragraph (not more than 70–80 words) contrasting the production of custom-made and standard goods.***



## **UNIT 2** **FACTORY LAYOUT**

Layout is the arrangement of work space, equipment, products, rooms, doors, passageways, and so on in a place of business. In a well-planned factory layout, everything is arranged so that the product and workers move in an orderly manner and with the least possible confusion. Proper arrangement is necessary for smooth operation of the production system, the elimination of bottlenecks, and the minimum buildup of inventories and semi-finished products. A good layout should also take the worker into account so that there is a favourable working environment. An efficient layout helps to increase worker productivity and keep costs down by reducing walking distances for employees and keeping supervisors and maintenance personnel close to their areas of responsibility.

When planning a layout, the workers, the types of product and the method of production, and the cost of space are all items which should be considered. It is much better to take the time to plan a good layout in the beginning than to have to change a poor one later. Plants and buildings cost a lot of money, and the cost is usually based on the amount of space involved. Efficient use of space is necessary in order to keep costs down. The modern practice, therefore, is to design the layout before the buildings are constructed. The buildings can then be designed to suit the layout. This is much more efficient than trying to design a layout to suit buildings already built.

Two general types of factory layout are associated with two basic methods of production. The continuous production method, which is used for petroleum, chemicals and massed produced items, such as automobiles and appliances, uses, what is called, a product layout. Intermittent production used, for example, in a furniture factory and general machine shops, where there are several different products and jobs, employs a process, or functional layout.

With product layout the factory is set up to suit the particular product being manufactured. Employees and machines perform their operations on the product as it moves along the assembly line from start to finish. There are both advantages and disadvantages of this type of layout.

One advantage of product layout is that the use of the assembly line usually has lower unit costs than other methods have. The unit cost is the cost for producing one individual item. This lower unit cost can be a result of a combination of factors. Machines and assembly

lines can move the product through the production process quickly and efficiently. Raw materials are consumed at fixed rates that are easily controlled. This makes large inventories and storage unnecessary. Another advantage is that by controlling and coordinating the use of machines, scheduling and routing are simplified so that the bottlenecks are eliminated. Furthermore, finished products roll off the assembly line at one point where they can be easily and quickly stacked, palletized, loaded onto trucks and shipped. Finally, control and supervision are simplified by using product layout since each worker has a specific assignment on the line.

A disadvantage of this type of layout is that a breakdown at any point on the assembly line usually results in a total shutdown of the line. Also specialized machinery, which is not easily adapted for other uses, and uniform interchangeable parts are usually required for product layout. The result is that there are not many design changes or improvements which can be made to a product once production has started. Changes can be added only once a year when retooling is made for the new models. A high volume is necessary to ensure low unit costs, but the rate of production can be increased only by purchasing additional production equipment or by adding a second shift of workers. Finally, employee morale and workmanship can suffer because assembly line work is generally routine and boring. It is difficult for a worker to take personal pride in a massed produced product, and this alienation can result in a lack of job satisfaction.

Intermittent production employs a process, or functional layout. In this type of layout, machines, materials, and workers are grouped according to the particular process each performs. In a furniture factory, for example, the cutting, gluing, and finishing or painting would all be done in different areas, using different tools. In a machine shop, the grinding, sawing, drilling, and turning would be done in different areas by the appropriate machines. This type of layout also has advantages and disadvantages.

An advantage of process layout is that there is flexibility in the types of products manufactured, the duties of workers, and the uses of machines. General purpose machines can be used for process layout, and these machines are usually less expensive and do not become obsolete as quickly as specialized assembly line machinery does. Machines operate independently of each other, and a breakdown of one machine would not result in a total line shutdown and, therefore, a complete halt in production. Different jobs are done in different areas; in this way, interference is reduced. Furniture finishing, for example, must be done in a dust-free environment away from the saws and sanders. An

advantage for workers is that they each have a specific job which they can call their own and take pride in.

A disadvantage of process layout is that there is no definite line in which materials move; therefore, they tend to move less efficiently. Special routing and cost analysis are necessary for each job order. Flexibility of product demands that there be a larger inventory of raw materials since the amount of specific materials for each product or job order may vary. Generally, there is slower productivity with process layout, and production volume is restricted. If demand for a product increases substantially, it is often more efficient to change to product layout for a specific product.

### ACTIVE VOCABULARY

factory layout	схема розташування виробничих потужностей / схема размещения производственных мощностей
work space	робоча площа / рабочая площадь
smooth operation of the production system	безперебійна робота виробничої системи / бесперебойная работа производственной системы
elimination of bottlenecks	усування вузьких місць / устранение узких мест
buildup of inventories	накопичення виробничих запасів / накопление производственных запасов
semi-finished product	напівфабрикат / полуфабрикат
working environment	умови праці / условия труда
worker productivity	продуктивність праці / производительность труда
maintenance personnel	обслуговуючий персонал, ремонтники / обслуживающий персонал, ремонтники
product layout	лінійна схема / линейная схема
machine shop	механічний цех / механический цех
to employ a functional layout	використовувати функціональну систему / использовать функциональную систему
unit cost	собівартість продукту / себестоимость продукта
to schedule	складати графік / составлять график
to stack	складати, накопичувати / складывать, накапливать

to palletize	перевозити вироби на піддонах / перевозить изделия на поддонах
to load	вантажити / грузить
to ship	відправляти, відвантажувати / отправляют, отгружают
a specific assignment on the line	особливе завдання на конвеєрі / особое задание на конвейере
total shutdown of the line	повна зупинка конвеєра / полная остановка конвейера
uniform interchangeable parts	уніфіковані взаємозамінні деталі / унифицированные взаимозаменяемые детали
retooling	переобладнання / переоснащение
shift of workers	робоча зміна / рабочая смена
employee morale	ставлення до справи / отношение к делу
workmanship	технічна обробка / техническая отделка
to finish	виконувати оздоблювальні роботи / выполнять отделочные работы
to saw	пиляти / пилить
to drill	свердлити / сверлить
to turn	обточувати / обтачивать
general purpose machines	верстати широкого призначення / станки широкого назначения
obsolete equipment	застаріле обладнання / устаревшее оборудование
a complete halt in production	повна зупинка виробництва / полная остановка производства
sander	шліфувальна машина / шлифовальная машина
cost analysis	аналіз витрат (затрат) виробництва / анализ издержек (затрат) производства

### COMPREHENSION QUESTIONS

1. What is factory layout?
2. Why is the efficient layout necessary and very important for the production system?
3. Why is it much better to plan a good layout before the buildings are constructed than to design a layout to suit buildings already built?

4. What are the two methods of production mentioned in the text?
5. What type of layout is used in continuous production?
6. What products are manufactured in continuous production?
7. What type of layout is used in intermittent production?
8. What products are manufactured in intermittent production?
9. Which two factors can contribute to lower unit costs?
10. How are routing and scheduling simplified?
11. What is done with the finished products at the end of the line?
12. What is a result of each worker having a definite assignment?
13. What are the five disadvantages of product layout mentioned in the text?
14. What is the main idea of functional layout?
15. What are the main benefits of process layout?
16. What are the disadvantages of functional layout and why there is slower productivity with it?

***Ex. 1. Memorize the following definitions.***

**Layout** – arrangement of personnel, machines, and workspace, etc. in a place of business.

**Bottlenecks** – places where passage is slow and products tend to bunch up.

**Maintenance personnel** – employees who maintain (service and repair) machinery and buildings.

**Unit cost** – the cost of producing one item on the assembly line; it is calculated by dividing total production costs for a certain period by the number of items produced during that period.

**Second shift** – a second group of workers who come to work as the first group is leaving.

***Ex. 2. Find in the text English equivalents of the following word-combinations and phrases. Make your own sentences using them:***

- 1) організація робочої площі; 2) пересуватися упорядковано з мінімальними перешкодами; 3) підвищувати продуктивність праці; 4) стримувати витрати; 5) ефективне використання робочої площі; 6) пересувається по конвеєру; 7) споживаються фіксованими нормами; 8) готовий продукт можна швидко та легко складувати та відвантажити; 9) контроль та нагляд; 10) призведе до повної зупинки конвеєра; 11) легко пристосовуватися для інших цілей; 12) коли проводиться переобладнання для нових моделей; 13) купівля додаткового виробничого обладнання; 14) додавання дру-

гої робочої зміни; 15) особисто пишатися товаром, який вироблено; 16) призводити до втрати задоволення від виконання роботи; 17) матеріали та робітники групуються відповідно до роботи, яку вони виконують; 18) гнучкість при виборі типів товарів для виробництва; 19) спеціалізоване конвеєрне обладнання; 20) розробка спеціального маршруту та аналіз витрат; 21) обсяг виробництва обмежується.

**Ex. 3. Find antonyms to the following words and expressions in the text:**

continuous production; process layout; mass produced product; uniform; start; advantage; semi-finished product; specialized machine.

**Ex. 4. Find synonyms to the following words in the text:**

assignment, plant, layout, worker, shutdown, to plan, to produce, machinery, unit, place, job.

**Ex. 5. Match the words and expressions to their definitions.**

1. obsolete	a) repetitious and boring
2. assignment	b) exactly equal
3. product layout	c) changed to be used for another purpose
4. routine	d) the task, a person or machine is given to perform
5. alienation	e) planning the path that products will travel on the assembly line
6. uniform	f) able to be substituted for another part
7. interchangeable	g) production expenses divided by the number of items produced
8. adapted	h) outdated, no longer used
9. morale	i) an attitude of not caring about the product
10. unit cost	j) raw materials and unsold products in storage
11. inventory	k) feelings of a worker towards his job
12. routing	l) an arrangement of workspace and equipment for production of a specific product

**Ex. 6. Supply the correct form of a word from exercise 5 to complete the sentences below. Translate them into your native tongue.**

1. If we could produce this product on the assembly line, we could reduce the \_\_\_.

2. The reason these two parts have different stock numbers is that they are produced by different manufacturers, but you can use either one since they are \_\_\_\_.
3. The inspector's \_\_\_\_ is to check the finished products for defects in materials or workmanship.
4. If American manufacturers change to the metric system, all industrialized countries will have a \_\_\_\_ system of measure.
5. We want to slow down production until we can sell some of our \_\_\_\_ of finished goods.
6. The camera can be \_\_\_\_ for underwater use by sealing it in a watertight plastic case.
7. Employee \_\_\_\_ has improved since the office has been redecorated. Productivity has also increased.
8. Assembly line work can be very \_\_\_\_ and boring since the same job is done over and over.
9. The electric bulb made kerosene lanterns \_\_\_\_\_.
10. Automobiles, appliances and other mass produced products are manufactured on the assembly lines using a \_\_\_\_\_.
11. Workers, who perform boring work, experience \_\_\_\_\_ from the products they produce.
12. In continuous production, \_\_\_\_\_ is handled by proper design of the assembly line.

**Ex. 7. Match the words to make collocations and make your own sentences with them.**

- |                    |                |
|--------------------|----------------|
| 1. work            | a) layout      |
| 2. process         | b) equipment   |
| 3. employee        | c) operation   |
| 4. smooth          | d) line        |
| 5. maintenance     | e) cost        |
| 6. unit            | f) assignment  |
| 7. interchangeable | g) environment |
| 8. obsolete        | h) space       |
| 9. total           | i) morale      |
| 10. specific       | j) shutdown    |
| 11. working        | k) parts       |
| 12. assembly       | l) personnel   |

**Ex. 8. Match the verbs given below to their explanations. Make up your own sentences with them.**

1. adjust	a) move goods from one place to another
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2. route	b) arrange, prepare, establish
3. design	c) differ, change
4. ship	d) make small changes to equipment in order to make it more efficient
5. retool	e) give the surface of a product a smooth appearance by painting, polishing, or covering
6. assemble	f) plan the time when machines will be in use or jobs will be done
7. vary	g) make a drawing or plan of something that will be made
8. set up	h) put together from component parts
9. palletize	i) get rid of something unnecessary or unwanted
10. schedule	j) plan the path that product will travel on the assembly line
11. eliminate	k) reset, replace production machinery
12. finish	l) place goods on wooden loading platforms

**Ex. 9. Complete the following sentences with the given words and expressions. Translate them into your native tongue.**

workmanship    scheduling    shutdown    shift    retool    unit cost  
Pallets    maintenance    uniform    halt    bottleneck    efficient

1. A \_\_\_\_\_ exists where raw materials or semi-products collect or bunch up at a point on the production line.
2. \_\_\_\_\_ personnel regularly service the machines to ensure that they are in proper operating conditions.
3. The \_\_\_\_\_ of machinery in a furniture factory, using intermittent production, is the responsibility of the shop supervisor.
4. It was the \_\_\_\_\_ of the equipment, but not its finish that was really perfect.
5. We tried to schedule maintenance procedures at night to avoid having to pay the line workers for \_\_\_\_\_ time. They cannot produce anything when the machines are being serviced.
6. You need to decide some time before next Monday if you want to work the early \_\_\_\_\_ or the late \_\_\_\_\_.
7. When the total cost of operating the factory is divided by the total number of items produced, we can determine the \_\_\_\_\_.
8. An electrical failure caused a complete \_\_\_\_\_ in production.
9. The most \_\_\_\_\_ way to produce appliances is by using an assembly line.



10. Every year about this time, the automobile factories shut down in order to \_\_\_\_\_ for production of next year's model.
11. \_\_\_\_\_ are wooden frames on which the finished product is stacked.
12. Assembly lines can be used to produce \_\_\_\_\_ products.

**Ex. 10. Complete the following word-combinations with prepositions and make your own sentences with them.**

- |                                  |  |
|----------------------------------|--|
| 1. ___ an orderly manner         | 9. to perform operations ___ the product       |
| 2. to be associated ___          | 10. to make improvements ___ the product       |
| 3. to roll ___ the assembly line | 11. to result ___ a total shutdown             |
| 4. to take pride ___ the job     | 12. ___ any point ___ the assembly line        |
| 5. to be adapted ___ other uses  | 13. to move product ___ the production process |
| 6. to take ___ account           | 14. a complete halt ___ production             |
| 7. to be a result ___            | 15. ___ order ___ keep costs down              |
| 8. to load ___ trucks            | 16. to move the product ___ the assembly line  |

**Ex. 11. Make up your own word-collocations with the words given below. Mind the difference in the parts of speech.**

Noun	Verb	Noun	Verb
1. halt	halt	7. breakdown	break down
2. design	design	8. cut	cut
3. result	result	9. glue	glue
4. shutdown	shut down	10. paint	paint
5. use	use	11. saw	saw
6. change	change	12. finish	finish

**Ex. 12. Select the answer which best completes the meaning of the sentence. Translate the sentences into your native tongue.**

1. A good \_\_\_ helps to maximize production and minimize costs.  
 a) machinery      b) layout      c) morale
2. In the final analysis, workers should feel that any criticisms made of their \_\_\_ were fair and justified.  
 a) environment      b) productivity      c) salary
3. Product layout is most efficient for mass production of \_\_\_ items.  
 a) individual      b) identical      c) interchangeable

4. There is a bottleneck today at the end of the assembly line and products cannot be quickly \_\_\_ for shipment.  
 a) stacked                      b) palletized                      c) loaded
5. Employee \_\_\_ is very low because we must shut down part of the factory and lay off five hundred workers.  
 a) morale                      b) productivity                      c) alienation
6. The production line is \_\_\_ while the company retools for next year's model.  
 a) assembled                      b) shut down                      c) set up
7. Although these products are manufactured by different companies, they are \_\_\_\_\_.  
 a) interchangeable                      b) specific                      c) efficient
8. At the moment, she's \_\_\_ a new range of furniture to be used in schools.  
 a) planning                      b) designing                      c) producing
9. We can lower the \_\_\_ by using less expensive materials.  
 a) unit cost                      b) worker productivity                      c) smooth operation
10. The \_\_\_ of workers begins at 8 a.m. and finishes at 4 p.m.  
 a) shift                      b) first shift                      c) second shift
11. The profit \_\_\_ depending on raw material cost.  
 a) different                      b) vary                      c) varies
12. Your clocks work excellently. If the \_\_\_ were better, you could sell them at a higher price.  
 a) finish                      b) decorations                      c) construction

***Ex. 13. Rewrite the following sentences. Replace the underlined words and expressions with the words and expressions of the same meaning.***

1. In a well-thought out factory layout, everything is set up so that the product and workers move in an orderly manner with the greatest efficiency.
2. Proper layout is necessary to prevent products from bunching up at one point on the assembly line and to prevent accumulation of unsold and semi-finished products.
3. Plants and buildings are costly, and the cost is determined by the amount of space involved.
4. With product layout, the factory is designed especially for a certain product.
5. The use of the assembly line lowers the cost of producing one individual item.
6. Raw materials are used up at constant rates.

7. A disadvantage is that if something goes wrong on the assembly line, the entire line is closed down.

8. Finished products roll off the assembly line at one point where it is easy to load them onto pallets and send them out on trucks.

**Ex. 14. Translate the following sentences into English.**

**a)**

1. Правильна організація робочої площі сприяє підвищенню продуктивності праці.

2. При плануванні схеми розташування виробничих потужностей необхідно враховувати всі аспекти: тип товару, робочу силу та метод виробництва.

3. Щоб зменшити витрати виробництва, треба раціонально використовувати робочу площу.

4. Найзначнішою перевагою лінійної схеми виробництва вважається порівняно невелика собівартість продукту.

5. При використанні лінійної схеми виробництва сировина, як правило, споживається фіксованими нормами.

**b)**

1. На конвейере упрощається система контролю и наблюдения, так как здесь у каждого рабочего есть свое место и задание.

2. Сложно приспособить специализированное оборудование для других целей.

3. При переоснащении производства для новых моделей возможны изменения в производственном оборудовании.

4. При массовом производстве могут пострадать интерес к делу и удовлетворенность работой.

5. Как правило, при использовании функциональной схемы снижается производительность и ограничивается объем производства.

**Ex. 15. Discuss the arguments for and against on the following topic: *Factory layouts, in which each worker is responsible for only one small operation in a production line, are generally more cost effective than those in which a worker may be responsible for several operations.***

**Ex. 16. Discuss how to improve: a) worker productivity; b) working environment; c) employee morale.**

**Ex. 17. Look at the following outline, which presents four points of comparison of the two general types of factory layout. Using**

*this outline, write a paragraph contrasting these two methods of production.*

1. Results of Breakdowns
  - a. (for product layout) total line shutdown
  - b. (for process layout) no total line shutdown
2. Types of Machines
  - a. (for product layout) specialized machinery for particular jobs, not easily adapted for other jobs
  - b. (for process layout) general type machinery, adaptable for other purposes
3. Volume
  - a. (for product layout) high volume of identical products
  - b. (for process layout) low volume of varied products
4. Employee Attitude
  - a. (for product layout) routine work results in low employee morale
  - b. (for process layout) pride of workmanship, high employee morale

## REVISION 1 (UNITS 1-2)

*Ex. 1. Read the definitions. Then put the anagrams in the correct order. The first letter of each word is in bold.*

- |   |  |
|---|--|
| 1. A period of time when a group of people are working.                                     | ihtsf <i>shift</i>                           |
| 2. A wooden platform for carrying goods.  | llapte .....                                 |
| 3. A blockage which prevents progress in production.  | oletn <b>b</b> cke ....                      |
| 4. Done on a regular basis as part of the normal procedure.                                 | utiner <b>o</b> .....                        |
| 5. The period when a machine is not producing due to a breakdown.                           | tudshw <b>o</b> n .....                      |
| 6. Being of the same type or having the same features or qualities.                         | darzed <b>s</b> t <b>d</b> ian ...           |
| 7. One of several parts from which a final product is made.                                 | m <b>p</b> ont <b>c</b> oen ....             |
| 8. An object of manufacturing or for sale.  | m <b>i</b> et .....                          |
| 9. Dimensions or size.  | f <b>c</b> asis <b>p</b> it <b>i</b> one ... |
| 10. The way in which the parts of a building or a factory are arranged.                     | t <b>o</b> u <b>y</b> al .....               |
| 11. The act of keeping machinery in a good condition by checking or repairing it regularly. | t <b>e</b> nce <b>i</b> nn <b>a</b> ma ...   |
| 12. The amount of confidence or enthusiasm that the employees have at a particular time.    | r <b>a</b> le <b>m</b> o .....               |

*Ex. 2. Match the words to similar meanings.*

- |                |               |
|----------------|---------------|
| 1. component   | a) unit       |
| 2. fabrication | b) adaptable  |
| 3. item        | c) to arrange |
| 4. volume      | d) part       |
| 5. flexible    | e) to reset   |
| 6. machinery   | f) assembly   |
| 7. to set up   | g) output     |
| 8. halt        | h) task       |
| 9. to retool   | i) shutdown   |
| 10. assignment | j) equipment  |

*Ex. 3. Rewrite the following sentences. Replace the underlined words and expressions with the words and expressions of the same meaning.*

1. A good layout should take the worker into account so that the work space has a pleasant atmosphere.



- |                  |                   |
|------------------|-------------------|
| 2. consumer      | b) lot            |
| 3. obsolete      | c) morale         |
| 4. semi-finished | d) layout         |
| 5. assembly      | e) products       |
| 6. working       | f) space          |
| 7. employee      | g) appliances     |
| 8. smooth        | h) specifications |
| 9. job           | i) operation      |
| 10. work         | j) personnel      |
| 11. customer's   | k) environment    |
| 12. maintenance  | l) equipment      |

***Ex. 7. Fill in the gaps with prepositions.***

1. We are hoping management ... the company will make improvements ... working conditions.
2. When workers take pride ... their work, it brings them personal fulfillment.
3. Incentive plans usually result ... greater output per man hour.
4. Does anyone know how to set ... this generator?
5. The finished products roll ... the production line ... one point where they are palletized and loaded ... trucks.
6. A complete halt ... production can be a result ... the bottlenecks ... the factory usually ... the assembly line.
7. The components move ... the production line ... the plant into the dispatch section.
8. Inexpensive homes and offices can be made ... modular units, which are standardized sections ... buildings.
9. Petrol can be produced ... separating oil ... several components, such as kerosene, fuel oil, asphalt, and other products.
10. All ... the raw materials used ... production are extracted ... the land, the sea, or the air.
11. This product is very expensive because specialized machines and employees worked ... it, and it is made ... detailed customer's specifications.
12. ... order ... use continuous production, manufacturers require adequate inventories ... raw materials.

**Ex. 8. Complete the following table with appropriate forms of the words.**

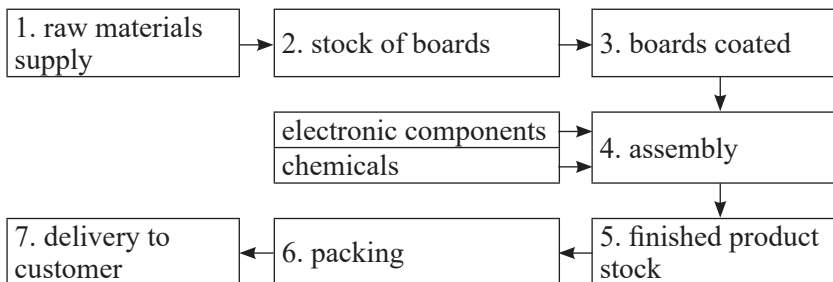
<b>Verb</b>	<b>Noun (concept)</b>	<b>Adjective</b>
<i>standardize</i>	<i>standardization</i>	<i>standard</i>
assemble		-----
	specification	
analyze		
	synthesis	
	extraction	-----
produce		
	machinery	-----
		various
function		
		simple
	arrangement	
interchange		
	maintenance	-----

**Ex. 9. Complete the following sentences with the correct form of the word in capitals. Translate them into your native tongue.**

1. The Japanese produce cars \_\_\_\_\_ by using the EFFICIENT most modern methods and machinery.
2. Labour has a variety of functions; one of them is PRODUCE \_\_\_\_\_ of raw materials.
3. We are happy to have a good \_\_\_\_\_ of different ARRANGE schemes for our employees.
4. \_\_\_\_\_ payment tends to encourage workers to PRODUCE produce quantity rather than quality.
5. I am also responsible for \_\_\_\_\_ the work of the COORDINATE Production Department.
6. Small manufacturers, that produce a \_\_\_\_\_ of VARY different products with the same machinery, use intermittent production.
7. In order to keep workers from being idle, when MAINTAIN machines are serviced, we ask our \_\_\_\_\_ personnel to make repairs at night.
8. Electrical outlets in the European countries are STANDARD \_\_\_\_\_ so that the same appliance can be plugged into any outlet anywhere.
9. The defects were found in the \_\_\_\_\_ of the pump. WORKMAN



**Ex. 10.** Look at the chart below and complete the extract of a presentation that describes the process of production and supply in electronics business.



The process begins with the supply of 1 \_\_\_\_\_ – mainly board – to our cutting room at the start of the 2 \_\_\_\_\_ process. We stock – maximum – five days’ supply of board to manage fluctuations in demand. So, the 3 \_\_\_\_\_ moves on into the primary production process where it is coated; the coated board then moves forward to the 4 \_\_\_\_\_ where it is joined by, firstly, a supply of 5 \_\_\_\_\_ components and secondly, the supply of 6 \_\_\_\_\_ for the assembly process. These chemicals and 7 \_\_\_\_\_ are stocked on a ten-day demand basis in our stores on site. The printed circuit boards are then 8 \_\_\_\_\_ and transported into the finished 9 \_\_\_\_\_ stock area, where we currently hold five days’ average production volume. Finally, the finished boards are 10 \_\_\_\_\_ – we receive our packaging material on a weekly order basis – and then 11 \_\_\_\_\_ onto trucks for distribution to our 12 \_\_\_\_\_. Now, we can identify three potential bottlenecks which can lead to inventory levels rising to unacceptably high levels. OK ....

**Ex. 11.** Choose the right meaning of the word. Translate the word-combinations into your native tongue.

1. smooth operation  
operation – операция, работа, управление
2. work space  
space – пространство, помещение, площадь
3. body design  
body – кузов, корпус, тело
4. machine shop  
shop – мастерская, магазин, цех

5. employee morale  
morale – поведение, отношение, мораль
6. orderly manner  
manner – манера, порядок, способ
7. manufactured parts  
parts – деталі, частини, компоненти
8. average customer  
customer – заказчик, клиент, потребитель

***Ex. 12. Translate the following sentences into your native tongue.***

1. With intermittent production, the design can be easily changed to suit individual customer.
2. In order to use the continuous production process efficiently, the number of products must be increased.
3. The key point for manufacturer is to produce the products the customer will buy.
4. According to the well-planned factory layout, workers should move in an orderly manner and with the least possible confusion.
5. It can be hardly said that proper arrangement of work space, equipment and products plays inessential role in the production process.
6. The use of assembly line usually has lower unit costs than other methods have.
7. Standard goods are made to please the average taste.
8. If the volume of the manufactured products is not large enough, intermittent production is preferable.
9. Control and supervision are simplified by using product layout.
10. In the intermittent production, machines, materials, and workers are grouped according to the particular process each performs.

***Ex. 13. Translate the following sentences from Ukrainian into English.***

1. У процесі виробництва відбувається поєднання сировини, виробничого обладнання та робочої сили.
2. Мазут та бензин виробляють з нафти, а нафту видобувають із землі.
3. При технічній обробці можуть використовуватися як верстати широкого призначення, так і спеціальні шліфувальні машини.
4. Переобладнання механічного цеху потребує використовувати функціональну систему виробництва та уніфіковані взаємозамінні деталі.

5. На основі аналізу витрат виробництва було складено графік загальних витрат.
6. Після виконання оздоблювальних робіт готові вироби перевозять на піддонах на склад, а потім відвантажують споживачеві.
7. Для ефективної роботи виробничої системи треба уникати зайвого накопичення виробничих запасів та напівфабрикатів.
8. Для виробництва стандартних товарів використовується конвеєр.
9. Зроблений на замовлення товар відрізняється від стандартного своєю високою якістю та підвищеною ціною.
10. Особливе завдання на конвеєрі потребує від робітників уважного ставлення до справи.

***Ex. 14. Translate the following sentences from Russian into English.***

1. Производство, меняя форму материалов, влияет на их стоимость.
2. Стекло изготавливается путем соединения извести, соды, поташа и других химикатов.
3. Как правило, оборудование может быть установлено и налажено для специальной производственной задачи.
4. Изготовленные на заказ товары считаются дорогими и престижными: они показывают, что у их владельца есть достаточно денег.
5. При непрерывном производстве поломка на любом производственном этапе может привести к остановке всего процесса.
6. На мебельной фабрике резьбу, склеивание, внешнюю отделку или покраску могут выполнять в разных местах, используя разные инструменты.
7. Чтобы гарантировать невысокие производственные затраты, необходимо увеличить объем производства.
8. Два основных вида схемы расположения производственных мощностей связаны с двумя основополагающими методами производства.
9. Обычно здания стоят дорого, и их стоимость зависит от занимаемой ими площади.
10. Уровень производства можно повысить путем введения второй смены рабочих.

## **UNIT 3** **MARKETS**

Any society has to find some way of deciding what, how and for whom to produce. A market is created whenever a potential seller of goods or services is brought into contact with a potential buyer, and a means of exchange is available. The medium of exchange may be money or barter. Trade agreements are reached through the operation of the laws of supply and demand. In the business view, the market is a collection of selling opportunities.

Organized markets are usually held in premises where business is transacted according to a particular set of rules. There are two types of organized markets: spot market and forward, or futures market. Spot market deals in actual physical products for immediate delivery. Places where people purchase food, such as grocery markets, shops and fruit stalls, physically bring together the buyer and the seller. In forward, or futures markets, the commodity can be bought or sold for delivery at some time in the future. Organized markets or produce exchanges have been established for cotton, wool, tea, coffee, wheat, rubber, timber, tin, copper and some other commodities. Thus, there are such commodity exchanges as Sugar Exchange, Metal Exchange, Wheat Exchange and others. Forward prices can be higher or lower than the spot prices. In a forward, or futures market, traders take an option to buy or to sell the product in the future. Organized markets also include financial markets which, in their turn, include the Stock Exchange and foreign exchange market. Stock Exchange, for example, operates chiefly through stockholders who transact business on behalf of clients. The term 'stock market' refers to the buying and selling of shares in corporations as well as other activities related to stock trading and pricing. The important stock markets are in London, Geneva, New York, Tokyo, and Singapore.

Consumers are increasingly seeking out new sources for goods and services bypassing traditional markets. Growing number of working women, overworked executives and moonlighters among the people are increasingly willing to pay more money for things that save their time. The ability to deliver goods and services when and where the customer chooses is crucial to success in the new marketplace. E-commerce is not just about buying and selling products. But now, firms everywhere have launched electronic marketplaces for services of all sorts – from gardening advice to financial planning. If services now exist in online

world, those markets will become more competitive – as they for computers and other items sold over the Internet.

When economists use the word ‘market’, they mean a set of forces or conditions that determine the price of a product, such as the supply available for sale and the demand for it by consumers. Both goods and services have expenditures for their producing, so all products and all services have prices. The price for them must justify expenditures of these services and goods. If the price doesn’t cover costs, the services or products manufacturing are not profitable, so there is no sense to produce them. Which price can produce the biggest profit during a long period of time? It is hardly possible to work out such a price. The price may be too high to produce a large volume or too low to cover costs.

The price of merchandise depends on several factors, such as credit terms, delivery, trade-in-allowance, guarantees, quality, competitive pressures, the cost of raw materials and labour.

Prices can be determined in different ways. The price of wheat, cotton and other agricultural products can be decided in large central markets where forces of supply and demand exist. This is pure price competition. The prices for industrial products, such as iron, steel, etc. are usually decided by large companies. As a rule, the amount and price of goods sold to large number of buyers is controlled by a few competing sellers, i.e. competitors. Prices can also be set by government, usually for different public services – railroads, electricity, manufactured gas, bus services. If demand increases, prices rise, profits expand and new investment is attracted.

Price performs three important functions in the marketplace: resource allocation, product rationing and income distribution. Resource allocation determines which resources are given higher values. For example, land can be used to grow corn or wheat. If the farmer can make more profit growing corn, the land will be used to grow corn rather than wheat. Product rationing determines who will and will not purchase the product. Income distribution determines the value of a product and the value or price of the factors of production necessary to produce that product.

The price mechanism operates to allocate resources in such a way as to answer the three basic questions of what is to be produced, how it will be produced, and how it will be distributed among population. Prices do so by acting as signals to consumers and producers in two sets of markets: market for commodities, i.e. for goods and services – goods market, and market for factors of production – factor market. Prices signal to producers which goods are the most profitable to produce.

Prices signal to consumers which goods give most value for the money they must pay to purchase them.

Competition is also a necessary condition of the effective market mechanism. Depending on regime of competition, it is distinguished perfect and imperfect competition. Perfect competition is a model of industrial structure in which many small firms compete in the supply of a single product. There is a multitude of firms all too small to have any individual impact on market price. Perfect competition is most efficient for functioning of market mechanism. Imperfect competition is represented by monopolies. Monopoly is the market situation in which there is only one supplier of a particular product in a particular market or, otherwise, isolated sector. The key aspect of a monopolist is that the single supplier can charge whatever price he likes. There are no competitors against whom to match the company's prices. A true monopolist is, consequently, a price setter who enjoys the right to set prices at whichever level that will maximize his profits. In practice, monopolies with such pricing power are rare, especially in developed economies.

### ACTIVE VOCABULARY

barter	бартер, обмін, товарообмінна операція / бартер, обмен, товарообменная операция
supply and demand	пропозиція та попит / предложение и спрос
premises	приміщення / помещение
spot market	спот-ринок, ринок наявних товарів / спот-рынок, рынок наличного товара
forward (futures) market	форвардний (ф'ючерсний) ринок, ринок угод на строк (термін) / форвардный (фьючерсный) рынок, рынок сделок на срок
immediate delivery	негайна поставка / немедленная поставка
grocery market	продовольчий ринок / продовольственный рынок
fruit stall	прилавок з фруктами / прилавок с фруктами
commodity	товар, сировинний товар / товар, сырьевой товар
produce exchange	продуктова біржа / продуктовая биржа

on behalf of clients	від імені клієнтів / от имени клиентов
commodity exchange	товарно-сировинна біржа / товарно-сырьевая биржа
to take an option	робити вибір / делать выбор
foreign exchange market	валютний ринок / валютный рынок
overworked executive	перевантажений працею службовець / перегруженный работой служащий
moonlighter	людина, яка працює на двох роботах / человек, работающий на двух работах
e-commerce	електронна комерція / электронная коммерция
to launch electronic marketplaces	відкривати електронні ринки / открывать электронные рынки
a set of forces or conditions	ряд умов / ряд условий
to work out the price	визначати ціну / определять цену
to justify expenditures	виправдовувати витрати / оправдывать затраты
credit terms	кредитні умови / кредитные условия
trade-in-allowance	знижка за зустрічний продаж / скидка за встречную продажу
competitive pressure	тиск з боку конкурентів / давление со стороны конкурентов
pure competition	чиста конкуренція / чистая конкуренция
resource allocation	поділ ресурсів / распределение ресурсов
product rationing	нормування продукту / нормирование продукта
income distribution	розподіл прибутку / распределение прибыли
goods market	товарний ринок / товарный рынок
factor market	ринок засобів виробництва / рынок средств производства
market price	ринкова ціна / рыночная цена
monopoly	монополія / монополия

## COMPREHENSION QUESTIONS

1. What does the term 'market' refer to?
2. What are the two types of organized markets?

3. What particular markets does each type include?
4. Why are consumers bypassing traditional delivery channels now?
5. What does e-commerce mean?
6. Why is it important to work out the right price for a product or service?
7. What factors does the price of merchandise depend on?
8. How are agricultural prices decided?
9. Who charges prices for industrial products?
10. What field of economy does the government set prices in?
11. Why is it so important to know the levels of supply and demand when dealing with pricing?
12. What are the functions of price?
13. What is the basic price mechanism?
14. What do prices signal to producers and to consumers?
15. What does perfect competition mean?
16. What are the characteristics of monopoly?

***Ex. 1. Memorize the following definitions.***

**Market** – a set of arrangements by which buyers and sellers are in contact to exchange goods or services.

**Demand** – the quantity of a product buyers wish to purchase at a certain price.

**Supply** – the quantity of a product sellers wish to sell at a certain price.

**Spot market** – a market in which a commodity is bought or sold for immediate delivery or delivery in the very near future.

**Forward market** – a market in which participants agree to trade some commodities and securities, or foreign exchange at a fixed price for future delivery.

**Commodity** – goods sold in very large quantities, such as metals, foodstuffs, etc.

**Produce (n.)** – things that have been made or grown, especially things connected with farming.

**Trade-in-allowance** – the amount of money by which the seller reduces the sale price of the property in return for the property of the buyer.

**Market price** – the price of raw materials, products, services, securities, etc. that is charged in a free, or competitive market.

***Ex. 2. Find in the text English equivalents of the following word-combinations and phrases. Make your own sentences using them.***

- 1) що, як та для кого виробляти; 2) потенційний продавець товарів та послуг; 3) наявність засобу обміну; 4) закони пропозиції та



попиту; 5) відповідно до певного ряду правил; 6) фактичні фізичні товари для негайної поставки; 7) ф'ючерсні ціни; 8) ціни спот; 9) трейдери вирішують питання щодо купівлі чи продажу товару; 10) у свою чергу; 11) діє переважно через акціонерів; 12) інші види діяльності, що пов'язані з ціноутворенням та торгівлею акціями; 13) шукають нові джерела; 14) спроможність постачати товари та надавати послуги; 15) послуги всіх видів; 16) товари, що продаються по Інтернету; 17) приносити максимальний прибуток впродовж тривалого періоду; 18) залежить від декількох факторів; 19) бути розповсюдженим серед населення; 20) залежно від режиму конкуренції; 21) конкурувати у постачанні одного виду товару; 22) мати особистий вплив на ринкову ціну; 23) право встановлювати ціни; 24) для максимізації прибутку.

**Ex. 3. Find antonyms to the following words and expressions in the text:**

seller; producer; not profitable; to buy; higher; perfect competition.

**Ex. 4. Find synonyms to the following words and expressions in the text:**

a means of exchange; to bring together; goods; marketplace; to purchase; client; to choose; online world; consumer; to determine the price; agricultural products; to justify expenditures; producing; to charge the price; income; delivery; trade; terms; forward market; pure competition; price.

**Ex. 5. Match the words and expressions to their definitions.**

1. monopoly	a) to open a new store, start an Internet site, or start a new service
2. to maximize	b) the building and land near it that a business owns or uses
3. stock market	c) market situation where one company is the only supplier of a product or service
4. to launch	d) exchanging goods for other things rather than for money
5. barter	e) the conditions under which credit will be extended to a customer
6. to justify	f) commerce that is transacted electronically over the Internet

7. premises	g) a seller that offers the same or better goods and services than another and, therefore, competes for the same customers
8. e-commerce	h) to increase, make as large as possible
9. product rationing	i) a place where shares of corporations and other securities are bought and sold
10. credit terms	j) the process which determines who will and will not purchase the product
11. competitor	k) an older or used product which is being exchanged for a newer model
12. trade-in	l) to prove or show that something is right or reasonable

**Ex. 6. Match the words to make collocations and make your own sentences with them.**

- |               |                 |
|---------------|-----------------|
| 1. commodity  | a) competition  |
| 2. to justify | b) delivery     |
| 3. pure       | c) terms        |
| 4. potential  | d) exchange     |
| 5. organized  | e) buyer        |
| 6. immediate  | f) mechanism    |
| 7. electronic | g) marketplaces |
| 8. credit     | h) distribution |
| 9. product    | i) expenditures |
| 10. market    | j) markets      |
| 11. income    | k) economies    |
| 12. developed | l) rationing    |

**Ex. 7. Complete the following sentences with the given words and expressions. Translate them into your native tongue.**

spot    justify    public sector    electronic marketplace    guarantee  
barter    buying price    produce    market price    premises

1. In a mixed economy, the government itself is responsible for one half of production through the \_\_\_\_\_.
2. There is the Stock Exchange Automated Quotation system (SEAO) which is the \_\_\_\_\_ of the London stock market.
3. The pound yesterday was stronger against most currencies, aided by firmer \_\_\_\_\_ oil prices.
4. He was forced to sell below the current \_\_\_\_\_ to make a quick sale.

5. Information in the SEAQ enables the market-maker to set a selling price and a lower \_\_\_\_\_.
6. The television comes with a year's \_\_\_\_\_.
7. How can they \_\_\_\_\_ paying such huge salaries?
8. The currency has lost so much of its value that \_\_\_\_\_ has become the preferred way of doing business.
9. This agricultural market sells only fresh local \_\_\_\_\_.
10. We haven't invested any money in our \_\_\_\_\_ for quite a while and as a result, there are some offices which are in need of renovation.

**Ex. 8. Substitute the following definitions with the proper word-combinations in the box. Give their equivalents in your native tongue. There are three EXTRA terms.**

- |                       |                     |                    |
|-----------------------|---------------------|--------------------|
| 1. stock market       | 7. organized market | 13. labour market  |
| 2. black market       | 8. goods market     | 14. central market |
| 3. flea market        | 9. spot market      | 15. forward market |
| 4. home market        | 10. e-market        | 16. single market  |
| 5. real estate market | 11. grocery market  |                    |
| 6. traditional market | 12. factor market   |                    |

- a) buying and selling goods in a way not allowed by law
- b) a place where people purchase food
- c) the number of workers available for work
- d) an electronic marketplace for services or goods
- e) sales and purchases of houses
- f) premises where products are bought and sold
- g) a place where commodity is traded for future delivery
- h) market for secondhand goods
- i) a market in which securities are bought and sold
- j) market for factors of production
- k) a place where products are traded for immediate delivery
- l) a market for commodities
- m) market with no tariff barriers between its member states

**Ex. 9. Complete the following word-combinations with prepositions and make your own sentences with them.**

1. to bring \_\_\_ contact \_\_\_ a buyer
2. a market \_\_\_ commodities
3. the items are sold \_\_\_ the Internet
4. e-marketplace \_\_\_ services \_\_\_ all
9. \_\_\_ immediate delivery
10. \_\_\_ behalf \_\_\_ clients
11. a set \_\_\_ forces or conditions
12. the supply available \_\_\_ sale sorts

5. to have an impact \_\_\_ market price  
 6. the laws \_\_\_ supply and demand  
 7. to determine the price \_\_\_ a product  
 8. to compete \_\_\_ the supply \_\_\_ a single product
13. to work \_\_\_ a price  
 14. no competitors \_\_\_ them  
 15. \_\_\_ the business view  
 16. \_\_\_ delivery \_\_\_ some time \_\_\_ the future

**Ex. 10. Choose the correct words in italics to complete the sentences. Translate them into your native tongue.**

- In Chicago, grain *forward* / *spot* prices were mainly moderately lower.
- Savings have been disposed of in order to meet the growing gap between income and *expenditure* / *loss*.
- Crude oil is the world's most important *commodity* / *material*.
- Winning this contract is *interesting* / *crucial* to the success of the company.
- We need to work harder to remain *rival* / *competitive* to other companies.
- The shortage of goods stock has kept some sellers away from the *stock market* / *spot market*.
- The three biggest US fruit companies control about 66% of the *trade market* / *world market*.
- The government increased prices for several basic *commodities* / *units*.
- The earliest *stock markets* / *futures markets* were organized to facilitate trading of farm products like wheat and corn.
- Consumers are *bypassing* / *changing* traditional delivery channels in their search for quality, savings, convenience, and personal fit in all products and services.

**Ex. 11. Form word-combinations from the following elements and translate them into your native tongue.**

a	sharp	rise	in	prices
	dramatic	fall		taxes
				sales
				demand
				supply
				costs
				profits

**Ex. 12. Translate the following word-combinations into English.**  
 Use the example: *резкое повышение цен* – a sharp rise in prices

резкое повышение	цен спот цен по фьючерсам закупочных цен производства продаж спроса
значительное понижение	предложения затрат обменного курса объема выпускаемой продукции

**Ex. 13. Match the following elements to get compound words.**

- |              |              |
|--------------|--------------|
| 1. moon      | a) allowance |
| 2. market    | b) road      |
| 3. rail      | c) lighter   |
| 4. trade-in- | d) holder    |
| 5. stock     | e) commerce  |
| 6. e-        | f) place     |

**Ex. 14. Make nouns denoting a person from the following words:**  
 to sell, to trade; to produce, to purchase, to consume, to supply, to compete, a farm, to set a price.

**Ex. 15. Make derivatives of the following words with the help of the prefixes on-, by-, over-, ex-. Translate them into your native tongue and complete the following phrases with them.**

- |         |           |            |           |             |
|---------|-----------|------------|-----------|-------------|
| 1. pass | 3. port   | 5. charged | 7. worked | 9. products |
| 2. line | 4. change | 6. laws    | 8. going  | 10. heads   |

- |                       |                               |
|-----------------------|-------------------------------|
| a) medium of exchange | f) ___ negotiations           |
| b) milk ___           | g) ___ of a corporation       |
| c) ___ world          | h) national ___               |
| d) manufacturing ___  | i) ___ executive              |
| e) an ___ price       | j) to ___ traditional markets |

**Ex. 16. Complete the following sentences with the correct form of the word in capitals. Translate them into your native tongue.**

1. It is not surprising that a strong \_\_\_\_\_ for customers COMPETE makes companies spend much money on production modernization.

- |  |          |
|--|----------|
| 2. The government plays an important role in _____ resources in the economy.   | ALLOCATE |
| 3. Some economists think that private enterprises are more _____ than the public sector.                                   | PROFIT   |
| 4. Prices are to regulate production and _____ in a market economy.  | CONSUME  |
| 5. If a company gives its _____ bonus shares, they do not have to pay for them.  | HOLD     |
| 6. They have agreed to provide the services of a qualified _____ consultant to help them analyze their current investment. | FINANCE  |
| 7. Allocation of _____ capital lets a high level of production be maintained with fewer workers.                           | ADD      |
| 8. It's our hope that we will play an _____ greater role in the market and, therefore, supply more jobs.                   | INCREASE |

***Ex. 17. Translate the following sentences into English.***

***a)***

1. Засобом обміну можуть бути гроші чи бартер.
2. Споживач зараз готовий платити більше грошей за товари, щоб заощадити свій час.
3. Електронна комерція – це не тільки купівля та продаж товарів, але й надання різноманітних послуг.
4. Ціна товару повинна покривати всі витрати на його виробництво та постачання, інакше бізнес буде неприбутковим.
5. Перевантажений роботою службовець буде не в змозі зробити правильний вибір та витримати тиск з боку конкурентів.

***b)***

1. Рынок – это ряд условий, которые определяют цену товара.
2. Чтобы преуспеть на рынке, необходимо правильно распределять свои ресурсы и прибыль.
3. Монополист пользуется правом назначить любую цену за свой товар, так как у него нет конкурентов.
4. Цены на такие коммунальные услуги, как электро-, водо- и газоснабжение, устанавливаются государством.
5. Цены на основные сельскохозяйственные товары определяются на больших центральных рынках.

***Ex. 18. Discuss the following questions with your partner.***

1. What is your idea of the term 'market price'?
2. What is more preferable for you: low prices with no extra services or high prices with home delivery, repair and other services?
3. Why is it so important to have a loss leader item in a shop?
4. How can pricing policy help to compete with well-known products?

***Ex. 19. Imagine that you are a journalist. You are to interview the Minister of Finance about the pricing policy in this country. What questions would you ask him?***

## **UNIT 4** **MARKETING**

Skilled labour force and advanced technology enable producers to make thousands of different products at a reasonable cost. But if these products are not available where and when the consumers want to buy them, they are of no use. The services of many businesses are often needed before goods actually reach consumers. All the activities involved in moving goods from producer to consumer are performed by marketers. The activities themselves are called marketing or distribution.

In the past, the concept of marketing emphasized sales. The producer, or manufacturer made a product he wanted to sell. Marketing was the task of figuring out how to sell the product. Basically, selling the product would be accomplished by sales promotion which included advertising and personal selling. In addition to sales promotion, marketing also involved the physical distribution of the product to the places where it was actually sold. Distribution consisted of transportation, storage, and related services, such as financing, standardization and grading, and the related risks.

The modern marketing concept includes all the activities mentioned, but it is based on a different set of principles. It believes that production can be economically justified only by consumption. In other words, goods should be produced only if they can be sold. Therefore, the producer should consider who is going to buy the product – or what the market for the product is – before production begins. So, the producer’s task is to find consumers’ wants and to fill them. This is very different from making a product and then thinking how to sell it.

Since it involves human behaviour, it is much more difficult for the company to consider the desires of the consumer instead of concentrating solely on production. Production is mostly an engineering problem. Thus, market forces are an important aspect of modern marketing, and they are considered prior to the production process. In other words, marketing is the creative process of satisfying customer needs profitably bringing the buyer and seller together.

So, marketing now includes the functions of sales, distribution, advertising and sales promotion, product planning and market research.

Rather than risk launching a product or service solely on the basis of intuition, companies undertake market research (Br), or marketing research (Am). In order to forecast potential sales, marketers collect and analyse information about the market and consumers’ reaction to a



particular product, preference of one product to similar ones. Surveys by phone, mail, or personal interview can reveal exactly what is on the customers' mind. Then marketers test new product ideas to see whether consumers like the products and will buy them.

Besides market research, marketers perform many other functions. They package goods to protect products and to present them in attractive and convenient sizes. They store goods until they are needed by other marketers or consumers. The time and manner of storage depends upon the type of product. They even design store windows and arrange displays in supermarkets to attract customers' attention through advertising and influence the customer to buy goods.

Once the product concept has been identified, the company begins to think about the marketing mix. It consists of four essential components – the 4 P's of marketing: providing the customer with the right Product at the right Price, presented in the most attractive way – Promotion, and available in the easiest way – Place.

Product. There are two generic types of products – consumer and industrial goods. Consumer goods are products that are bought by the final user. The two broad categories of consumer goods are: fast moving consumer goods which tend to be bought quickly from shops and are consumed relatively quickly, such as food, cleaning materials, magazines, etc., and durables which are bought infrequently and last longer – washing machines, cookers, TV systems, etc. Industrial goods are those products that are used in industrial processes and are usually processed further. Common examples are raw materials, parts, spares and accessories. So, a product is not just a set of components, it is something customers buy to satisfy a need they have.

When planning product strategies, marketers consider the product life cycle (PLC). The product life cycle assumes that all products have limited lives during which they pass through a series of stages, all of which have implications for sales and profitability. First, the product is developed according to the needs of the market. When it is ready, it is launched onto the market. At the stage when the product becomes known, the company invests a lot of money in advertising and promotion. Sales rapidly grow and the product reaches its mature stage of development. At this stage, sales start to level off until they move into decline. Companies sometimes try to stop the decline by re-investing in advertising or by finding new applications for the product. But it is inevitable that most products die.

Price. The product must be priced so that it competes effectively with rival products in the same market. Companies have to decide on

a price that will cover all costs and also return a profit. Fixed expenses as rent and insurance, and the cost of materials and commissions are included in costs. The simplest pricing model is cost plus. This is when the total cost of the product includes its production, transporting and overheads, and a profit figure added on.

Generally, there are two types of pricing policy: price emphasis and price de-emphasis. The price emphasis policy emphasizes low prices which encourage sales but don't give extra services. A really low price means no credit, home delivery, repair, installation and other services. A good example of price emphasis is loss leader pricing that attracts the customers. It means that the item is sold at a price just above the cost. Price de-emphasis works with high quality expensive items and the buyers don't usually call attention to the price at all.

Promotion. If consumers don't know about the product, they won't buy it. Promotion is a key part of marketing because it is the way businesses get their messages to consumers. Businesses would prefer to have a steady demand for their products. They would like to see steady growth rather than sudden jumps in business. So, the purpose of promotion is to maintain a steady and growing demand. The product is presented to customers through advertising, such as TV commercials, sales literature, posters, packaging – design, labels, etc.; publicity, telephone and personal selling.

Place. For a product to be useful, it has to be in a place where it is needed. To sell products, businesses must anticipate when and where ultimate consumers will buy them. The last P – place also refers to the target market for the product. It means that the total market is divided into segments according to the customer type that the product will be aimed at. It is called market segmentation.

Thus, marketing operations include product planning, pricing, promotion, product support, customer service, financing, insuring, credit, and market research. All these marketing activities add value to products by bringing them where the consumer is, at the time they are wanted, in the assortment wanted, and at prices the customer is willing to pay.

## ACTIVE VOCABULARY

advanced technology	передові технології / передовые технологии
marketer	маркетолог / маркетолог
marketing	маркетинг / маркетинг

distribution	збут, розподіл / сбыт, распределение
marketing concept	концепція маркетингу / концепция маркетинга
to figure out	визначати, з'ясувати / определять, выяснять
sales promotion	сприяння продажу, стимулювання збуту / содействие в продаже, стимулирование сбыта
personal selling	індивідуальний продаж, через торгових агентів / индивидуальная продажа, через торговых агентов
grading	відбір, сортування за якістю / отбор, сортировка по качеству
related risks	пов'язані з цим ризики / связанные с этим риски
engineering problem	технічна проблема / техническая проблема
market forces	кон'юнктура ринку / конъюнктура рынка
product planning	розробка нових продуктів / разработка новых продуктов
to undertake market research	проводити маркетингові дослідження / проводить маркетинговые исследования
to package	пакувати / упаковывать
marketing mix	фактори ринку / факторы рынка
generic type	загальний тип / общий тип
industrial goods	промислові товари / промышленные товары
final user	кінцевий споживач / конечный потребитель
durables	товари тривалого використання / товары длительного пользования
to process	переробляти, обробляти / перерабатывать, обрабатывать
parts	деталі / детали
spares	запчастини / запчасти
accessories	арматура, обладнання / арматура, оборудование

product life cycle (PLC)	життєвий цикл продукту / жизненный цикл продукта
to launch onto the market	запускати на ринок / запускать на рынок
mature stage	стадія стабілізації / стадия стабилизации
to level off	вирівнюватися / выравниваться
overheads	накладні витрати / накладные расходы
pricing model	модель калькуляції цін / модель калькуляции цен
pricing policy	цінова політика / ценовая политика
price emphasis	продаж товару за рахунок низької ціни / продажа товара за счет низкой цены
installation	монтаж, установка / монтаж, установка
loss leader pricing	дуже низька ціна / очень низкая цена
TV commercial	рекламний ролик / рекламный ролик
label	етикетка / этикетка
publicity	реклама, популяризація / реклама, популяризация
target market	цільовий покупець / целевой покупатель
market segmentation	сегментація ринку / сегментация рынка
product support	підтримка продукту / поддержка продукта
to add value to the product	робити товар більш дорогим / делать товар более дорогостоящим

### COMPREHENSION QUESTIONS

1. What did the marketing concept mean in the past?
2. How does modern marketing differ from the past ideas and practices of marketing?
3. What functions does the modern marketing include?
4. What is the main task of market research?
5. What do the 4 P's of marketing include?
6. What is the main difference between consumer and industrial goods?
7. What are the two broad categories of consumer goods?
8. What are the main stages of the product life cycle?
9. What is the primary purpose of price?
10. What is the simplest pricing model?
11. What are the two types of pricing policy?

12. What are the purpose and means of the product promotion?
13. What does the last P – place refer to?
14. In general, what does the term ‘marketing’ mean?

**Ex. 1. Memorize the following definitions.**

**Marketing** – the area of business connected with producing and selling the right product so that the company will make a profit.

**Sales promotion** – business activities with the goal of increasing sales of the product.

**Personal selling** – the activity of personal helping and convincing prospective buyers to purchase an idea, product, or service.

**Market forces** – various conditions and situations, such as supply and demand which determine price.

**Market research** – study about consumer wants carried out by a company before launching a new product onto the market.

**Marketing mix** – the combination of factors (product, pricing, promotion, place) that influence sales and can be controlled by a company.

**Target market** – the group of people that a product or service is aimed at.

**Market segmentation** – the division of potential buyers according to age, sex, lifestyle, etc. with the aim of designing and promoting goods and services to meet their specific needs.

**Ex. 2. Find in the text English equivalents of the following word-combinations and phrases. Make your own sentences using them:**

1) виготовляти різні товари за розумними (прийнятними) цінами; 2) усі види діяльності, які пов’язані з рухом товарів від виробника до споживача; 3) фізичний розподіл товару за місцями його фактичного продажу; 4) економічно обґрунтовуватися тільки споживанням; 5) визначати бажання споживачів та задовольняти їх; 6) замість концентрації виключно на виробництві; 7) враховуються перед початком виробничого процесу; 8) базуватися виключно на інтуїції; 9) для того, щоб спрогнозувати обсяги потенційного продажу; 10) представляти товари у привабливому вигляді та зручному розмірі; 11) привертати увагу споживачів за допомогою реклами; 12) споживчі товари, які звичайно купуються швидко; 13) проходити через ряд стадій; 14) розробляється відповідно до потреб ринку; 15) успішно конкурує з товарами опонентів; 16) ціна, яка покриє всі витрати та принесе прибуток; 17) стимулюють продажі, але не надають додаткових послуг; 18) мати стій-

кий попит на товари; 19) товар, який представлено споживачеві за допомогою реклами; 20) відповідно до типу споживача, для якого цей товар призначається.

**Ex. 3. Find antonyms to the following words and expressions in the text:** producer; to sell; to begin; consumption; similar; a decline; price emphasis; sudden; buyer.

**Ex. 4. Find synonyms to the following words and expressions in the text:**

to include; market research; to forecast; products; manufacturer; proper; final user; costs; to fill consumers' wants; rapidly.

**Ex. 5. Match the words and expressions to their definitions.**

1. durables	a) a person who actually uses a product or service
2. grading	b) to introduce a new product on the market
3. loss leader pricing	c) the amount of money paid to a salesperson, usually a percentage of the sales made
4. ultimate consumer	d) establishing the quality of a product by comparing it to a certain standard
5. distribution	e) the work of finding out what kind of goods consumers want
6. to launch	f) the process of attracting the attention of the general public to products or services
7. publicity	g) the system of transporting and delivering goods
8. commission	h) section of the market
9. market research	i) the four different components of marketing: place, price, product, promotion
10. consumption	j) expensive items which last a number of years
11. marketing mix	k) the act of buying products for one's own use
12. segment	l) the price for the item that is just above the cost

**Ex. 6. Select the answer which best completes the meaning of the sentence. Translate the sentences into your native tongue.**

1. In the past, the main objective of marketing was sales promotion. Marketers were people who \_\_\_\_\_.

- |                          |                           |
|--------------------------|---------------------------|
| a) bought and sold stock | c) tried to sell products |
| b) consumed              | d) supplied and demanded  |

2. The word 'market' can have several meanings. A person who wants to buy food uses the word to indicate \_\_\_\_.
- standardization and grading
  - a place where groceries are for sale
  - sales prices
  - supply and demand
3. Modern marketing aims are to satisfy the wants of the consumer. Marketing personnel should consider first of all \_\_\_\_.
- how to advertise the product
  - what products the customer desires
  - how to distribute the product
  - engineering problems
4. Marketing is an important consideration for \_\_\_\_.
- the consumer
  - the distributor
  - the salesman
  - all aspects of production
5. Market forces are considered prior to production. Before designing and producing the product, companies consider \_\_\_\_.
- the desire by consumers to buy a product
  - the supply of consumers
  - distribution to the consumers
  - all the marketing activities
6. Economists use the word 'market' to refer to a set of forces or conditions which determine the price of a product. This particular meaning of the word 'market' \_\_\_\_.
- is not important for economists
  - describes how prices are determined
  - has no effect on the stock market
  - considers only demand not supply

**Ex. 7. Match each of the following words to one set of words and phrases below to get collocations. Give their equivalents in your native tongue.**

sales	marketing	consumer	product	market	personal
price	consumers'	customer	process	related	pricing

1. <i>related</i> services risks	7. _____ planning ideas
2. _____ concept mix research operations activities a key part of _____ modern	_____ concept support strategy life cycle to protect a _____ a particular the type of rival
3. _____ forces research segmentation to launch onto the _____ target in the same	8. _____ wants reaction mind
4. _____ promotion literature to encourage _____ potential	9. _____ model policy loss leader _____
5. _____ needs service to influence the _____ to attract the	10. _____ goods ultimate _____
6. production _____ creative	11. _____ selling interview
	12. to decide on a _____ low _____ emphasis de-emphasis

**Ex. 8. Match the words to make collocations and make your own sentences with them.**

- |                 |                 |
|-----------------|-----------------|
| 1. advanced     | a) demand       |
| 2. economically | b) components   |
| 3. engineering  | c) technology   |
| 4. steady       | d) problem      |
| 5. profit       | e) distribution |
| 6. extra        | f) commercials  |
| 7. home         | g) figure       |
| 8. physical     | h) type         |
| 9. convenient   | i) delivery     |
| 10. essential   | j) justified    |
| 11. generic     | k) size         |
| 12. TV          | l) services     |



**Ex. 9. Complete the following sentences with the given words and expressions. Translate them into your native tongue.**

standardization	consumption	personal selling
market forces	market research	sales promotion
demand	Grading	sales
marketing mix	principle	convenient size

1. The rate of production should be coordinated to the rate of \_\_\_\_\_.
2. The \_\_\_\_\_ for small cars has increased due to the increase in fuel prices.
3. \_\_\_\_\_ is most important for agricultural products.
4. Because \_\_\_\_\_ are favourable, we can probably increase the price without suffering a decrease in sales volume.
5. Mass production is possible only because of \_\_\_\_\_.
6. Automobiles and real estate are products which require \_\_\_\_\_. Advertising is not enough.
7. Increased production will not result in increased profits unless \_\_\_\_\_ can also increase.
8. Modern marketing is based on the \_\_\_\_\_ that production can be economically justified only by consumption.
9. Advertising and price reductions are examples of \_\_\_\_\_.
10. Conducting online surveys is a new and promising approach to \_\_\_\_\_.
11. The marketers have worked hard to get the right \_\_\_\_\_ for the launch of the new range of products.
12. A supermarket might package oranges into trays of six oranges each, which is a \_\_\_\_\_ for the customer.

**Ex. 10. Fill in the three gaps of each set of sentences with the appropriate word. Translate the sentences into your native tongue.**

1. a) Apple is a company that is a developer and \_\_\_\_\_ of software all over the world.  
b) \_\_\_\_\_ is also aware that price can send a message to a customer about the product's presumed quality level.  
c) Our company is aimed at becoming the main \_\_\_\_\_ of this type of products.
2. a) Many businesses are moving out of New York because the \_\_\_\_\_ there are so high.  
b) We have to cut our costs to reduce \_\_\_\_\_.  
c) With lower \_\_\_\_\_, small toy shops are in a better position to reduce prices.

3. a) Persuasion is one of the most valuable skills in \_\_\_\_\_.  
 b) She works in sales and \_\_\_\_\_.  
 c) A common but incorrect view is that selling and advertising are the only \_\_\_\_\_ activities.
4. a) Resource \_\_\_\_\_ decisions are being made every day in every city.  
 b) The government plays an important role in \_\_\_\_\_ of resources in the economy.  
 c) As a project leader, you will have to do the \_\_\_\_\_ of jobs among people.
5. a) Professional marketing \_\_\_\_\_ are of great value to producers and sellers.  
 b) The economists are monitoring the prices and levels of consumption of different goods and \_\_\_\_\_.  
 c) Mining rose by 9.1%, manufacturing by 9.4% and \_\_\_\_\_ by 4.3%.
6. a) Health-conscious \_\_\_\_\_ wants more information about the food he buys.  
 b) When the price of oil increases, a \_\_\_\_\_ pays more for gasoline.  
 c) The price of a product will be determined by the quantity available for sale and the desire of the \_\_\_\_\_.

***Ex. 11. Rewrite the following sentences. Replace the underlined words and expressions with the words and expressions of the same meaning.***

1. When economists use the word 'market', they mean conditions which set the price of a product, for example, the amount of product available for sale and the desire for the product on the part of customers.
2. In the past, the concept of marketing considered selling more important.
3. Marketing used to be the activity of determining how to sell the product.
4. Marketing also involved the transportation of the product to places where it was actually sold.
5. The modern marketing concept believes that production can be economically justified only through sales to willing buyers.
6. Marketing now involves first determining what the customer wants, and then planning and producing a product to fill those wants.
7. Food products are classified into groups according to their size and quality.
8. Part of the marketing is delivering the merchandise to the stores where people shop for it.
9. A producer wants to predict new trends and then tries to influence them.

10. Did marketing use to be the job of thinking about how to transport the product?

**Ex. 12. Complete the following word-combinations with prepositions and make your own sentences with them.**

- |   |                                      |
|---|--------------------------------------|
| 1. target market ___ the product                | 11. to be ___ no use                 |
| 2. to compete ___ rival products                | 12. to concentrate ___<br>production |
| 3. to launch the product ___ the market         | 13. to be prior ___ smth.            |
| 4. to pass ___ a series ___ stages              | 14. a survey ___ phone               |
| 5. to attract attention ___ advertising         | 15. ___ the stage ___ growth         |
| 6. to present goods ___ convenient<br>sizes     | 16. to level ___                     |
| 7. preference ___ one product ___ the<br>others | 17. to move ___ decline              |
| 8. a steady demand ___ the product              | 18. to decide ___ a price            |
| 9. to figure ___ how to sell the product        | 19. ___ a reasonable cost            |
| 10. consumers' reaction ___ the<br>product      | 20. ___ the basis ___ intuition      |

**Ex. 13. Read the following paragraphs and name the stages of the product life cycle.**

Introduction stage. During this stage, sales are slow as both consumers and distributors become aware of the product and decide to adopt it.

\_\_\_\_\_. During this stage, there is a rapid acceptance of the product and a sharp increase in sales. This is generally supported by improved distribution, product improvements, and even price reductions.

\_\_\_\_\_. At this stage, sales and profits are still high, but there tends to be considerable investments in product changes, increased promotional activity and price-cutting.

\_\_\_\_\_. Products are sometimes re-launched at this stage, usually with new features, a different packaging and often an attempt to create a new image. This stage is marked by a falling off in sales, and while some firms do well, others leave the market.

**Ex. 14. Fill in the gaps of the following sentences with the appropriate words and translate them into your native tongue.**

1. Shares and stock are traded on the Stock \_\_\_\_\_ where market forces determine the price.

2. The grocery \_\_\_\_\_ is the location where the buying and selling of food take place.
3. In the past, the most important function of marketing was \_\_\_\_\_.
4. Modern marketing includes many activities, but it is based on different \_\_\_\_\_.
5. The \_\_\_\_\_ of steel will increase to meet the demands of the market.
6. The software can be modified to suit the particular needs of the \_\_\_\_\_ user.
7. The product is presented to customers \_\_\_\_\_ advertising.
8. We \_\_\_\_\_ our products in recyclable materials.
9. Several different types of automobiles are available to \_\_\_\_\_ the desires and needs of the marketplace.
10. Advertisers \_\_\_\_\_ the name of their product as well as the benefits consumers get from purchasing and using it.

***Ex. 15. Translate the following sentences into English.***

***a)***

1. При розробці нового товару маркетологи враховують його життєвий цикл.

2. Споживчі товари купуються кінцевим споживачем, а промислові товари використовуються у виробничому процесі та можуть підлягати подальшій переробці.

3. Існують два загальних типи цінової політики: продаж товарів за рахунок низької ціни та продаж товарів за рахунок інших факторів.

4. Керівники підприємств бажають мати постійний попит на товари свого виробництва.

5. Реінвестування в рекламу та пошуки нових шляхів застосування товару можуть допомогти призупинити спад виробництва.

***b)***

1. Одной из главных задач маркетинга является выявление возможностей прибыльной реализации товара.

2. В расходы компании обычно включаются арендная плата, страховка, стоимость материалов и комиссионные.

3. Для успешной продажи товара необходимо спрогнозировать, когда и где он может быть куплен конечным потребителем.

4. За разработкой и производством товара следует его введение на рынок.

5. До начала производственного процесса необходимо обязательно учитывать силу спроса и предложения.

**Ex. 16. Match the following English terms to their Ukrainian equivalents and make your own sentences with them.**

*price*

- |                      |                             |
|----------------------|-----------------------------|
| 1. fair price        | a) ціна виробника           |
| 2. flexible price    | b) помірна ціна             |
| 3. factory price     | c) конкурентоспроможна ціна |
| 4. market price      | d) коригувати ціни          |
| 5. purchase price    | e) призначати ціни          |
| 6. selling price     | f) ринкова ціна             |
| 7. competitive price | g) купівельна ціна          |
| 8. unit price        | h) гнучка ціна              |
| 9. to charge prices  | i) продажна ціна            |
| 10. to adjust prices | j) ціна за одиницю товару   |

**Ex. 17. Match the following English terms to their Russian equivalents and make your own sentences with them. Mind prepositions in the following phrases.**

*price*

- |                                 |                                    |
|---------------------------------|------------------------------------|
| 1. at a price of \$... per unit | a) цены возросли на ...%           |
| 2. a fall in prices             | b) цены упали до \$...             |
| 3. a rise in prices             | c) цена на ...                     |
| 4. prices went up (rose)        | d) понижение цен                   |
| 5. prices went down (fell)      | e) цены возросли                   |
| 6. prices increased by ...%     | f) договориться о цене             |
| 7. prices dropped to \$...      | g) определяют цену                 |
| 8. a price on / for ...         | h) по цене \$... за единицу товара |
| 9. to agree on the price        | i) цены снизились                  |
| 10. to work out a price         | j) повышение цен                   |

**Ex. 18. Make sentences paying attention to the prepositions and translate them into your native tongue.**

to rise		an increase	
to fall	by...%	a decrease	
to go up	from...% to ...%	a rise	of...%
to go down	to...	a fall	
to drop		a drop	

**Ex. 19. Make sentences as in example paying attention to the use of the words 'to rise' and 'to fall'. Translate them into your native tongue.**

**Eg: output / to rise / 3% / 5m. – The output rose by 3% to 5 million.**

exports / to fall / 5% / 8m.  
automobile production / to rise / 2% / 12m.  
sales / this month / to fall / 7% / 3%  
unemployment rate / to fall / 2% / 2m.  
profits / to rise / 6% / 8%  
purchase price / to fall / 2% / 5,000  
spending / to rise / 1% / 400  
payment / to rise / 7% / 900

**Ex. 20. Translate the following sentences into English.**

1. Эта фирма продает видеоаппаратуру по высокой цене.
2. Цены на сельскохозяйственную продукцию возросли на 30%.
3. Цены на промышленные товары снизились с 6 до 3%.
4. Цена на холодильник включает доставку на дом.
5. Объем выпускаемой продукции снизился до 400 единиц в месяц.
6. Никто не ожидал резкого увеличения цен на сырье.
7. Цены на коммунальные услуги возросли на 20%.
8. Компания купила 5 компьютеров по цене \$500 за единицу товара.

**Ex. 21. List five products according to the following target markets and prove your choice.**

- a) children, young people, elderly people
- b) men, women
- c) young married couples, families with young children, retired couples
- d) the rich, the middle class, the poor
- e) consumers from agricultural and urban areas

**Ex. 22. Order the following stages in the process of marketing. Discuss it with your partner.**

1. Originating of the idea of a product.
- \_\_\_ Preparing a promotion campaign.
- \_\_\_ Ordering the right number of items of the product.
- \_\_\_ Producing a survey.
- \_\_\_ Selling the new product to retailers.
- \_\_\_ Calculating a selling price.
- \_\_\_ Working on design of the packaging.
- \_\_\_ Making samples of the product.
- \_\_\_ Developing the product.

***Ex. 23. Explain the meaning of the following phrases.***

1. 'High class' restaurants attract customers simply by being expensive.
2. The low prices also serve to attract their target market.
3. The simplest pricing model is cost plus.
4. It is inevitable that most products die.

***Ex. 24. Discuss the arguments for and against the following statement:  
It is more important to have products available in as many locations  
as possible. Try to determine exactly those locations where there will  
be customers for it.***

## **UNIT 5** DISTRIBUTION

After a product has been manufactured, the next step is to find out which methods and routes should be used to bring it to market. This involves channels of distribution.

The channel of distribution, or trade channel refers to the route the product takes on the way from manufacturer to the ultimate consumer. The simplest form of distribution is direct sale. For example, a grower sells produce directly to a customer at a roadside stand. However, most often the channel of distribution involves middlemen. Middlemen are people who either take possession of merchandise or arrange for transfer of ownership. The reason middlemen are needed is that a particular customer desires many products, which come from many manufacturers, and it is impossible for the consumer to purchase every product from the producer. For example, in offices, pencils, paper, desks, chairs, lamps, cabinets, and many other products are used. Each of these products may be manufactured in a different part of the country. The office purchasing agent needs to be able to purchase different quantities of these items at one place that is convenient for him.

The job of the wholesalers is to collect the different products from the various manufacturers, and then to divide them into amounts which the customers require. The middleman gives the products place utility by delivering or transporting them to where they are needed. Raw materials, requiring little or no special treatment, can be transported in great volumes or as bulk freight, but finished products that often require special treatment, such as refrigeration or careful handling, are usually transported by truck. This merchandise freight is usually smaller in volume and requires quicker delivery and is used for manufactured goods.

Two types of middlemen are merchant middlemen, who actually take title to the merchandise, and agent middlemen, who arrange for the transfer of title between manufacturer and wholesaler. An example of a merchant middleman might be a person who owns a warehouse, buys large quantities of goods from manufacturers, and then distributes them to companies who purchase smaller quantities. The time and manner of storage of goods depend upon the type of product. Inventories of stored merchandise often need to be financed. An example of an agent middleman would be a broker who doesn't take title to the goods he deals in but negotiates purchases or sales or both. He usually earns a commission by putting buyer and seller in contact with one another. So,



the indirect channels are used to market manufactured consumer goods. It could be from the manufacturer to the wholesaler, from the retailer to the consumer or through more complicated channels. Wholesalers simplify the process of distribution and reduce the problems for both manufacturer and retailer.

Retailing is selling goods and services to the final user. Retailers make their profit by charging the customer 25–100% more than the price they paid for the item. They perform many necessary functions: provide the convenient location, guarantee and service the merchandise they sell, help to promote the product through displays, advertising or sales people, and finance the customer by extending credit.

The channel of distribution, selected for consumer products sold on the retail market, depends upon the type of product. Some items are considered convenience goods. They are usually products which have a low price – chewing gum, cigarettes, and soft drinks – and they can be found at several convenient locations, such as supermarkets, convenience stores, and even vending machines. In this case, convenience is more important than price because the customer is willing to pay for place utility. Convenience goods must be widely distributed. Therefore, they may go through several middlemen before they arrive at the place where the consumer purchases them.

Other consumer products are classified as shopping goods. These are products which generally cost more than convenience goods and require more consideration of price and quality. A customer, shopping a television set or other major home appliances, would probably consider several different products and shop at several different locations to compare quality and price before making a decision about a purchase.

Shopping goods can be found at various retail outlets. A full service retail store is one where sales staff wait on customers and can explain them the various aspects and features of the product. The product is generally on display. The cost of space and the sales and commissions are added to the cost of the product.

Discount houses are another type of retail outlet. Products are offered for sale at a low price because there is a small sales staff or the retailer has been able to reduce overheads in another manner. For example, the shop could be in a warehouse or some place where rents are lower. Discount houses usually carry only merchandise that moves in high volume. They may not have the large selection of brands and lines available at a full service store. Sometimes, they can receive discounts from wholesalers by purchasing in quantity or by purchasing

discontinued models, and sometimes they can deal directly with manufacturers, eliminating the middleman.

Two of the larger types of retail distributors are franchise stores and chain stores. A franchise store is a store that is independently owned but operates under a franchise, or licence from a parent company. The franchisee pays a fee for the licence and a certain percentage of the total sales to the parent company. In return for this, the parent company supplies the products and promotes sales through advertising. Franchise stores are particularly popular in the fast food industry. McDonald's and Kentucky Fried Chicken have franchises worldwide. Franchise stores and chain stores are similar in the ways they are run and the fact that the same merchandise is generally carried throughout the chain or franchise. The main difference between them is that the chain store is owned by a parent company. Some supermarkets and department stores are operated as chain stores. The advantage that franchise stores and chain stores have in distribution is that they are often vertically integrated. This means the parent company controls the warehouses, the trucking lines, and sometimes the manufacture of the product. Vertical integration should allow a parent company to control costs and maximize profit. However, sometimes vertically integrated organizations become so large that they actually cost more to operate. A large expensive bureaucracy is needed to run a large organization.

But nowadays consumers are bypassing traditional delivery channels in their search for quality, savings, convenience, and personal fit in all products and services. They can make their purchase from a mail-order catalogue, through a TV shopping service or via their computer shopping database. Out-of-store sales now account up to a third of all retail sales. Hundreds of new distribution channels and outlets are springing up every month, from discount stores and warehouses to upscale boutiques and home delivery, from speciality dealers to hypermarkets.

### ACTIVE VOCABULARY

channel of distribution	система збуту / система сбыта
ultimate consumer	кінцевий споживач / конечный потребитель
direct sale	прямий продаж / пряма продаж
to take title to the goods	придбати товар у власність / приобрести товар как собственность
to arrange for transfer of ownership	організувати передачу власності / организовать передачу собственности

purchasing agent	постачальник / снабженец
wholesaler	оптовый торговец, оптовик / оптовый торговец, оптовик
place utility	зручність, корисність місця збуту / удобство места, польза в месте спроса
bulk freight	перевезення великого об'єму вантажів / перевозка большого объема груза
in bulk	насыпом, навалом / насыпью, навалом
merchandise freight	перевезення товарів / перевозка товаров (готовой продукции)
merchant middleman	торговий посередник, оптовый скупник / торговый посредник, оптовый скупщик
agent middleman	комісіонер, посередник між продавцем та покупцем / комиссионер, посредник между продавцом и покупателем
title	право власності / право собственности
to negotiate purchases or sales	вести переговори щодо купівлі чи продажу / вести переговоры о купле или продаже
to earn a commission	отримувати комісійні / получать комиссионные
indirect channels	опосередкована система збуту / опосредованная система сбыта
retailing	роздрібний продаж / розничная продажа
extending credit	довгостроковий кредит / длительный кредит
convenience goods	товари повсякденного попиту / товары повседневного спроса
vending machine	торговельний автомат / торговый автомат
shopping goods	промислові товари, товари попереднього вибору / промышленные товары, товары предварительного выбора
home appliance	побутовий прилад / бытовой прибор
retail outlet	точка роздрібної торгівлі, торговельне підприємство, магазин / точка розничной торговли, торговое предприятие, магазин
to wait on customers	обслуговувати покупців / обслуживать покупателей

to be on display	виставлятися для показу / виставляться на показ
discount houses	магазини уцінених товарів / магазины уцененных товаров
warehouse	великий магазин-склад роздрібної торгівлі / крупный магазин-склад розничной торговли
discontinued models	застарілі моделі / устаревшие модели
franchise stores	фірмові магазини / фирменные магазины
chain stores	магазини мережі роздрібної торгівлі / сетевые розничные магазины
franchise	особливе право, спеціальний привілей, франшиза / особое право, специальная привилегия, франшиза
franchisee	користувач прав, франшизоотримувач / пользователь прав, франшизополучатель
to control trucking lines	контролювати шляхи (лінії) перевезень / контролировать пути (линии) перевозок
bureaucracy	бюрократія, чиновницький, бюрократичний апарат / бюрократия, чиновничий, бюрократический аппарат
speciality	спеціальний асортимент, спеціалізований товар / специальный ассортимент, специализированный товар

### COMPREHENSION QUESTIONS

1. What is a channel of distribution?
2. In a direct sale, who sells to the customer?
3. What is the most general explanation of a middleman and why is he necessary?
4. What are three specific activities of a middleman?
5. What is the difference between bulk and merchandise freights?
6. What is the difference between merchant and agent middleman?
7. What could be an indirect channel of distribution?
8. What is retailing?
9. What are the main functions of a retailer?
10. What does the customer consider when purchasing convenience goods?
11. What are convenience goods?

12. What two things do customers consider when they purchase shopping goods?
13. What service does a full service retail store provide the customer with?
14. How is a franchise store similar to a chain store?
15. What is a franchise?
16. How is a franchise store different from a chain store?
17. What does it mean if a company is vertically integrated?
18. What advantage do chain and franchise stores have?
19. What services does a parent company supply?
20. What are the advantages and disadvantages of vertical integration?

**Ex. 1. Memorize the following definitions.**

**Distribution** – the arrangement and activities required in order to get goods from the manufacturer to the consumer.

**Channel of distribution** – the route or way that a product travels from the manufacturer to the consumer. It includes all the middlemen, transportation companies, warehouses, and others.

**Middleman** – a person or a company which takes possession of merchandise or arranges for transfer of ownership or merchandise in the channel of distribution.

**Merchandise** – goods for sale at a store or in transport to a place of sale.

**Commission** – the money or fee which a salesman receives for making a sale.

**Convenience goods** – products that are usually inexpensive and purchased at the most convenient location.

**Shopping goods** – products which customers purchase only after consideration of many factors and usually after comparing the quality and price with similar products.

**Outlet** – actual location where the ultimate consumer makes his purchase.

**Franchise** – legal permission from a large company to use their name or logo and to sell their products.

**Vertical integration** – business structure in which a parent company owns the means of production, distribution, and final sale.

**Ex. 2. Find in the text English equivalents of the following word-combinations and phrases. Make your own sentences using them:**

- 1) шлях, який проходить товар від виробника до кінцевого споживача; 2) ставати власником товару; 3) транспортуватися великою

кількістю; 4) потребує спеціальної обробки; 5) заробляє комісійні, зводячи продавця та покупця; 6) спрощувати процес реалізації товару; 7) забезпечувати зручне розміщення, гарантію на товар та його сервісне обслуговування; 8) магазини товарів першої необхідності; 9) властивості та характеристики продукту; 10) витрати на приміщення, продаж та комісійні додаються до вартості товару; 11) зменшити накладні витрати; 12) великий вибір товарів різних марок та моделей; 13) отримувати дисконти від оптового продавця; 14) мати справу з виробниками, оминаючи посередника; 15) працювати на засадах франшизи чи ліцензії від контролюючої компанії; 16) ігноруючи традиційні канали постачання у пошуках якості, економії та зручності; 17) купувати за допомогою каталогу товарів поштою; 18) складати більше третини всіх роздрібних продаж; 19) дорогі модні магазини, елітні бутіки; 20) величезний супермаркет з відділом уцінених товарів, торговельний комплекс.

**Ex. 3. Find antonyms to the following words and expressions in the text:**

indirect channel; purchase, buyer; similar; merchandise freight.

**Ex. 4. Find synonyms to the following words and expressions in the text:**

to sell; to deliver; to operate an organization; to purchase; producer; customer; shop; wholesaler; ultimate consumer; agent middleman; channel of distribution; retail outlet; franchise; direct sale; merchandise; franchise store; in high volume; to transport in bulk.

**Ex. 5. Match the words and expressions to their definitions.**

1. place utility	a) costs of doing business other than the direct costs of the raw materials or merchandise
2. freight	b) explaining the features of a product to a potential customer
3. to take title to	c) a large corporation which may own several smaller companies or stores
4. personal selling	d) an increased value due to location
5. franchisor	e) a coin-operated machine that sells convenience goods
6. franchisee	f) to become a legal owner
7. overheads	g) someone who buys a franchise

8. chain	h) a merchant middleman who sells goods to retailers in large quantities
9. vending machine	i) a fee paid for making a sale
10. wholesaler	j) a company that grants a franchise
11. commission	k) transportation of goods by air, sea, rail or road
12. parent company	l) a group of associated stores or businesses having the same name and sharing certain features

**Ex. 6. Select the answer which best completes the meaning of the sentence. Translate the sentences into your native tongue.**

- A grower selling fruit at a roadside stand is an example of \_\_\_\_\_.
  - a middleman
  - a convenience good
  - producer selling directly to consumer
  - manufacturer selling directly to middleman
- A middleman, who takes title to the merchandise, is an example of \_\_\_\_\_.
  - a merchant middleman
  - an agent middleman
  - a distributor
  - a customer
- The purchasing agent at the office probably \_\_\_\_\_.
  - deals directly with pencil manufacturers
  - acts as a middleman
  - orders through a local office supply store
  - distributes office supplies from his warehouse
- Raw materials can be transported in bulk at low cost. Finished goods which sometimes require special treatment are usually shipped by truck. Transportation by truck is probably \_\_\_\_\_.
  - what the customer wants
  - the best marketing method
  - slow
  - more expensive
- Between the producer and the consumer certain goods are stored along the way because there may be great distances between the point of

production and the point of sale. Storing along the distribution channel

- \_\_\_\_\_.
- a) is suitable for all products
  - b) makes quicker delivery to consumers
  - c) makes standardization and grading necessary
  - d) does not add to the cost of product
6. A stock broker or real estate broker would be an example of \_\_\_\_.
- a) a person who receives title to certain investments
  - b) a person who deals with both buyer and seller
  - c) a person who buys large quantities of real estate and stock
  - d) a salesman
7. The best channel of distribution depends on \_\_\_\_.
- a) the commission fee
  - b) the type of the product
  - c) the overheads
  - d) the franchise
8. The cost of distribution for convenience goods is probably \_\_\_\_.
- a) higher than for shopping goods
  - b) not important for the consumer
  - c) not a factor in the sales price
  - d) part of the commission
9. A full service retail store has higher costs than a discount store because \_\_\_\_.
- a) distribution costs are higher
  - b) shopping goods generally cost more than convenience goods
  - c) the cost of space and salaries of the sales staff must be taken into account
  - d) the merchandise moves slowly
10. Discount houses can offer merchandise at a lower price because \_\_\_\_.
- a) they have lower overheads and deal in volume
  - b) they have fewer customers
  - c) they have no licence
  - d) they have a good purchasing agent
11. Franchise and chain stores benefit from \_\_\_\_.
- a) the sale of licences to their stores



- b) locating away from the main business areas
- c) vertical integration
- d) the ability to advertise on a large scale

12. The difference between chain stores and franchise stores is \_\_\_\_.
- a) chain stores are individually owned
  - b) franchise stores are individually owned
  - c) they do not handle similar products
  - d) franchise stores have an advantage in distribution

**Ex. 7. Rewrite the following sentences. Replace the underlined words and expressions with the words and expressions of the same meaning.**

1. The marketer must consider which channel of distribution to use for these particular goods.
2. Sometimes a product may go through several distributors before it reaches the person who buys and uses it himself.
3. The person, who buys supplies for the office, likes to find a store close to where he works.
4. A merchant middleman may deliver goods from his storage building to many stores where customers shop.
5. Agent middlemen arrange for changes of ownership.
6. At the retail store, the product can be seen.
7. The sales staff explains the characteristics of the product and shows how it works.
8. Chain stores sometimes control many aspects of production and distribution.
9. Large business organizations are sometimes characterized by the inability to adapt.
10. Discount stores carry only merchandise which they can sell quickly.

**Ex. 8. Match the following definitions to the words in the box.**

- |             |              |                   |                       |
|-------------|--------------|-------------------|-----------------------|
| 1. retailer | 3. chain     | 5. discount house | 7. mail-order selling |
| 2. boutique | 4. middleman | 6. hypermarket    | 8. door-to-door sale  |
- a) businessman who buys from the manufacturer and sells to the public
  - b) taking orders and supplying a product by post
  - c) series of stores belonging to the same company
  - d) going from one house to the next, asking people to buy something
  - e) shop which specializes in cheap goods
  - f) small shop selling articles of the latest fashion
  - g) very large supermarket, usually on the outside of a city or a town

h) person who sells small quantities of goods directly to the general public

**Ex. 9. Complete the following word-combinations with prepositions and make your own sentences with them.**

- |  |                                   |
|--|-----------------------------------|
| 1. to arrange ___ transfer ___ ownership   | 9. to take title ___ the goods    |
| 2. to put buyer and seller ___ contact     | 10. to sell ___ the retail market |
| 3. to promote products ___ displays        | 11. to deal ___ goods             |
| 4. to wait ___ customers                   | 12. ___ search ___ quality        |
| 5. to offer goods ___ sale ___ a low price | 13. to be ___ display             |
| 6. to operate ___ a franchise              | 14. to purchase ___ quantity      |
| 7. to make a purchase ___ the catalogue    | 15. to deal ___ manufacturers     |
| 8. to find ___ convenient locations        | 16. to pay a fee ___ the licence  |

**Ex. 10. Fill in the gaps of the following sentences with the appropriate words and translate them into your native tongue.**

1. The channel of distribution for \_\_\_ goods, such as cigarettes, can involve several middlemen.
2. The salesman was demonstrating the \_\_\_ of the microwave oven.
3. You need to purchase a \_\_\_ from MacDonald's if you want to open a MacDonald's restaurant.
4. If one company controls all aspects of production, distribution, and sales, it has an opportunity to \_\_\_ profit.
5. In a supermarket, \_\_\_ include the cost of the building, the salaries of the employees, the cost of advertising, and the cost of utilities, such as electricity used to run the lights and refrigerators.
6. Most \_\_\_ stores are owned by a large corporation known as the parent company.
7. I bought these apples at a \_\_\_ stand by the side of the road.
8. After you have signed all the papers and given us the money for the purchase, you can take \_\_\_ of the building.
9. When I purchase food at the supermarket, I am the \_\_\_ consumer of the product.
10. A high volume retailer is one who buys and sells a great \_\_\_ of products.
11. In an area with no roads, a pair of good walking shoes may have more place \_\_\_ than an automobile.
12. Air transportation is generally more expensive than truck transportation, but by using air \_\_\_, a company can often eliminate the need for several warehouses.

**Ex. 11. Match the words to make collocations and make your own sentences with them.**

- |                  |              |
|------------------|--------------|
| 1. chain         | a) industry  |
| 2. direct        | b) dealer    |
| 3. bulk          | c) store     |
| 4. purchasing    | d) stand     |
| 5. fast food     | e) freight   |
| 6. merchant      | f) credit    |
| 7. extending     | g) house     |
| 8. speciality    | h) model     |
| 9. vending       | i) agent     |
| 10. discount     | j) machine   |
| 11. roadside     | k) selling   |
| 12. discontinued | l) middleman |

**Ex. 12. Underline the incorrect word-combinations in the box below. Mind the following definitions.**

- |                  |                    |                         |
|------------------|--------------------|-------------------------|
| car dealer       | car retailer       | car representative      |
| sole distributor | sole agent         | speciality dealer       |
| company rep      | purchasing agent   | company dealer          |
| stockbroker      | insurance retailer | foreign exchange dealer |

**Agent** – a person or organisation who acts on behalf of another person in order to sell another person’s goods or services to third parties.

**Broker** brings together a seller and a client. He is paid a commission.

**Distributor** – a person who has arranged with one or more suppliers to sell a product. He buys and sells the goods for himself and not as the representative of another person.

**Retailer** – a person who buys goods from a wholesaler and then sells them to consumers in retail outlets.

**Dealer** – a person who buys and sells for individual profit. He may buy goods in bulk at an auction or trade securities on his own account.

**Representative (sales rep)** – a member of a sales team who travels from one place to another in order to encourage potential customers to buy.

**Ex. 13. Complete the following sentences with the given words and expressions. Translate them into your native tongue.**

- |                      |             |                   |                   |
|----------------------|-------------|-------------------|-------------------|
| parent company       | route       | bureaucracy       | outlets           |
| vertical integration | wholesalers | commission        | convenience goods |
| franchise stores     | licence     | ultimate consumer | shopping goods    |

1. The larger \_\_\_\_\_ prevents management from taking quick actions to solve problems.

2. A salesman usually receives a \_\_\_\_ for each sale. The more he sells the more money he receives.
3. This bottler has obtained a \_\_\_\_ from Coca-Cola Inc. to bottle and distribute Coke.
4. Retail \_\_\_\_ include supermarkets, department stores, and discount stores.
5. General Motors Corporation is the \_\_\_\_ of Fisher Body Works.
6. Fresh fruit and vegetables should travel the most direct \_\_\_\_ to the consumer so that there is the least chance of spoilage.
7. The man, who bottles the wine in France, has no idea who the \_\_\_\_ will be.
8. Home appliances are considered \_\_\_\_ since a customer will usually go out of his way to buy what he considers the best product for the price.
9. Because of \_\_\_\_, oil companies can control the price of gasoline at the pumps.
10. Clothing \_\_\_\_ sell hundreds of shirts and blouses to retail department stores.
11. The parent company will help the \_\_\_\_ promote their sales.
12. In a large store, \_\_\_\_ are often found close to the checkout stand.

**Ex. 14. Complete the following sentences with the correct form of one of the following words and translate them into your native tongue.**

Verb	Noun	Adjective
supply	supply / supplier	supply
deliver	delivery	delivery
dispatch	dispatch	dispatch

1. We have been their \_\_\_\_ for many years.
2. I don't believe they are going to stop using us just because one \_\_\_\_ was late.
3. The problem occurred because the \_\_\_\_ department was on strike.
4. Can you \_\_\_\_ these goods to the standard we require? It's not just a question of \_\_\_\_ times.
5. As part of our new strategy, we are developing closer links with our \_\_\_\_.
6. Wholesalers in oil industry purchase gasoline from refineries for \_\_\_\_ to service stations.
7. Good suppliers always \_\_\_\_ on time, whatever the problems with \_\_\_\_.

8. Because of poor weather, the harvest was bad and the world \_\_\_\_\_ of grain is less than last year.

**Ex. 15. Translate the following sentences into English.**

**a)**

1. Товари повсякденного попиту здебільшого мають низьку ціну та зручне місцезнаходження.

2. Брокер звичайно не придбаває товар, з яким він має справу, у свою власність, він лише обговорює можливість його купівлі чи продажу.

3. Дуже зручно зробити покупку за допомогою каталогу посилторгу, який дає можливість заощадити наш час та гроші.

4. Магазины уцінених товарів зазвичай мають справу тільки з великими обсягами товарів, що пропонуються за низькими цінами.

5. Фірмові магазини мають вертикальну інтеграцію, що дає можливість контролювати витрати та максимізувати прибуток.

**b)**

1. Система сбыта включает в себя методы и способы введения товара на рынок.

2. Существуют две основные формы реализации товара: прямые и опосредованные продажи.

3. Продажа товаров и услуг конечному потребителю называется розничной торговлей.

4. Выбор системы сбыта товаров для розничного торговца зависит от типа товара.

5. Для управления крупной организацией необходимо использовать разветвленный бюрократический аппарат.

**Ex. 16. Discuss what channels of distribution would be preferable for the following products. Prove your choice.**

a) pizza; b) Sony TV set; c) pastries; d) second-hand clothes; e) cigarettes; f) bread; g) newspaper

**Ex. 17. Suppose it is your job to arrange for distribution of a product which your company has made. Write a paragraph describing the nature of the product as it relates to the consumer and what should be taken into consideration in distributing it. Here is a list of products which you might want to consider:**

a) refrigerator      b) shoes      c) an article of clothing      d) sweets

## REVISION 2 (UNITS 3-5)

*Ex. 1. Read the definitions. Then put the anagrams in the correct order. The first letter of each word is in bold.*

- |   |                   |
|---|-------------------|
| 1. Possibility, opportunity, choice.  | pontio     option |
| 2. The trading or exchange of goods and services without using currency.        | rarbte .....      |
| 3. A large chain of authority and management.                                   | uacuacbrery ..... |
| 4. The desire on the part of consumers for a product or service.                | mdande .....      |
| 5. Fresh fruit and vegetables.  | droucpe .....     |
| 6. Another firm in a similar business that tries to attract the same customers. | romtpectio .....  |
| 7. To fix or to establish in a free market.                                     | etnerdiem .....   |
| 8. Regular costs of running a business, such as rent, heating etc.              | hvesroead .....   |
| 9. A person who holds a second job usually after hours.                         | hoonigmterl ..... |
| 10. A method of communicating and publicizing a product.                        | oromtiopn .....   |
| 11. Legal permission to operate certain business.                               | anisfrche .....   |
| 12. A building where merchandise is stored on the distribution channel.         | hoarweues .....   |

*Ex. 2. Match the words and word-combinations to similar meanings.*

- |                             |                        |
|-----------------------------|------------------------|
| 1. free market              | a) shopping goods      |
| 2. pure competition         | b) produce             |
| 3. durables                 | c) selection           |
| 4. market forces            | d) middleman           |
| 5. assortment               | e) final user          |
| 6. wholesaler               | f) perfect competition |
| 7. in high volume           | g) supply and demand   |
| 8. ultimate consumer        | h) to anticipate       |
| 9. agricultural products    | i) competitive market  |
| 10. channel of distribution | j) to supply           |
| 11. to deliver              | k) trade route         |
| 12. to forecast             | l) in bulk             |

**Ex. 3. Rewrite the following sentences. Replace the underlined words and expressions with the words and expressions of the same meaning.**

1. An agent middleman receives a fee for bringing buyer and seller together.
2. Discount houses usually have lower costs of operation.
3. Customers usually shop around before purchasing large expensive household electrical devices like refrigerators and television sets.
4. A large company is able to make the most profits.
5. Before you can operate a MacDonald's, you must get a permission from the main company.
6. Economists believe that if many people desire a product which is not available in great quantities, the price will increase.
7. People will buy a product if it is promoted by salesmen and if the company advertises it.
8. Modern marketing is based on the idea that goods cannot be produced for profit unless someone will buy them.

**Ex. 4. Underline the odd word in each set.**

1. a lorry      b rail      c truck      d ship
2. a franchise      b licence      c permission      d patent
3. a chain      b transportation      c freight      d delivery
4. a dealer      b seller      c retailer      d salesperson
5. a outlet      b shop      c location      d department store
6. a to grade      b to grind      c to select      d to chose
7. a overheads      b commission      c fee      d payment
8. a premises      b buildings      c market      d warehouse
9. a trade      b commodities      c products      d merchandise
10. a to charge      b to fix      c to set      d to take

**Ex. 5. Match the words to get collocations and give their equivalents in your native tongue.**

1. commodity      a) life cycle
2. imperfect      b) market
3. factor      c) freight
4. marketing      d) exchange
5. personal      e) models
6. product      f) utility
7. chain      g) selling
8. place      h) houses
9. agent      i) competition
10. bulk      j) stores

- 11. discount
- 12. discontinued
- k) middleman
- l) concept

**Ex. 6. Fill in the gaps with prepositions.**

1. Weather conditions have an impact ... the price of many agricultural products.
2. Two weeks ago the share price dropped ... \$450.
3. The full milk sector has fallen dramatically ... 74% ... just 42%.
4. The sales ... our gas ovens could level ... the near future and will be sold very well ... that price.
5. It is very difficult to work ... a price ... this type of goods.
6. We have launched a new model ... refrigerators ... the world market and didn't expect a fall ... prices.
7. Big companies ... India think that investments may bring that country \$4 billion ... abroad this year, a rise ... 50%.
8. This retailer can offer you a lower price because he deals ... volume.
9. ... 2002, the number of Americans without health insurance rose ... 5.7% ... 6.8%.
10. Prices ... consumer goods have risen ... average ... 3% ... the last 3 months.
11. House prices now seem to be levelling ... after the steep rises of the last few years.
12. They don't take titles ... the goods they deal ...

**Ex. 7. Complete the following sentences with the correct form of the word in capitals. Translate them into your native tongue.**

1. Because of cold winter weather, the \_\_\_\_\_ of CONSUME heating oil has increased.
2. Modern \_\_\_\_\_ capabilities make possible world TRANSPORT wide distribution of Japanese, American, and German products.
3. \_\_\_\_\_ plays an important role in the marketing DISTRIBUTE mix.
4. Smaller companies sometimes have greater \_\_\_\_\_ FLEXIBLE than large corporations because changes involve fewer people.
5. Small \_\_\_\_\_, such as electric irons and toasters, do APPLY not use as much electricity as major \_\_\_\_\_, such as washing machines and dryers.
6. A merchant middleman actually buys products OWN and controls their \_\_\_\_\_.



7. \_\_\_\_\_ is one way for small businesses to enter the mass market. LICENSE
8. The movement to cut out the \_\_\_\_\_ middleman is a part of a massive socioeconomic phenomenon known as disintermediation. TRADITION
9. Retail stores usually purchase a lot of \_\_\_\_\_ space in newspapers. ADVERTISE
10. The reason their cars sold so well was that they had a brilliant \_\_\_\_\_ strategy. MARKET

**Ex. 8. Underline the verb which does not match the noun.**

1. A PRODUCT  
 a) design      b) launch      c) influence      d) advertise
2. A PRICE  
 a) rise      b) charge      c) work out      d) increase
3. SALES  
 a) predict      b) encourage      c) emphasize      d) attract
4. COMMODITIES  
 a) exchange      b) level off      c) purchase      d) deliver
5. COSTS  
 a) concentrate      b) cover      c) justify      d) reduce
6. A MARKET  
 a) establish      b) bypass      c) enter      d) undertake
7. A FRANCHISE  
 a) buy      b) sell      c) obtain      d) open
8. A PROFIT  
 a) produce      b) set      c) maximize      d) return

**Ex. 9. Complete the following text with the correct options below.**

The marketing 1 \_\_\_\_\_ generally refers to an overall marketing strategy which involves the manipulation of four key elements. These are decisions concerning the nature of the 2 \_\_\_\_\_ and its design: decisions about advertising, 3 \_\_\_\_\_, sales and customer awareness. These four factors are popularly referred to as the 4 P's: product, 4 \_\_\_\_\_, place, and promotion. Two important aspects of this are not made explicit. These are market 5 \_\_\_\_\_ and 6 \_\_\_\_\_ behaviour.

1.    a) mix                      b) research                      c) concept
2.    a) demand                      b) market                      c) product
3.    a) distribution                      b) standardization                      c) transportation

- |    |   |          |   |        |   |            |
|----|---|----------|---|--------|---|------------|
| 4. | a | planning | b | price  | c | production |
| 5. | a | price    | b | forces | c | research   |
| 6. | a | human    | b | buyer  | c | seller     |

***Ex. 10. Translate the following sentences into your native tongue.***

1. Organized markets are usually established for cotton, wool, tea, coffee, wheat, rubber, timber, tin, copper and some other commodities.
2. The world market is a set of forces or conditions that determine the price of a product.
3. Monopoly is the market situation in which there is only one supplier of a particular product on a particular market.
4. The purpose of promotion is to maintain a steady and growing demand.
5. Price de-emphasis works with high quality expensive items with minimum consideration of the price.
6. Launching a product or service solely on the basis of intuition is rather risky.
7. Shopping goods generally cost more than convenience goods and require more consideration of price and quality as compared with convenience goods.
8. Buying the product, in-home systems, such as TV, computers, and catalogues, provide portability of time and place, relaxation, solitude, convenience of use, and time saving.
9. Channels of distribution involve methods and routes to be used for bringing a product to the market.
10. Convenience goods must be widely distributed so you can find them at supermarkets, convenience stores and even in vending machines.

***Ex. 11. Translate the following sentences from Ukrainian into English.***

1. Пропозиція та попит існують як на товарному ринку, так і на ринку засобів виробництва.
2. Електронна комерція сьогодні – це не тільки купівля чи продаж товару, але й надання споживачеві різноманітних послуг.
3. Ціна може бути занадто високою, щоб виробити велику кількість товарів, чи зовсім невисокою, щоб покрити всі витрати.
4. Монополіст може визначати та встановлювати ціну на свій товар без будь-якого тиску з боку конкурентів.
5. Цей рекламний ролик спрямовано на цільового покупця.
6. Після вивчення кон'юнктури ринку було визначено, що для стимулювання збуту необхідне запровадження продажу через торгових агентів.

7. Для підтримки цих товарів треба переглянути цінову політику компанії.
8. Торговельний посередник не придбаває товар у власність, він може лише допомогти у пошуку постачальників чи організувати передачу власності.
9. Магазин-склад може запропонувати великий вибір товарів різних марок та моделей.
10. Застарілі моделі побутових приладів виставлено для показу в магазині уцінених товарів.

***Ex. 12. Translate the following sentences from Russian into English.***

1. Очевидно, что цена на товар должна оправдывать затраты на его производство.
2. Перегруженный работой служащий или человек, работающий на двух работах, сделает свой выбор в пользу электронной коммерции.
3. Встречная продажа считается распространенной формой продаж на товарном рынке.
4. При запуске товара на рынок необходимо учитывать его жизненный цикл.
5. Использование передовых технологий стало новой тенденцией производства.
6. Для магазина товаров повседневного спроса удобство его месторасположения иногда даже важнее, чем цена на товар.
7. Фирменные магазины предоставляют специальный ассортимент товаров и скидки для постоянных покупателей.
8. Внедрение новых технологий значительно сократит накладные расходы.
9. Торговый посредник получает комиссионные от каждой сделки.
10. Использование торговых автоматов улучшит обслуживание покупателей.

Promotion is the aspect of marketing concerned with increasing sales. Even an attractively priced product, that clearly satisfies a need, has to be made known to its target customers. Promotion tries to influence the customer's attitude in various ways. It is oriented towards producing a customer for the product rather than a product for a customer. Promotion attempts to increase demand for a product and thereby increase sales. Through promotion, companies try to keep demand and sales constant when prices increase.

There are four main promotional activities – advertising, public relations, sales promotion and personal selling.

Sales promotion involves several activities. It is becoming increasingly important in the self-service environment where there is often no sales staff. Sales promotion activities are of two types: information and stimulation. Examples of information promotion are a pamphlet or booklet about the product, a demonstration, market research information telling about the nature of the customers, dealer training, and managerial advice from producers. Displays of the products, such as big window or floor displays, can increase sales considerably. A customer might make a decision to buy a particular product like a convenience item simply on the basis of a display that makes the item easy to see and reach. Stimulation promotion is the temporary tactics designed to stimulate either earlier or stronger sales of a product. It can be accomplished by the distribution of free samples, discounts on some items, premiums, and coupons. A premium is something that the customer receives as a bonus when he purchases a product. A coupon is a certificate which entitles the customer to purchase the product at a reduced price. When the products are at their decline stage of their life cycle, marketers usually try out a number of promotional strategies, such as reduced price packs in supermarkets, to attract price-conscious brand switchers, or loss leaders which bring customers into the shop where they will also buy other goods. There is also off-even pricing, say \$99.95 for the item instead of \$100 which produces a favourable psychological effect on the buyer.

Personal selling is the most expensive promotional tool, and is generally used as a complement to advertising. Personal selling involves a person-to-person direct communication where the benefits of the product are explained. Personal selling is very effective when there is a concentrated market for a product – in other words, the

products are not for general consumption by the public, for example industrial goods. A sales representative, or a rep usually gets a commission. If the product has a high unit value, the cost of the product justifies the commission paid to the sales representative for his or her work. Sales staff are also needed to demonstrate a product. This is particularly important for new products which may be unfamiliar to the customer. Since a salesperson is the only representative of a company that customers see, he is an extremely important channel of information. It has been calculated that the majority of new product ideas come via sales representatives. Finally, personal selling is necessary when there is negotiation about the price of the product, for example, when a trade-in is involved.

Basically, there are two ways to increase sales of products: find new markets and increase market share. A company seeking new markets can expand its geographical sales area or try to sell its product to a different segment of the population. In this case, promotion may involve increased advertising to spread information about the product. Personal selling at the wholesale level can encourage additional retailers to carry the product.

A different market situation requires a different method of promotion. When a market is saturated, it means that there are no new customers to be found. A company then needs to attract customers from the competition and gain a bigger share of the total market. To increase market share, the marketing department of a company must design a total programme of promotion for a particular product. Such a programme may involve increased advertising to remind the customer of the name of the product. In advertising, a company will also emphasize the superiority of its product by comparing it with the competition's product. A programme to increase market share may also include convincing a retailer to allow more display area in the store for the product and sales promotions, such as contests, coupons, and price discounting. Increasing market share involves more stimulation of the buyer's emotions than does finding new markets where simply supplying information about the product may increase sales.

During the introduction and growth stages of the standard product life cycle, the producer has to develop brand awareness, i.e. to inform potential customers, dealers and retailers about the product's existence, features, advantages, and so on.

Branding is the process through which the product is given a name to distinguish it from the range of other products on sale. The name can be given to a whole range of products, thus identifying them with

a certain producer, or be given to individual products even though they originate from the same group.

Apart from the brand name, a particular logo or mark may be used, and some manufacturers feel it important to create a brand style so that any one of their products from a given range is instantly recognizable.

A relatively recent development in branding has been the growth of generic, or own brands. A generic is a product that is sold under the brand name of the retailer and applies to all kinds of products. It may be identical to a nationally known brand but is generally sold at a cheaper price to appeal more to the price-conscious shopper.

The importance of branding for the marketer is in the process of creating brand awareness, brand image and ultimately brand loyalty to ensure repeat purchases of the product. Branding is also useful in helping the consumer search for goods. A successful brand image can be a great attribute to a company when launching new products, as they may well acquire the favourable attributes of other products belonging to the same brand. Branding is, however, valuable for all products because it can add value to the product. So many firms protect their brand names by registering them as trademarks. The registration of a trademark enables its owner to use the law to prevent competitors from using the same or similar brand name or mark for the same type of product or service. This also protects the consumer from being deceived and confused about the origin of goods.

### ACTIVE VOCABULARY

promotion	рекламно-пропагандистська діяльність, просування товару / рекламно-пропагандистская деятельность, продвижение товара
branding	надання торгової марки / присвоение торговой марки
target customer	цільовий покупець / целевой покупатель
public relations (PR)	зв'язки фірми з громадськістю / связи фирмы с общественностью
self-service environment	магазини самообслуговування / магазины самообслуживания
free sample	безкоштовний примірник / бесплатный образец
premium	бонус, премія / бонус, премия
coupon	купон / купон

a reduced price pack	набір товарів за зниженими цінами / набор товаров по сниженным ценам
off-even pricing	ціна, що не досягає круглої цифри / цена, не доходящая до круглой цифры
concentrated market	ринок, який насичено продукцією / рынок, насыщенный продукцией
market share	частка ринку / доля рынка
brand awareness	обізнаність про торгову марку / осведомленность о торговой марке
logo (logotype)	ЛОГОТИП / ЛОГОТИП
brand style	образ торгової марки / образ торговой марки
own brand	марка продавця / марка продавца
a generic	товар з родовою назвою, немарочний товар / товар с родовым названием, немарочный товар
brand image	зоровий образ марочного товару / зрительный образ марочного товара
brand loyalty	відданість певній торговій марці / привер- женность определенной торговой марке
trademark	торговий знак / торговый знак

## COMPREHENSION QUESTIONS

1. What is promotion?
2. What are the main promotional activities?
3. What are the two types of sales promotion activities?
4. How would you classify free samples, premiums, and coupons as types of sales promotion?
5. How can displays increase the sales of convenience items?
6. What is the difference between a premium and a coupon?
7. What promotional strategies do marketers try out in the shops?
8. What does personal selling involve?
9. Why is personal selling effective in a concentrated market?
10. Who does personal selling and what is paid to the sales staff?
11. Why is a salesperson necessary when there is a trade-in?
12. Which sales promotional activity is similar to personal selling?
13. How might increased advertising help to expand the market?
14. What are the two sources of new customers for a product?
15. How should a company decide which promotional activities to use?
16. How might advertising help to increase market share?

17. What is branding?
18. What makes a product instantly recognizable?
19. What is a generic?
20. What does branding mean for marketers and for consumers?
21. How does branding increase product value?
22. How do firms protect their brand names?
23. How do trademarks protect the consumers?

***Ex. 1. Memorize the following definitions.***

**Promotion** – marketing activity intended to increase demand and sales of products.

**Display** – an arrangement of merchandise for the purpose of showing it to customers and stimulating sales.

**Concentrated market** – situation in which there are very few customers for the product.

**Industrial goods** – machinery, materials, and other goods or component parts for use or consumption by other industries or firms.

**Market share** – the portion of the total market that is supplied by a particular company.

**Brand** – the identity of a product or service.

**Logo** – a sign or symbol used as a trademark to represent a company or a brand.

**Trademark** – a special, registered picture or symbol that is associated with a particular brand or product.

***Ex. 2. Find in the text English equivalents of the following word-combinations and phrases. Make your own sentences using them:***

1) який займається підвищенням рівня продажів; 2) товар з привабливою ціною; 3) підвищувати попит на товар; 4) інформаційна підтримка збуту; 5) стимулювання збуту; 6) розповсюдження безкоштовних зразків; 7) надає змогу покупцеві купити товар за зниженою ціною; 8) покупці з розсудливим ставленням до ціни, які змінюють свої марочні переваги; 9) збутовий лідер; 10) викликає сприятливий психологічний ефект у покупця; 11) безпосереднє спілкування; 12) висока вартість одиниці товару; 13) вартість продукту обґрунтовує комісійні щодо виплати торговому представникові; 14) коли передбачаються переговори щодо ціни на продукт; 15) коли ринок насичений; 16) переманювати споживачів з боку конкурентів; 17) скласти програму; 18) підкреслити перевагу свого продукту, порівнюючи його з продукцією конкурента; 19) дозволити розширити виставкову площу у магазині; 20) весь асортимент



мент продукції; 21) походити з одного джерела; 22) забезпечувати повторні купівлі продукту; 23) запобігати використанню конкурентами однакової торгової марки; 24) захищає споживача від обману.

**Ex. 3. Find synonyms to the following words and expressions in the text:**

demonstration; salesperson; to attempt; logo; item; to acquire; tactics; benefits; bonus; to seek; to stimulate; shopper; competitor; segment; producer; trademark; to buy; to develop; particular product; booklet; to bring customer into the shop; promotional tool; to include; to protect from.

**Ex. 4. Match the words and expressions to their definitions.**

1. strategy	a) a certificate which allows a customer to purchase a product at a low price
2. coupon	b) sense of belonging and trusting a particular brand
3. pamphlet	c) a reduction in the price, usually for the purpose of increasing sales
4. stimulation	d) a small amount of product distributed to potential customers at no charge
5. discount	e) the cost, price, or value of one individual item
6. premium	f) a plan of action to enable a firm to compete
7. competition	g) convincing or encouraging a customer to buy a product
8. free samples	h) a bonus or additional item which a customer receives at no extra cost when he purchases a certain item
9. self-service	i) market situation in which all the customers have made their purchases, and there are no new customers to be found
10. brand loyalty	j) a type of retail store where the customers select their merchandise without the help of sales staff
11. saturated market	k) a brochure, folded paper or small book which gives information about a product
12. unit value	l) another company which makes a similar product

**Ex. 5. Select the answer which best completes the meaning of the sentence. There could be more than one. Translate the sentences into your native tongue.**

1. Promotion attempts to increase demand for the product. Effective promotion therefore \_\_\_\_.

- a) increases sales
- b) decreases supply
- c) aims at a mass audience
- d) decreases prices

2. In a self-service store, the customer usually selects merchandise personally and then brings it to a cashier to pay for it. Self-service stores \_\_\_\_.

- a) could probably increase sales if they used personal selling
- b) can stimulate sales by the proper use of displays and other sales promotion devices.
- c) cannot use advertising effectively
- d) usually sell only convenience items

3. Sales promotion activities include those which provide information to customers and those which stimulate them to purchase particular products. Customers receive information about products through \_\_\_\_.

- a) coupons
- b) pamphlets
- c) premiums
- d) discounts

4. A customer can be stimulated to make a purchase through \_\_\_\_.

- a) a free sample
- b) an attractive and convenient display
- c) a reduced price
- d) a commission

5. Personal selling refers to a sales representative who persuades a customer to buy a product. It is very effective when \_\_\_\_.

- a) the product must be custom-designed
- b) the number of customers is small and the sales staff know who they are
- c) the product needs to be demonstrated to the customer
- d) there is a total program of promotion

6. A commission refers to a fee which the salesperson receives for making a sale. A commission is usually based on a certain percentage of the sales price. Sales staff probably \_\_\_\_.

a) prefer to sell expensive items since their commission will be greater

b) prefer to sell convenience items since customers purchase them frequently

c) can afford to advertise on television to demonstrate their product

d) are unable to negotiate the price of the product

7. Increasing sales means getting more customers for the product. One way of getting more customers to buy the product is finding new markets. A method of expanding the market might be \_\_\_\_.

a) to sell the product in other geographical areas

b) to sell the product to people who do not now purchase your product or a similar product

c) advertising to tell more people about the product

d) to attract customers from the competition

8. To get more customers for the product, if they switch from a competing brand to the other, requires \_\_\_\_.

a) only getting more products on the shelves at the store

b) giving more information about your product

c) saturating the market

d) designing a total programme according to the product and the market

9. The promotional activities of a company can best be carried out if \_\_\_\_.

a) a complete advertising programme is designed

b) dealers are properly trained

c) demand for the product is increasing

d) it is considered as part of the total marketing process

10. Branding is useful in helping the consumers \_\_\_\_.

a) search for goods

b) add value to the product

c) protect them from being deceived and confused about the origin of goods

d) create a successful brand image

**Ex. 6. Complete the following sentences with the given words and expressions. Translate them into your native tongue.**

trade-in	brand	free samples	demand
pamphlet	concentrated market	target market	trademark
logo	market share	segment	promotion

1. There is a \_\_\_\_\_ for high voltage transformers. Usually, only electric companies purchase them.
2. Distributing \_\_\_\_\_ is sometimes an effective way to stimulate sales of new products.
3. This \_\_\_\_\_ will describe the features and characteristics of this stereo system.
4. This 1995 Volkswagen was used as a \_\_\_\_\_ on a new Toyota.
5. Our advertising has been aimed at that \_\_\_\_\_ of the population between the ages of 20 and 35.
6. Market research shows that \_\_\_\_\_ for small cars will continue to grow.
7. We decided that we needed to change our \_\_\_\_\_ from the over 45s to the 35-45s.
8. The Nike 'swoosh' is an instantly recognizable \_\_\_\_\_.
9. America Online plans to launch a \_\_\_\_\_ on Thursday that will let its members download full-feature films.
10. Eastman Kodak is a premier \_\_\_\_\_ in traditional and digital imaging.
11. Our objective is to increase our European \_\_\_\_\_ by 5% this year.
12. Our \_\_\_\_\_ is now well-known in most countries in the region.

**Ex. 7. Match the following definitions to the words in the box.**

- |         |            |                  |              |                |
|---------|------------|------------------|--------------|----------------|
| 1. logo | 3. patent  | 5. brand name    | 7. copyright | 9. brand image |
| 2. mark | 4. brand X | 6. brand loyalty | 8. trademark | 10. own brand  |

- a) sign put on goods
- b) buying one and the same brand
- c) the anonymous brand used in TV commercials to compare with that in advertisements
- d) group of products sold by the same firm
- e) symbol, design, or special way of writing used by a company as a mark on its products, notepaper, advertisements
- f) name of a store which is used on products specially packed for that store
- g) particular name or symbol that a manufacturer always uses on a product to distinguish it from others, usually registered and protected by law

- h) idea of a product which is associated with the brand name
- i) legal right of a writer to publish his own work and not to have it copied
- j) official document showing that a person has the exclusive right to make and sell an invention

**Ex. 8. Match the words to make collocations and make your own sentences with them.**

- |                    |                   |
|--------------------|-------------------|
| 1. free            | a) leader         |
| 2. brand           | b) relations      |
| 3. loss            | c) pricing        |
| 4. market          | d) promotion      |
| 5. off-even        | e) sample         |
| 6. public          | f) market         |
| 7. concentrated    | g) representative |
| 8. stimulation     | h) effect         |
| 9. price-conscious | i) switcher       |
| 10. psychological  | j) share          |
| 11. sales          | k) area           |
| 12. display        | l) shopper        |

**Ex. 9. Rewrite the following sentences. Replace the underlined words and expressions with the words and expressions of the same meaning.**

1. From economic theory, it is known that price should be determined by the quantity available for sale and the desire for the product on the part of customers.
2. Personal selling is effective when there are just certain purchasers for the product.
3. The salesperson is necessary when there is discussion about the price.
4. Here is some information about the type of customers who purchase this product.
5. If you purchase this brand of toothpaste, you will receive a toothbrush as a free gift.
6. The customer decided to purchase this product because it was easy to see and reach.
7. This certificate, which you can cut out of the magazine, allows you to purchase the product at a reduced price.
8. The purchase of a new car sometimes involves the exchange of an old model.

**Ex. 10. Complete the following word-combinations with prepositions and make your own sentences with them.**

1. \_\_\_ the basis \_\_\_ a display
2. discounts \_\_\_ some items
3. \_\_\_ various ways
4. \$99.95 \_\_\_ the item
5. to produce a psychological effect \_\_\_ the buyer
6. negotiation \_\_\_ the price
7. other products \_\_\_ sale
8. to appeal \_\_\_ the shopper
9. distribution \_\_\_ free samples
10. demand \_\_\_ a product
11. to purchase \_\_\_ a reduced price
12. concentrated market \_\_\_ a product
13. apart \_\_\_ the brand name
14. to be sold \_\_\_ the brand name
15. to try \_\_\_ a number \_\_\_ promotional strategies
16. to originate \_\_\_ the same group
17. not \_\_\_ general consumption
18. a complement \_\_\_ advertising
19. to apply \_\_\_ all kinds \_\_\_ products
20. to be a great attribute \_\_\_ a company

**Ex. 11. Select the answer which best completes the meaning of the sentence. Translate the sentences into your native tongue.**

1. Younger customers regularly \_\_\_ from one brand to another.  
a) go                      b) jump                      c) switch
2. All over the world there are red and white paper cups bearing the company \_\_\_\_\_.  
a) logo                      b) mark                      c) brand
3. There was a \_\_\_ of the latest research at the trade fair in London.  
a) exhibition              b) show                      c) display
4. There has been a lot of advanced \_\_\_ for their new product.  
a) publicity                b) commercial              c) popularity
5. If the product must be individually \_\_\_ for the purchaser, the salesperson must be able to sell exactly what the customer needs.  
a) constructed            b) designed                c) planned
6. In making plans for sales promotion, a company must consider the \_\_\_\_\_.  
a) competition            b) market share            c) demand
7. A salesperson is able to do some \_\_\_ about the price.  
a) negotiation            b) discussion                c) arguments
8. The market for wrist watches is almost completely \_\_\_, but we expect to increase our sales of pocket calculators.  
a) concentrated            b) saturated                c) failed
9. Displays are a method of stimulating sales in \_\_\_ stores.  
a) retail                    b) discount                 c) self-service

10. \_\_\_ can produce a favourable psychological effect on the buyer.  
 a) Off-even pricing    b) Loss leader item    c) Price reductions
11. Coupons and store demonstrations are an example of \_\_\_\_.  
 a) personal selling    b) sales promotion    c) promotional tool
12. While a special magazine may be preferred for promoting expensive camera equipment, personal selling may be the best way to market \_\_\_ goods to other organizations.  
 a) consumer    b) industrial    c) shopping

**Ex. 12. Complete the following table with appropriate forms of the words.**

<b>Noun (concept)</b>	<b>Adjective</b>	<b>Verb</b>
<i>recognition</i>	<i>recognizable</i>	<i>recognize</i>
	negotiable	
	-----	register
loyalty		-----
		stimulate
	original	
demonstration		
	concentrated	
		promote
reduction		
	geographic	-----
		identify

**Ex. 13. Translate the following sentences into English.**

a)

1. Обізнаність про існуючі торгові марки може надалі перерости у відданість певній марці чи певному виробнику.

2. Для сприяння продажу використовуються різні маркетингові методи, а саме: надання безкоштовних примірників, бонусів для постійних покупців, а також наборів товарів за зниженими цінами.

3. На стадії введення товару на ринок виробнику необхідно домогтися обізнаності споживача про торгову марку.

4. Існують два способи підвищення рівня продаж: пошук нових ринків збуту та збільшення частки ринку.

5. На ринку, який вже насичено продукцією, дуже часто на товар встановлюється ціна, що не досягає круглої цифри.

**b)**

1. Иногда, чтобы идентифицировать товар с определенным производителем, дается наименование целому спектру товаров.

2. Продажа товаров торговыми агентами считается самым дорогостоящим инструментом по продвижению товаров на рынок, поэтому его используют только в качестве дополнения к рекламе.

3. Благоприятный эффект на целевого покупателя могут оказывать магазины самообслуживания.

4. Для привлечения покупателя, который меняет свои марочные предпочтения, продавцы применяют целый ряд стратегий, иногда даже продают свой товар с убытком.

5. Регистрация торговой марки позволяет ее владельцу защитить свой товар от нечестных конкурентов.

**Ex. 14. Match the following English phrases to their Russian equivalents. What to say when promoting a product?**

**a) How to praise the quality:**

- |   |  |
|---|--|
| 1. The quality is the best at this price.         | a) С ним легко обращаться.                         |
| 2. The product is of high quality.                | b) Он надежен в эксплуатации.                      |
| 3. It meets the requirements of the world market. | c) Он соответствует лучшим мировым стандартам.     |
| 4. It is of great demand on the world market.     | d) Он отвечает требованиям мирового рынка.         |
| 5. It is up to the best world standards.          | e) Он пользуется большим спросом на мировом рынке. |
| 6. It is reliable in operation.                   | f) Качество соответствует цене.                    |
| 7. It is easy to handle.                          | g) Продукт высокого качества.                      |

**b) How to emphasize the benefits:**

- |  |  |
|--|--|
| 1. It has a number of advantages as compared with the previous make. | a) Он экономичнее, чем такие же модели на рынке.                                       |
| 2. Functional benefits: speed, power, efficiency.                    | b) Психологические преимущества: приятный дизайн и хорошие технические характеристики. |
| 3. Psychological benefits: attractive design and good performance.   | c) Он конкурентоспособный.   |
| 4. It is competitive.  | d) Он превосходит продукцию конкурентов на рынке.                                      |



- |  |  |
|--|--|
| 5. It is superior to rival products on the market.         | e) Практические преимущества: скорость, мощность, производительность.    |
| 6. It is more economical than similar makes on the market. | f) Этот продукт имеет ряд преимуществ по сравнению с предыдущей моделью. |

***c) Make up a short presentation of your own product. Use the phrases above and follow the instructions below.***

To promote your product successfully, you should develop a Unique Selling Proposition (USP): the features and benefits which make it unlike any of the competing products. According to the authors of International Business English, there are four stages in promoting a product – AIDA:

1. attract the attention of potential customers
2. arouse interest in the product
3. create a desire for its benefits
4. encourage customers to take prompt action

***Ex. 15. Translate the following sentences from Russian into English.***

1. Наш станок экономичен, надежен в эксплуатации и отвечает лучшим мировым стандартам.
2. Наша марка велосипедов имеет ряд преимуществ по сравнению с предыдущей моделью.
3. Наши мобильные телефоны лучше, чем такие же модели на мировом рынке.
4. Наши последние модели посудомоечных машин конкурентоспособны.
5. Наши автомобили отвечают всем требованиям мирового рынка.
6. У наших последних моделей холодильников новый дизайн и приятный цвет.
7. Наши видеокамеры надежны в эксплуатации и с ними легко обращаться.
8. Наша офисная мебель превосходит мебель наших конкурентов на мировом рынке.
9. Наши фотоаппараты высокого качества и пользуются большим спросом на мировом рынке.
10. Наши микроволновые печи имеют приятный дизайн и отличные технические характеристики.

***Ex. 16. Write a paragraph according to this plan. First, explain your current market situation. Then explain how you intend to attract more customers. Finally, explain how such activities will accomplish your goal.***

Suppose you were in charge of the marketing department of a company that produced soft drinks or another convenience product. You now market your product in a large metropolitan area, but want to increase the sales of this product. What promotional activities could you consider and why?

## **UNIT 7** ADVERTISING AND PR

Advertising is the communication of product information through mass media to the consumer for the purpose of increasing the demand for goods and services. The primary goal of all advertising is to create within the consumer the desire to purchase a product or service. Direct advertising can take a number of forms and appear in several formats. As advertising tends to be expensive, it is placed in the media which will reach the market segment in the most beneficial way. The place, chosen for the advert, may include commercial TV and radio, magazines and newspapers, journals, cinema, transport, billboards, posters, leaflets, brochures and hands-out – each carefully intends to reach specific consumer groups. The advertisers compose jingles and tunes, develop slogans and trademarks, design colourful logos and choose mascots to identify their product. Advertising campaigns, such as trade fairs, exhibitions and special advertising conferences, help to promote the goods as well.

There are three basic parts of advertising – product, company, and industry advertising.

Advertising, to convince consumers to buy a specific product or service, is called product advertising. It is particularly suited to products that are widely distributed, such as convenience goods. The method of advertising selected depends on the nature of the product, the target market, and the type of information which the company wishes to convey about its product. Mass media advertising is a big business in itself. TV advertisements are expensive to produce, so the name of the advertised product is repeated several times during radio and television commercials in order to reach a wide audience and justify the cost of the ad production. Advertisements are carefully planned to appeal to specific types of consumers, i.e. target audience. Local conditions, specific characteristics and habits of people who will probably be interested in a given product or service, day of the week, time of day, and the type of product are taken into consideration by TV advertisers. The assumption is made that viewers of a certain type of programme will represent a certain demographic profile. The message the advertisement carries is oriented to the viewpoint of the customer. It will communicate benefits that the customer can enjoy from the product or the desirable aspects of ownership. Products advertised during football games differ from products advertised during day time television because the target audience is different. Sometimes TV and radio ads are the best medium

because they reach a large audience appealing to the emotions of people through senses of sight and sound. In other cases advertising can be carried out through trade journals, leaflets, or catalogues distributed among potential buyers. Newspaper advertisements can appear on a particular day in a particular geographical area. A newspaper ad can contain a lot of written detail that appeals to the logic of the reader. It explains why he should purchase a certain product or service. Advertising may go beyond television, newspapers and magazines. The manager of a clothes store is advertising by putting models wearing the store's clothes in the window. A bicycle manufacturer is advertising when he sends a new price-list through the post to his retailers.

Advertising, to promote the image of a store, company or retail chain, is known as company advertising. Usually, price is not a consideration, and specific products are not mentioned. Emphasis is placed on the quality of the products or services the company sells, warranties or guarantees offered, or social and environmental concerns of the company. In a store advertisement, people can hear or read about the company's friendly employees, its wide selection of products or services or its claim that you can find everything you want in one place. These advertisements are designed to prompt a favourable attitude towards the company so that a consumer develops a loyalty to the store and will not shop anywhere else. Company advertisements may be accompanied by catchy slogans, tunes, or happy cartoons.

Advertising, to promote a general product group, without regard to where these products are purchased, is called industry advertising. For example, the dairy industry emphasizes the nutritional value of milk and other natural dairy products. Consequently, the whole dairy industry benefits when people drink more milk and eat more dairy products. Oil industry advertisements stress concerns about energy conservation, environmental protection and the search for new alternative forms of fuels. General health and safety advertisements are often presented in industry advertising campaigns, such as the stop-smoking ads.

Although some advertising is false and misleading, most of it is informational and valuable. It benefits consumers and the economy in a number of ways. First, advertising provides people with the information about prices, recent improvements in certain goods and services, and the availability of new ones. Second, it often results in lower prices. By creating mass markets, advertising enables producers to reduce the costs of their products and pass those savings on to the consuming public. Third, advertising stimulates competition. It works well when there are real differences between two or more similar products. Using

advertising, a company can emphasize the differences between its product and that of the competition. Most of the costs of magazines and newspapers and all of the costs of commercial radio and TV are paid by advertisers. Finally, advertising helps the economy as a whole by stimulating consumer demand. It helps to keep that spending at healthy levels.

Public relations (PR) are concerned with maintaining, improving or protecting the image of a company or product. It is believed that by maintaining a good public image, other trading activities will be smoothed and encouraged. Techniques for PR are well established. Among the most popular are open days, visitor centres, charitable donations, videos, sponsorship of sports competitions, events, etc. The most important element of PR is publicity. It is any mention of a company's product in any medium, read, viewed or heard by potential customers, aimed at assisting sales. Many companies attempt to place stories or information in news media to attract attention to a product or service. Publicity can have a huge impact on public awareness that could not be achieved by advertising. A lot of research has shown that people are more likely to read and believe publicity than advertising.

### ACTIVE VOCABULARY

advertising	рекламування, реклама / рекламирование, реклама
mass media	засоби масової інформації / средства массовой информации
advertisement (advert, ad)	реклама / реклама
billboard	рекламний щит / рекламный щит
leaflet	рекламна листівка / рекламная листовка
hand-out	реклама, яку роздають в руки перехожим / реклама, которая раздается в руки прохожим
advertiser	рекламодавець / рекламодатель
jingle	пісня, яку використовують в рекламі / песня, используемая в рекламе
slogan	рекламний лозунг, слоган / рекламный лозунг, слоган
mascot	емблема, талісман / эмблема, талисман
advertising campaign	рекламна кампанія / рекламная кампания

product advertising	рекламування продукту / рекламирование продукта
target market	цільові покупці / целевые покупатели
target audience	цільова аудиторія / целевая аудитория
to communicate	інформувати про переваги / информировать о преимуществах
benefits	
company advertising	рекламування компанії / рекламирование компании
emphasis	акцент / акцент
warranty	гарантія / гарантия
industry advertising	рекламування галузі промисловості / рекламирование отрасли промышленности
dairy industry	молочна промисловість / молочная промышленность
mass market	масовий покупець / массовый покупатель
open day	день відкритих дверей / день открытых дверей
charitable donation	благодійний внесок / благотворительный взнос
publicity	рекламно-пропагандистські засоби / рекламно-пропагандистские средства

### COMPREHENSION QUESTIONS

1. What is advertising?
2. What is the primary goal of all advertising?
3. What are the main media of advertising?
4. What are the advertisers' activities intended for the identifying their product?
5. What are the three basic parts of advertising?
6. What is product advertising?
7. What does the method of advertising selected depend on?
8. Why are TV ads repeated so often?
9. What does target audience mean?
10. What factors are taken into consideration by TV advertisers?
11. What is the advertisement message aimed at and what does it communicate?
12. Which medium appeals through sight and sound?
13. What medium can provide detail?
14. What is company advertising?

15. What is the main goal of company advertising?
16. What is industry advertising?
17. How can advertising benefit consumers and the economy?
18. What do public relations mean?
19. What does the term 'publicity' mean?
20. What is the key difference between publicity and advertising?

***Ex. 1. Memorize the following definitions.***

**Advertising** – the use of paid commercial messages for the purpose of selling products or ideas.

**Mass media** – means of communicating to general public – TV, radio, newspapers.

**Market segment** – identifiable group of individuals, families, firms, or organizations, sharing one or more characteristics or needs in the market.

**Advertisement (ad, advert)** – a notice, picture or film telling people about a product, job or service.

**Advertising campaign** – coordinated series of linked advertisements that focus on a common theme and one or few brands or products directed at a particular segment of the population.

**Target market** – particular market segment on which a marketing campaign is focused.

**Target audience** – a specific group at which the advertisements for a product are aimed.

**Mass market** – the market for standardized consumer products.

**Public relations (PR)** – systematic efforts to create a good public image of a company or product usually through publicity and other non-paid forms of communication.

**Publicity** – type of promotion that relies on public relations effect of a news story carried usually free by mass media.

***Ex. 2. Find in the text English equivalents of the following word-combinations and phrases. Make your own sentences using them:***

- 1) з метою підвищення попиту на товари та послуги;
- 2) досягти певного сегмента ринку найвигіднішим способом;
- 3) розробляти слогани;
- 4) створювати яскраві логотипи;
- 5) обирати емблему для ідентифікації товару;
- 6) товари, які широко розповсюджуються;
- 7) представляти певний демографічний зріз;
- 8) бути зорієнтованим на точку зору покупця;
- 9) інформувати про переваги, які покупець може отримати від товару;
- 10) рекламування може вихо-

дити за рамки телебачення; 11) акцент робиться на якості товарів; 12) викликати сприятливе ставлення до компанії; 13) можуть супроводжуватися яскравими лозунгами; 14) натуральні молочні продукти; 15) пошук нових альтернативних форм палива; 16) реклама, яка спрямована на захист здоров'я; 17) реклама проти паління; 18) рекламування забезпечує людей інформацією щодо цін; 19) рекламування стимулює конкуренцію; 20) робити акцент на відмінностях; 21) розробка, вдосконалення чи захист іміджу компанії або товару; 22) спрямований на підтримку продажів; 23) мати великий вплив на суспільну свідомість.

**Ex. 3. Find synonyms to the following words and expressions in the text:**

medium; target audience; to stimulate; methods; to emphasize; to convey; purpose; to be oriented to; viewers; TV commercial; to choose; to create; warranty.

**Ex. 4. Match the words and expressions to their definitions.**

1. advertiser	a) advertising to promote the image of a store, retail chain or company
2. warranty	b) a planned operation which aims to achieve a particular result
3. commercial	c) the impression that a person or a product makes on the public
4. the media	d) advertising, to promote a general product group, without regard to where the products are purchased
5. company advertising	e) money given to a person or an organization as charity in order to help them
6. campaign	f) a person, organization or company that places advertisements in order to reach target customers
7. trade fair	g) a day when a school or organization invites the public to come in and see the work that is done there
8. open day	h) an event at which many different companies show and sell their products
9. industry advertising	i) the main ways that large numbers of people receive information – TV, radio, newspapers



10. donation	j) a written promise to repair something if it breaks down, without payment within a particular period of time
11. image	k) advertising, to convince consumers to buy a specific product or service
12. product advertising	l) an advertisement on the radio or on television

**Ex. 5. Match the words to make collocations and make your own sentences with them.**

- |                 |               |
|-----------------|---------------|
| 1. mass         | a) profile    |
| 2. geographical | b) ads        |
| 3. trade        | c) audience   |
| 4. advertising  | d) media      |
| 5. demographic  | e) campaign   |
| 6. target       | f) commercial |
| 7. catchy       | g) journal    |
| 8. stop-smoking | h) donations  |
| 9. market       | i) slogans    |
| 10. public      | j) segment    |
| 11. charitable  | k) area       |
| 12. TV          | l) relations  |

**Ex. 6. Match the following definitions to the words in the box.**

- |                  |           |              |               |
|------------------|-----------|--------------|---------------|
| 1. billboard     | 4. poster | 7. hand-out  | 10. catalogue |
| 2. trade journal | 5. jingle | 8. trademark | 11. slogan    |
| 3. leaflet       | 6. logo   | 9. brochure  | 12. mascot    |

- a short song used in advertisements
- an animal or toy, or a person dressed as an animal, that represents a team or organization, and is thought to bring them good luck
- a large board on the outside of a building or at the side of the road, used for putting advertisement on
- a printed design or symbol that a company or organization uses as its special sign
- a sales publication that lists products and prices
- a piece of paper with information which is given to people who are attending a conference, lesson, meeting, etc.
- a printed sheet of paper to advertise or give information about smth.
- a publicity booklet giving information about a product or service
- a short phrase that is easy to remember and is used in advertisements, or by politicians, organizations, etc.

- j) a large printed picture or notice in a public place used to advertise something
- k) a magazine that is published for a particular trade or industry
- l) a distinctive design, graphics, logo, symbol, words, or any combination thereof that uniquely identifies a firm or its goods or services

**Ex. 7. Match each of the following verbs to one set of words and phrases below to get collocations. Give their equivalents in your native tongue.**

appeal to	promote	reach	communicate	emphasize
compose	stimulate	design	distribute	develop

1. <u>design</u>	colourful logos advertisements	6. ____	the market segment specific customer groups
2. ____	the logic of the reader the emotions of people	7. ____	competition consumer demand
3. ____	slogans trademarks	8. ____	information benefits
4. ____	a loyalty the image of a store	9. ____	the difference the nutritional value
5. ____	a general product group jingles	10. ____	catalogues leaflets
	tunes		

**Ex. 8. Complete the following word-combinations with prepositions and make your own sentences with them.**

- |   |   |
|---|---|
| 1. to be accompanied ____ slogans   | 11. to be interested ____ a given product                     |
| 2. ____ the most beneficial way   | 12. to distribute ____ potential buyers                       |
| 3. to provide people ____ the information ____ prices                       | 13. the communication ____ information ____ mass media        |
| 4. to attract attention ____ a product                                      | 14. to send a price-list ____ the post                        |
| 5. to appeal ____ the emotions ____ people ____ senses ____ sight and sound | 15. ____ a particular day ____ a particular geographical area |
| 6. to place information ____ news media                                     | 16. the search ____ new alternative forms ____ fuels          |
| 7. the attitude ____ the company  | 17. to be aimed ____ assisting sales                          |

- |   |  |
|---|--|
| 8. ___ other cases                              | 18. to result ___ lower prices             |
| 9. to take ___ consideration                    | 19. to develop a loyalty ___ the store     |
| 10. to carry ___ advertising ___ trade journals | 20. to have an impact ___ public awareness |

**Ex. 9. Complete the following sentences with the given words and expressions. Translate them into your native tongue.**

logo    campaign    message    sponsorship    mascots    trade journals  
 adverts    billboard    trade fairs    warranties    leaflet    mass media

1. Every year, thousands of exhibitions and \_\_\_\_\_ are held in different countries of the world.
2. Around the world, some 3 billion pairs of eyes will notice their logos, \_\_\_\_\_ and billboards.
3. At this time of year, the papers are full of \_\_\_\_\_ for skiing holidays.
4. By giving substantial coverage to environmental issues, the \_\_\_\_\_ call attention to them.
5. Directly behind him there was a huge \_\_\_\_\_ with her picture on it.
6. Almost all the equipment on offer will be second hand, but \_\_\_\_\_ are offered on most products.
7. Pick up a free \_\_\_\_\_ from your local post office to get more information about a new service.
8. The \_\_\_\_\_ stands for quality and value for money.
9. Corporate \_\_\_\_\_ ensures that far more money finds its way into sport than would otherwise be the case.
10. The Nova campaign failed in Latin America because of the \_\_\_\_\_ of the ads.
11. Our business-to-business products need to be advertised in \_\_\_\_\_.
12. The agency thinks we should target a wider audience using a large-scale print ad \_\_\_\_\_ in major magazines.

**Ex. 10. Choose and use the correct word in the following sentences. Translate them into your native tongue. Mind the following definitions:**

**company** – an organization that makes or sells goods or services in order to get money

**campaign** – a series of planned activities with a particular commercial aim

1. The \_\_\_ was in fact seriously in debt even though they claimed to be making a profit.

2. He has been a long time with this \_\_\_ and contributed a lot to \_\_\_ for diversification of goods.
3. Miller Brewing \_\_\_ increased its market share with an advertising \_\_\_.
4. The \_\_\_ is looking for larger premises and has hired an agency to develop a publicity \_\_\_.
5. The \_\_\_ reported sales of \$42 million during the first quarter.
6. A new \_\_\_ by activists has forced the \_\_\_ to reconsider some of its policies.
7. The \$3,000 allocated to the marketing \_\_\_ were spent in no time.
8. The \_\_\_ has evolved into a major chemical manufacturer.
9. The advertising \_\_\_ that launched our latest soft drink was exceedingly successful.
10. The \_\_\_ wants to sell the same number of items at higher prices.
11. Sales have increased by 10% over last year due to an effective promotion \_\_\_.
12. British travel \_\_\_ say they do not intend to reduce the cost of holidays to Spain this year.

***Ex. 11. Select the answer which best completes the meaning of the sentence. Translate the sentences into your native tongue.***

1. Newspapers and television are news and advertising \_\_\_\_\_.
  - a) methods
  - b) medium
  - c) media
2. These cosmetics are aimed at the teenage \_\_\_\_\_.
  - a) group
  - b) market
  - c) audience
3. They asked for a \_\_\_\_\_ about our services.
  - a) brochure
  - b) price-list
  - c) catalogue
4. The purpose of advertising is to \_\_\_\_\_ people to buy product or service.
  - a) make
  - b) inform
  - c) persuade
5. The Mani perfume range \_\_\_\_\_ to the younger end of the market.
  - a) attracts
  - b) advertises
  - c) appeals
6. Some countries do not allow \_\_\_\_\_ for children's products.
  - a) TV ads
  - b) newspaper leaflets
  - c) magazine commercials
7. TV advertising is aimed at a \_\_\_\_\_, so many people will see the commercial message on television.
  - a) target audience
  - b) wide audience
  - c) target market
8. We need to \_\_\_\_\_ ads in all the mass consumer magazines.
  - a) set
  - b) place
  - c) create
9. Turning \_\_\_\_\_ consumers into actual purchasers is always difficult.
  - a) potential
  - b) regular
  - c) mass

10. We'll be using \_\_\_ throughout the city as the main thrust of our outdoor campaign.  
 a) jingles                      b) slogans                      c) billboards
11. Unlike the other promotion tools, \_\_\_ is concerned primarily with people outside the target market.  
 a) PR                              b) publicity                      c) advertising
12. \_\_\_ have a wide choice of media including national and local newspapers, magazines, cinema, TV, radio, and posters.  
 a) Marketers                      b) Agencies                      c) Advertisers

**Ex. 12. Rewrite the following sentences. Replace the underlined words and expressions with the words and expressions of the same meaning.**

- The company wants to convey certain information regarding its product.
- Using advertising, a company can point out the differences between their product and that of another company which produces a similar product.
- Advertising is useful for products which are available in many places.
- Commercial messages on television are seen by many viewers.
- Television and radio are two channels of communication for advertising.
- Publicity, as a method of presentation of goods, services, or ideas, is oriented to assisting sales.
- The purpose of advertising is to communicate information that convinces a customer to buy a specific product.
- Advertising is aimed at many listeners and readers.

**Ex. 13. Complete the following sentences with the appropriate form of the word 'advertise'. Translate them into your native tongue.**

- The \_\_\_\_\_ are intended to improve the company's image.
- In general, \_\_\_\_\_ works best when the demand for a product is increasing.
- \_\_\_\_\_ have to buy time on the television in order to reach their target audience.
- \_\_\_\_\_ attempts to influence the customers' buying habits so that they will purchase the product being \_\_\_\_\_.
- \_\_\_\_\_ in newspapers is not an effective way of selling aircrafts.
- They are accused of coping a rival's \_\_\_\_\_ strategy.
- They \_\_\_\_\_ the company to set up an online auction.
- Creating an international \_\_\_\_\_ campaign requires the talents of professionals in many areas, and expensive testing and research are always done before deciding which \_\_\_\_\_ will finally be used.

9. Careers in \_\_\_\_\_ may involve working for \_\_\_\_\_, media, \_\_\_\_\_ agencies, or suppliers and special services.
10. Since television \_\_\_\_\_ are usually very expensive to produce, they must be shown thousands of time.
11. \_\_\_\_\_ is non-personal because every person sees the exact same \_\_\_\_\_.
12. The \_\_\_\_\_ wants a maximum number of people to see or read his message.

**Ex. 14. Complete the following table with appropriate forms of the words.**

<b>Noun (concept)</b>	<b>Adjective</b>	<b>Verb</b>
<i>difference</i>	<i>different</i>	<i>differ</i>
	beneficial	
awareness		-----
	emphatic	
		communicate
appeal		
	informational	
availability		-----

**Ex. 15. Translate the following sentences into English.**

**a)**

1. Щоб досягти певної групи споживачів, використовують цілу низку рекламних засобів: телебачення, радіо, газети, журнали, брошури, листівки, транспортні засоби та ін.

2. Одним з найефективніших, але дорогих видів реклами вважається реклама з використанням засобів масової інформації.

3. Створюючи рекламу, рекламодавці враховують умови проживання, звички та уподобання потенційних споживачів.

4. Товари, що рекламуються впродовж трансляції спортивних змагань, будуть, звичайно, відрізнятися від товарів, що рекламуються під час показу художніх чи науково-документальних фільмів.

5. Реклама сприяє економіці в цілому, стимулюючи попит споживачів.

**b)**

1. С помощью рекламы компания-производитель может сделать акцент на преимуществах своего товара, сравнивая его с уже существующими на рынке товарами.

2. Целевая аудитория – это потенциальные покупатели, для которых производится тот или иной вид товара.

3. Сегодня рекламно-пропагандистские средства стали самым популярным способом продвижения на рынок товаров и услуг.

4. Реклама для продвижения основной группы товаров без учета места покупки этих товаров, называется отраслевой рекламой.

5. Выбранный метод рекламы зависит от типа товара, целевого рынка и той информации о товаре, которую компания желает передать потенциальному покупателю.

**Ex. 16. Explain the meaning of the following phrases and translate them into your native tongue.**

1. Mass media advertising (television, radio, and national press) is a big business in itself.

2. Viewers of a certain type of programme will represent a certain demographic profile.

3. By maintaining a good public image, other trading activities will be smoothed and encouraged.

4. People are more likely to read and believe publicity than advertising.

**Ex. 17. Summarize advantages and disadvantages of the promotional tools in the following table.**

	Advantages:	Disadvantages:
Advertising		
PR		
Sales promotion		
Personal selling		

**Ex. 18. Discuss the following statements.**

a) Advertising standards are the standards of honesty and decency that advertisements are expected to follow.

b) Spam is unwanted e-mail sent to a large number of people usually as advertising.

**Ex. 19. a) Choose a programme on commercial TV and try to characterize its target customers. Note what products and how many items have been advertised in one programme. Analyze verbal and non-verbal means of persuasion in one of the advertisements; make predictions about their possible influence on the target audience.**

**b) Compose a brief essay on the basis of your analysis; make its presentation to the group.**

## REVISION 3 (UNITS 6-7)

*Ex. 1. Read the definitions. Then put the anagrams in the correct order. The first letter of each word is in bold.*

1. A plan that is intended to achieve a particular purpose. rastegty *strategy*
2. Registered name or design of a company which cannot be used by another company. adekrmart .....
3. A reduction in the normal price of something. tiscuodn .....
4. All means of communicating a message about a product or service. ropmnotio .....
5. A type of product made by a particular company. drban .....
6. An act of showing or explaining how something works or is done. emoastrdntion .....
7. A method of communicating information. uemdim .....
8. The activity and industry of advertising things to people on television, in newspapers, on the Internet, etc. deirtvisnag .....
9. According to population. pemcodgrahi .....
10. According to the location of communities and customers. eplograhicag .....
11. A complete list of items that people can look at or buy. gatalouce .....
12. A small magazine or book containing pictures and information about smth. or advertising smth. ochburer .....

*Ex. 2. Match the words and word-combinations to similar meanings.*

- |                      |                       |
|----------------------|-----------------------|
| 1. range of products | a) target market      |
| 2. logo              | b) sales rep          |
| 3. promotional tool  | c) to be aimed at     |
| 4. salesperson       | d) bonus              |
| 5. to be intended to | e) selection of goods |
| 6. to stimulate      | f) competitor         |
| 7. premium           | g) wide audience      |
| 8. target customer   | h) to encourage       |
| 9. competition       | i) to convey          |
| 10. mass market      | j) promotion activity |





- |                    |                |
|--------------------|----------------|
| 2. open            | b) audience    |
| 3. concentrated    | c) shopper     |
| 4. brand           | d) sample      |
| 5. mass            | e) campaign    |
| 6. trade           | f) share       |
| 7. price-conscious | g) journal     |
| 8. demographic     | h) media       |
| 9. target          | i) advertising |
| 10. market         | j) day         |
| 11. company        | k) profile     |
| 12. promotion      | l) market      |

**Ex. 6. Complete the following sentences with the correct form of the word in capitals. Translate them into your native tongue.**

- |  |                       |
|--|-----------------------|
| 1. Her job involves _____ new educational software.  | DEMONSTRATE           |
| 2. The contract is for a period of six months, and is not _____.   | NEGOTIATE             |
| 3. We have planned an exciting publicity campaign with our _____.  | ADVERTISE             |
| 4. The cost of _____ campaign tends to vary with the media selected.   | PROMOTE               |
| 5. We need to appeal to a wider range of _____.  | CONSUME               |
| 6. With the help of monetary and fiscal _____, the outlook for the corporate sector is looking _____ bright. | STIMULATE<br>INCREASE |
| 7. This _____ campaign is devoted to a new collection of accessories.  | PUBLIC                |
| 8. Health officials have tried to raise _____ about AIDS among teenagers.                                    | AWARE                 |
| 9. The agreement, signed by two companies, will be _____ to both parties.                                    | BENEFIT               |
| 10. The CEO made a speech, _____ the need for more print ads presenting a new product.                       | EMPHASIZE             |

**Ex. 7. Complete the following text with the correct options below.**

I quite agree that ads are very important for attracting the customers' attention but **1** \_\_\_\_\_ literature—catalogues, brochures, **2** \_\_\_\_\_—can describe your product in more detail and be more **3** \_\_\_\_\_. The **4** \_\_\_\_\_ customers can be sent promotion **5** \_\_\_\_\_ by post.

I believe that every letter should be given a ‘personal touch’, i.e. it should be 6 \_\_\_\_\_ to a particular customer and it should satisfy his particular needs.

- |    |   |             |   |            |   |              |
|----|---|-------------|---|------------|---|--------------|
| 1. | a | print       | b | business   | c | <u>sales</u> |
| 2. | a | posters     | b | booklets   | c | mascots      |
| 3. | a | informative | b | valuable   | c | effective    |
| 4. | a | regular     | b | particular | c | potential    |
| 5. | a | literature  | b | tactics    | c | price-lists  |
| 6. | a | aimed       | b | addressed  | c | oriented     |

**Ex. 8. Underline the verb which does not match the noun.**

1. A MARKET  
a) bypass      b) establish      c) launch      d) originate
2. A BRAND  
a) establish      b) open      c) build      d) create
3. AN IMAGE  
a) distribute      b) have      c) protect      d) present
4. AWARENESS  
a) raise      b) heighten      c) pick up      d) increase
5. A MESSAGE  
a) respond      b) send      c) take      d) write
6. INFORMATION  
a) communicate      b) develop      c) gather      d) convey
7. A CAMPAIGN  
a) launch      b) start      c) encourage      d) provide
8. COMMISSION  
a) be on      b) earn      c) negotiate      d) launch

**Ex. 9. Translate the following sentences into your native tongue.**

1. A generic is a product that is sold under the brand name of the retailer and applies to all kinds of products.
2. Increasing market share involves more stimulation of the buyer’s emotion than does finding new markets.
3. A successful brand image can be a great attribute to a company when launching new products.
4. Stimulation promotion is the temporary tactics aimed at stimulating either earlier or stronger sales of a product.
5. Personal selling involves a person-to-person direct communication where the benefits of the product are explained.
6. Publicity can have a huge impact on public awareness that could not be achieved by advertising.

7. Public relations are concerned with maintaining, improving and protecting the image of a company or product.
8. Advertising works well in case of having real differences between two or more similar products.
9. Advertising campaigns, namely trade fairs, exhibitions and advertising conferences, stimulate the promotion of the goods.
10. Selling of their products to different market segments helps the companies to expand their geographical sales area.

***Ex. 10. Translate the following sentences from Ukrainian into English.***

1. Для стимулювання збуту необхідно запровадити цілу низку рекламних засобів.
2. Після того як сформується відданість певній торговій марці, виробник може підвищити вартість свого товару.
3. Коли ринок вже насичено продукцією, можна привабити покупця цінами, що не досягають круглої цифри.
4. Надання торговій марці – це процес, завдяки якому товар отримує свою назву, щоб виокремитися серед інших товарів.
5. Безкоштовні примірники та бонуси особливо ефективні на початковій стадії запровадження товару на ринок.
6. Реклама забезпечує людей інформацією щодо цін, нещодавніх удосконалень товарів і послуг та їх наявності на ринку.
7. Такий тип реклами особливо підходить до товарів повсякденного попиту.
8. Реклама може поширюватися навіть за межі телебачення, газет та журналів.
9. У рекламі молочної промисловості підкреслюється споживча цінність молока та інших натуральних молочних продуктів.
10. У будь-якій рекламі акцент завжди робиться на перевагах товару, який рекламується, але ніколи не вказуються його недоліки.

***Ex. 11. Translate the following sentences from Russian into English.***

1. Насыщение рынка означает, что у компании больше нет новых клиентов, а привлечь их можно только со стороны конкурентов.
2. Многие производители считают важным создание образа своей торговой марки, чтобы их товар был узнаваем среди товаров конкурентов.
3. Благоприятный психологический эффект на покупателя может оказать товар с очень низкой ценой, который, как правило, продается с убытками для продавца.

4. Для покупателя, который меняет свои марочные предпочтения, стоит разработать программу по изменению образа торговой марки.
5. Рекламодатель в своей рекламе может использовать разнообразные лозунги, эмблемы, символы и даже мелодии.
6. Дни открытых дверей проводятся обычно для привлечения массового покупателя товаров или услуг.
7. Иногда реклама может быть недостоверной и обманчивой.
8. Чтобы максимально эффективно охватить требуемый сегмент рынка, следует размещать рекламу в средствах массовой информации.
9. Рекламирование – это передача сведений о товаре потребителю через средства массовой информации с целью увеличения потребительского спроса на определенный товар.
10. Люди скорее доверяют опыту друзей, нежели рекламно-пропагандистским средствам.

Most countries realize the advantages of world trade. Countries have developed their economies, increased production of goods, and met market demands through increased world trade. The interdependence among trading nations has provided increased business opportunities. In an interlinked global economy, consumers are given the chance to buy the best products at the best prices. The basic idea of international trade and investment is simple – by opening up markets, a government allows its citizens to produce and export those things they are best at and to import the rest, choosing from whatever the world has to offer.

International business develops because certain countries are able to produce some goods more efficiently than other countries. They exchange goods to satisfy their needs and wants. Efficient production may be the result of several factors. Countries differ as to the type and quantity of raw materials within their borders, their climate, the skill and size of their labour force, and their stock of physical capital. Another factor is geographical location. Countries like Singapore and Panama deal in banking and trading because they are located on the world trade routes.

In an uncontrolled free market trade situation, there is international specialization which results in the most efficient production of goods. Plain regions with suitable climates can specialize in growing grain crops, mountainous regions – in timber and mining, cool regions can produce crops that thrive in temperate climates, hot regions can grow tropical crops such as coffee and bananas, regions with abundant power sources can specialize in manufacturing, and so on. With trade, each area can concentrate its efforts on what it does relatively well. And with exchange among specializing regions, all regions can gain. Competition guarantees that countries import products which are most efficiently manufactured abroad and export products which are most efficiently produced domestically. Price is determined by the supply side of the market. An exporting country does not have to be the most efficient producer of the product; it only has to be more efficient than the country which imports the product. Mutually beneficial trade arises when one country has a comparative advantage. So, international trade takes place because of differences in costs of production among countries, and because it increases the economic welfare of each country by widening the range of goods and services available for consumption.

There are several reasons why governments try to control the imports and exports of a country. One reason is that a country enjoys an advantage if it exports more than it imports. Wealth accrues to the exporting country. Some countries have special programmes to encourage exports which provide marketing information, establish trade missions, subsidize exports, and provide tax benefits. Government subsidies allow companies to sell products cheaply overseas. This practice is known as dumping. Dumping is selling on a foreign market at a price below the cost of production. There has been an increase in the number of customs unions and free-trade areas, such as the European Community (EC) and the World Trade Organisation (WTO) which establish free trade between member countries.

On the other hand, international trade is not free from restrictions. Governments impose taxes and quotas to restrict imports of certain products. Such intervention is called protectionism. Governments sometimes want to protect a domestic industry that provides employment for the population. Not only the industries but also the labour unions encourage the government to enact protectionist controls.

Protectionist measures which restrict imports are tariffs and quotas. Taxes levied by the government on imports of particular goods are known as import duties. There are two forms of import tariffs: specific and ad valorem. A specific tariff is a certain amount of tax for each unit of the product imported. The imposition of the ad valorem tax depends upon first, determining the value of the product, and then is calculated as a percentage of the price of the product. Some countries use the free on board (FOB) method which is the cost of the product as it leaves the exporting country. Other countries have adopted the cost insurance freight (CIF) method which adds the value of place utility to the cost of the product. A tariff increases the price of the item, raises revenue for the government, and controls consumption through market forces. A quota has a different effect on the market because it limits the number of items imported over a period of time. While under a quota, there may be a higher price because of a limited supply. Under a tariff, it is the tax that creates a higher price: the supply is not limited.

The main difference between domestic trade and international trade is the use of foreign currencies to pay for the goods and services crossing international borders. In order to import and export products, there needs to be a system of international monetary exchange. While a few products like oil are always priced in US dollars, most products must be paid for with the legal tender of the producing country. Global trade involves the exchange of one currency for another. Most currencies are

now exchanged on a floating rate basis. The rates fluctuate according to market forces. If large amounts of a country's currency are being exchanged, the exchange rate may vary greatly because demand, and therefore, the price of a currency is either rising or falling. Sometimes these great fluctuations in value threaten economic stability; then central banks change market forces by purchasing a foreign currency to support its price and maintain stability.

Whenever a country imports or exports goods and services, there is a resulting flow of funds; money returns to the exporting nation, and money flows out of the importing nation. The amount of money, that goes in and out of a country, is referred to as the balance of payments. If a country is exporting more than it imports, it is receiving foreign currency and has a balance of trade surplus. If it is importing more than it exports, it is sending money out of the country and has a balance of trade deficit. Continued surpluses or deficits change the demand for the currency of a country and cause its value to float either upward or downward.

Exporting or parent companies sometimes set up subsidiaries in the market countries. The larger company is referred to as parent company. Some countries have laws restricting the foreign ownership of factories or other production facilities, while others encourage foreign investment. A large company, that sets up production facilities in several different countries, is referred to as a multinational. Multinational corporations develop a global philosophy of management, marketing, and production. They choose to operate in those countries that afford them comparative advantages.

### ACTIVE VOCABULARY

interdependence among trading nations	взаємозалежність країн, що торгують / взаимозависимость торгующих стран
interlinked global economy	взаємопов'язана всесвітня економіка / взаимосвязанная всемирная экономика
world trade routes	всесвітні торговельні шляхи / всемирные торговые пути
to thrive in temperate climates	процвітати в помірному кліматі / процветать в умеренном климате
with abundant power sources	багаті на енергоресурси / богатые на энергоресурсы



relatively well	відносно добре / относительно хорошо
mutually beneficial trade	взаємовигідна торгівля / взаимовыгодная торговля
comparative advantage	порівняльна перевага / сравнительное преимущество
to widen the range of goods	розширити асортимент товарів / расширять ассортимент товаров
to enjoy an advantage	користатися перевагою / пользоваться преимуществом
trade mission	торговельне представництво / торговое представительство
to subsidize exports	субсидувати експорт / субсидировать экспорт
a subsidy	субсидія / субсидия
dumping	бросовий експорт, демпінг / бросовой экспорт, демпинг
customs union	митний союз / таможенный союз
free-trade area	зона вільної торгівлі / зона свободной торговли
European Community (EC)	Європейський союз (ЄС) / Европейский союз (ЕС)
World Trade Organisation (WTO)	Світова організація торгівлі (СОТ) / Всемирная торговая организация (ВТО)
to impose taxes	оподатковувати / облагати налогами
quota	квота / квота
protectionism	протекціонізм / протекционизм
domestic industry	вітчизняна промисловість / отечественная промышленность
labour union	профспілка / профсоюз
tariff	мито, тариф / пошлина, тариф
duty	мито, податок / таможенная пошлина, налог
specific tariff	спеціальний тариф, збір / специальный тариф, сбор
ad valorem tax	податок з вартості / налог в соответствии со стоимостью

free on board (FOB)	вільно на борту (умови фоб) / свободно на борту (условия фоб)
cost insurance freight (CIF)	вартість, страхування, фрахт (умови сиф) / стоимость, страхование, фрахт (условия сиф)
to raise revenue	збільшувати державний прибуток / увеличивать государственный доход
foreign currency	іноземна валюта / иностранная валюта
legal tender	законний платіжний засіб / законное платежное средство
on a floating rate basis	на підставі плаваючого обмінного курсу / на основе плавающего обменного курса
exchange rate	обмінний курс / обменный курс
to threaten economic stability	загрожувати економічній стабільності / угрожать экономической стабильности
flow of funds	рух капіталу / движение капитала
balance of payments	платіжний баланс / платежный баланс
balance of trade surplus	активне сальдо торгового балансу / активное сальдо торгового баланса
balance of trade deficit	дефіцит торгового балансу / дефицит торгового баланса
production facilities	виробничі фонди (підприємства) / производственные фонды (предприятия)
a multinational	транснаціональна корпорація / транснациональная корпорация

### COMPREHENSION QUESTIONS

1. What advantages do countries derive from world trade?
2. What is the basic idea of international business?
3. How does efficient production give rise to world trade?
4. What factors mentioned would contribute to a country's production efficiency?
5. How do regions take advantage of international trade?
6. Why do nations export their goods?
7. Why and how do governments encourage exports?

8. Why do governments try to control imports?
9. What groups sometimes encourage protectionism?
10. What are the two forms of protectionism?
11. What is the main difference between the two forms of import tariffs: specific and ad valorem?
12. What is one advantage of tariffs over quotas to a government?
13. Why do tariffs and quotas have different effects on the market?
14. What measures may central banks take to prevent great fluctuations in value of the currency?
15. What does the term 'balance of payments' refer to?
16. What is the difference between a balance of trade surplus and balance of trade deficit?
17. What does a multinational mean?

**Ex. 1. Memorize the following definitions.**

**International trade** – exchanges of goods and services that take place across national boundaries.

**Free market** – buying and selling activity unrestricted by government price regulation.

**Dumping** – the selling of products in foreign countries at prices below those charged in the producing country, or at prices below the actual cost of production.

**Protectionism** – the introduction of laws regulating imports for the purpose of protecting domestic companies from foreign competition.

**Balance of payments** – the difference between the value of exports and the value of imports.

**Production facilities** – factories, plants and companies.

**Multinational** – a company that conducts business in several countries and has a global philosophy of management.

**Ex. 2. Find in the text English equivalents of the following word-combinations and phrases. Make your own sentences using them:**

- 1) реалізувати переваги світової торгівлі;
- 2) відрізнитися за типом та кількістю сировини;
- 3) резерви фізичного капіталу;
- 4) спеціалізуватися на вирощуванні зернових культур;
- 5) товари, які більш раціонально виробляються за кордоном;
- 6) через різницю у витратах на виробництво серед країн;
- 7) підвищує рівень економічного добробуту кожної країни;
- 8) шляхом розширювання спектра товарів та послуг для споживання;
- 9) стимулювати експортні операції;
- 10) продавати товар дешево за кордон;
- 11) зростання кількості митних спілок та зон вільної торгівлі;
- 12) обкладати податками

та квотами; 13) обмежити обсяги імпорту певних товарів; 14) захищати вітчизняну промисловість; 15) вводити засоби протекційного контролю; 16) підвищує рівень прибутковості для уряду; 17) обмежує кількість одиниць товару, що імпортується за певний період; 18) платити за товари та послуги, що перетинають міжнародні кордони; 19) продукт, такий як нафта, завжди оцінюється в доларах США; 20) курси валют змінюються відповідно до ринкових умов; 21) створювати філіали у країнах з розвинутою економікою.

**Ex. 3. Find antonyms to the following words and expressions in the text:**

plain regions; to export; domestic trade; downward; cool regions; rising; imports; production; to flow out; manufactured abroad; demand; subsidiary; exporting nation; balance of trade deficit.

**Ex. 4. Find synonyms to the following words and expressions in the text:**

overseas; world trade; exporting country; to levy taxes; value; to grow crops; tax; to give a chance; to limit; import tariff; free trade; currency; area; to raise.

**Ex. 5. Match the words and expressions to their definitions.**

1. legal tender	a) money value not determined by a fixed standard
2. ad valorem tax	b) below cost foreign sale
3. specific tax	c) the reliance of countries on one another
4. floating rate	d) to help or support financially
5. balance of trade deficit	e) unit or item tax
6. interdependence	f) international financial position of a country: account of imports and exports
7. subsidiary	g) to rise and fall rapidly
8. dumping	h) a company owned or controlled by another larger company
9. to fluctuate	i) excess of imports over exports
10. balance of payments	j) a large company which owns smaller companies
11. parent company	k) tariff based on value

12. to subsidize

l) the type of money used by a particular country or trading nation

**Ex. 6. Select the answer which is consistent with the meaning of the sentence.**

1. International trade develops because certain countries are able to produce some goods more efficiently than other countries. They exchange these goods in order to satisfy their needs and wants.

- a) Countries import the goods which they produce efficiently.
- b) Countries probably export the goods which are not efficiently produced.
- c) Countries probably exchange goods, which they produce efficiently, for goods which other countries produce efficiently.
- d) Efficient exchange results from international trade.

2. A certain climate in a particular country may allow that country to grow agricultural products in abundance.

- a) This country probably has a comparative advantage in agriculture.
- b) This country most likely exports farm products.
- c) This country can grow food efficiently.
- d) All of the above.

3. In an uncontrolled free market trade situation, there would be an international division of labour resulting in the most efficient production of goods.

- a) With trade restrictions, countries specialize in what they produce.
- b) The most efficient production is a result of a free market.
- c) Specialisation in production should be left uncontrolled.
- d) Labour always favours a free market trade situation.

4. Price is determined by the supply side of the market.

- a) If the demand for products increased, so would the price.
- b) There is such an abundance of products for sale that the prices would have to increase.
- c) If the supply is low, the price is low.
- d) Supply is more of a factor than demand in determining the price.

5. A basis for mutually beneficial trade is the fact that one country has a comparative advantage.

- a) Both the importing country and the exporting country benefit from trade.

- b) One country's comparative advantage can benefit another country.
- c) The comparative advantage of one country can result in trade between countries.
- d) All of the above.
6. A country can accrue wealth if it exports more than it imports.
- a) This country has a balance of trade deficit.
- b) Demand for this country's currency will fall.
- c) This country receives money from countries which import its products.
- d) All of the above.
7. Governments try to control imports of products to protect domestic industries.
- a) Protectionist measures take the form of import duties and quotas.
- b) Protectionist measures ensure free trade.
- c) Workers are always opposed to protectionism.
- d) All protectionist policies have the same effect on the market.
8. Selling products abroad at prices lower than the cost of production is known as dumping.
- a) Dumping is always against government policy.
- b) Dumping is always beneficial to the importing country because buyers pay low prices.
- c) Exporters dump products on foreign markets to low domestic employment.
- d) Some reasons for dumping could be inventory reduction, maintenance of domestic employment, and continuation of high production levels.
9. Most currencies are now exchanged on a floating rate basis in which there are no official exchange rates, and rates fluctuate according to market forces.
- a) If money changers want to sell dollars for yen, the price of the dollar will decline.
- b) An exporting country with a balance of payments surplus may accumulate a lot of foreign currency for which demand is low, thus making their exports more expensive.
- c) The supply and demand for currencies determine the exchange rates.
- d) All of the above.

10. Multinational companies set up production facilities in countries where production is most efficient.

- a) All countries allow foreign ownership of production facilities.
- b) The larger company is called the parent company; the production facilities are referred to as a subsidiary.
- c) Subsidiary companies eliminate the problem of worldwide competition.
- d) Each subsidiary needs to consider only local market conditions.

**Ex. 7. Match the words to make collocations and make your own sentences with them.**

- |                  |               |
|------------------|---------------|
| 1. domestic      | a) nation     |
| 2. floating      | b) facilities |
| 3. production    | c) area       |
| 4. protectionist | d) advantage  |
| 5. trade         | e) duties     |
| 6. parent        | f) union      |
| 7. importing     | g) rate       |
| 8. global        | h) industry   |
| 9. comparative   | i) economy    |
| 10. customs      | j) mission    |
| 11. import       | k) company    |
| 12. free-trade   | l) measures   |

**Ex. 8. Complete the following sentences with the given words and expressions. Translate them into your native tongue.**

trade      tariffs      fluctuate      production      subsidies      facilities  
dumping      rate      multinationals      subsidiary      quota      worldwide

- 1. The climates in the USA and in Canada are suitable for \_\_\_\_\_ of large amounts of wheat.
- 2. Workers certainly don't want their pay to \_\_\_\_\_ widely.
- 3. World Bank economists are urging rich countries to cut \_\_\_\_\_ to certain industries.
- 4. The government established a \_\_\_\_\_ for imported beef in order to protect the domestic beef producers.
- 5. The new \_\_\_\_\_ will make the imported products more expensive for consumers.
- 6. Many developing countries encourage multinational companies to build production \_\_\_\_\_.

7. Japan has a balance of \_\_\_\_\_ surplus because it exports more than it imports.
8. Trade restrictions were imposed because foreign \_\_\_\_\_ was resulting in high unemployment among workers in steel industry.
9. The parent company in Japan set up this \_\_\_\_\_ to produce motorcycles in the United States.
10. Multinational corporations have a \_\_\_\_\_ philosophy of management and marketing.
11. Currencies are now being exchanged on a floating \_\_\_\_\_ basis.
12. The country's industry is largely controlled by the \_\_\_\_\_.

**Ex. 9. Match the following definitions to the words in the box.**

- |          |           |            |            |             |
|----------|-----------|------------|------------|-------------|
| 1. duty  | 3. import | 5. deficit | 7. tariffs | 9. currency |
| 2. quota | 4. export | 6. surplus | 8. subsidy | 10. customs |

- a) taxes on goods coming into a country or going out of it
- b) goods that are produced at home but consumed abroad
- c) a limit or maximum number of items which the government allows to be imported
- d) money that is actually in use in a country
- e) an extra amount
- f) goods that are produced abroad but consumed at home
- g) government department responsible for collecting taxes on goods brought into the country
- h) an import tax
- i) an excess of expenses
- j) money given to support unprofitable enterprises

**Ex. 10. Complete the following word-combinations with prepositions and make your own sentences with them.**

- |  |   |
|--|---|
| 1. to raise revenue _____ the government                                     | 10. to be free _____ restrictions         |
| 2. to be priced _____ dollars  | 11. to deal _____ banking                 |
| 3. interdependence _____ trading nations                                     | 12. to pay _____ the legal tender         |
| 4. differences _____ costs _____ production                                  | 13. to set _____ subsidiaries             |
| 5. to buy _____ the best prices  | 14. to levy taxes _____ imports           |
| 6. to exchange _____ a floating rate basis                                   | 15. to specialize _____<br>manufacturing  |
| 7. to sell _____ the market _____ a price<br>_____ the cost _____ production | 16. to flow _____ the<br>importing nation |
| 8. to have an effect _____ the market  | 17. demand _____ the currency             |
| 9. to be available _____ consumption   | 18. fluctuations _____ value              |



**Ex. 11. Choose the correct words in italics to complete the sentences. Translate them into your native tongue.**

1. To protect Japanese farmers, Japan limits the amount of produce that can be *imported / exported*.
2. If a country buys more goods than it sells, it will have a *deficit / surplus*.
3. The difference between a country's earnings for its exports and expenditure for its imports is called its balance of *payments / trading*.
4. *Protection / Protectionism* is a barrier to foreign trade.
5. The *duty / dumping* imposed on imported products raises their prices.
6. A country, that exports more than it imports, will have a balance of trade *surplus / deficit*.
7. Ford produces parts for its automobiles at several of its foreign *factories / subsidiaries*.
8. The difference between total earnings of a country and its total expenditure is called its balance of *payments / trade deficite*.
9. Japan needs to *import / export* most of its raw materials.
10. Sales taxes, that are based on the value of the item sold, are *ad valorem / specific* taxes.

**Ex. 12. Rewrite the following sentences. Replace the underlined words and expressions with the words and expressions of the same meaning.**

1. Most countries today benefit from world trade.
2. Countries sell abroad the goods produced most efficiently at home.
3. Governments try to regulate imports and exports of the country.
4. Some governments give money to companies that export.
5. Governments try to protect home industries.
6. Governments can limit imports by imposing an import tax.
7. An import duty raises money for the government.
8. Most goods must be paid for in the currency of the producing country.
9. The rates vary according to market forces.
10. When a country is receiving foreign currency, it means that it is exporting more than it imports.
11. In a market without government interference, countries would produce what has the greatest advantage to them.
12. Multinational companies have a worldwide philosophy of management.

**Ex. 13. Select the answer which best completes the meaning of the sentence. Translate the sentences into your native tongue.**

1. The comparative advantage which exporting countries enjoy sometimes \_\_\_\_\_.  
a) stop                      b) eliminated              c) changes

2. There exist economic and non-economic arguments for \_\_\_\_.  
a) transportation b) protectionism c) market country
3. Quotas have been \_\_\_\_ on 25 categories of imported clothing.  
a) set b) established c) imposed
4. Geographical location can be a \_\_\_\_ if a country is engaged in international trade.  
a) benefit b) profit c) advantage
5. She's working for an overseas \_\_\_\_ of the company.  
a) subsidiary b) part c) department
6. A country that imports more than it exports has a balance of trade \_\_\_\_.  
a) payment b) surplus c) deficit
7. Foreign travelers will have to pay a \_\_\_\_ on some items purchased abroad.  
a) tax b) duty c) tariff
8. In many countries, the governments \_\_\_\_ the farmers in order to ensure that enough food is produced.  
a) subsidize b) finance c) invest
9. Government programs help companies export by establishing trade \_\_\_\_.  
a) unions b) markets c) missions
10. The tariff on alcohol is \$2 per liter of spirits and \$1 per liter of wine. The cost of the wine or spirits does not matter; this is \_\_\_\_ tax.  
a) a specific b) an ad valorem c) an income
11. The \_\_\_\_ strategy is to operate and produce in many countries so that they enjoy country's comparative advantage.  
a) local b) geographical c) global
12. The dollar is \_\_\_\_ in the United States.  
a) legal tender b) legal money c) legal capital

**Ex. 14. Translate the following sentences into English.**

**a)**

1. Деякі країни спроможні виробляти товари більш ефективно, ніж інші країни, тому розвивається міжнародна торгівля.
2. В умовах всесвітньої економіки споживачам надається можливість купувати найкращі товари за найвигоднішою ціною.
3. Взаємовигідна торгівля виникає, коли одна країна має порівняльну перевагу над іншою країною стосовно певного товару.
4. Іноді уряд використовує протекціоністську політику, щоб захистити вітчизняну промисловість, забезпечуючи тим самим зайнятість населення.

5. Головною відмінністю зовнішньої торгівлі від внутрішньої є використання іноземних валют для сплати товарів та послуг, що перетинають міжнародні кордони.

**б)**

1. Если страна экспортирует больше, чем импортирует, она обладает активным сальдо торгового баланса.

2. Продолжительный период как активного сальдо, так и дефицита торгового баланса страны, может стать причиной плавающего валютного курса.

3. Крупная компания с производственными мощностями в разных странах называется транснациональной.

4. С одной стороны, большие налоги увеличивают государственный доход, а с другой стороны – могут угрожать экономической стабильности государства.

5. Многие страны, такие как Сингапур и Панама, пользуются преимуществом своего географического положения на мировых торговых путях.

***Ex. 15. Discuss the following statements. Are they true or false? Prove your choice.***

a) Tariff is one of the most popular and visible restrictions on trade when a special tax is imposed on imported goods.

b) An embargo is nothing more than a trade deficit which causes great harm to the economy.

c) A country can impose quotas, restrictions on the quantity of a particular product that may be imported.

d) Trade surplus is an amount by which the value of imports exceeds the value of exports in a given time period.

e) Dumping is used when the company is under the threat of economic instability.

***Ex. 16. Discuss the arguments for and against the following statement. Free trade is the most advantageous system for world economy. Therefore, completely free trade is best for every individual country, no matter what the cost may be to particular industries.***

Computers are getting deeper and deeper into our life. They provide security and safety of various processes, diagnose numerous cases and do a lot in monitoring different developments. In short, they help to carry out increasingly complex tasks and their application sometimes helps to prevent disasters, tragedies and accidents. There are many applications for computers in business as there are many business activities. They can be used in production to plan and coordinate materials movement, machine usage, and work schedules. In marketing and distribution, they can be used to develop marketing strategies, control inventory, process sales orders, arrange delivery schedules, and keep track of shipments on route. For managers, a very important use of computers has to do with accounting and finance, such as preparation of payrolls, customer accounting, billing by banks, etc. Managers of the highest administrative level base their important decisions on computer generated information.

Computers are high speed electronic machines which process data, and the use of computers is referred to as electronic data processing (EDP). The technology of data processing, storing, and transmitting information by electronic means is known as information technology (IT).

There are basically three steps which describe the sequence of operation of the computer – input, procession, output (IPO). First, the data is entered. An operator puts data into the computer by means of a keyboard, mouse, disk or other devices. For instance, at the retail level data is input using a laser beam and Optical Character Recognition (OCR). Input data can be made up of various facts or concepts, such as a certain amount of money, a certain travel destination, or a name. Usually, this data must be converted to numbers before the computer is able to process it, for example, the Universal Product Code (UPC) number on a grocery item indicates that item and its size.

Second, the data is processed. This means that the data is combined, sorted, or acted upon according to the programmed instructions which determine the mathematical operations on information. A computer solves mathematical problems very rapidly. If the data is an amount of money, it may be added to or subtracted from another amount of money. For example, the amount of a check is subtracted from the balance of a current account (Br), or checking account (Am) in a program designed for banking. In a program designed for airplane ticket reservations, the destination of an airplane trip is matched to the ticket price.

Third, the processed data, which is now called information or output, is fed out of the computer. It may be in one form or several different ones. It may be displayed as digits or letters, or printed on paper. The bank sends its client a printed statement of his account; the airline reservation computer prints out a ticket; a cash register computer in a grocery store presents the customer with an itemized receipt of the groceries purchased.

The computer field is divided into two main parts: hardware and software. Hardware is the actual equipment used. There is input hardware, such as keyboards and scanners, processing hardware – the actual computer or terminal, and output hardware, such as screens and printers. Software is the computer program. The most famous is Windows software which enables users to find their way around the system by using very simple icons and menus. Most computers can use several different kinds of programs designed by programmers to meet the users' needs.

A global computer network, the Internet, embraces millions of users all over the world. There are three major applications for the network – word-processing, accounts and data-base management. Most people use their computers for word- processing, i.e. writing letters and reports. A lot of business people use spreadsheets for arranging financial information and databases to store, use and change information quickly. Some people also use graphics – the pictures and symbols a computer program can produce. More and more people are becoming computer-literate as many programs and machines are so user-friendly. If the computer is slow, it may need more memory. If there is not enough memory or it's got a virus, it may crash. In this case some new software has to be installed, or an operator may just phone a computer helpline.

The most popular Internet service is e-mail. E-mail is a way of sending a message from one computer to one or more other computers around the world. Besides a personal computer (PC), some subscribers to e-mail need a telephone line and a modem. A lot of people, who have access to the Internet, use the world wide web (www) only for surfing the websites and sending and receiving e-mail messages. But the commercial use of the network drastically increases. In many countries, the Internet may provide businessmen with a reliable alternative to the expensive and unreliable telecommunications systems of these countries because e-mail is fast, cheap, and relatively reliable. It permits to send large amounts of information to different addressees and allows people to retrieve messages at any time. E-mail is a good choice for setting up meetings or providing updates on projects, and is

very useful for communicating with colleagues in other countries. But there are some drawbacks of e-mailing. First, e-mails have a tendency to get lost in cyberspace, so all important documents should be sent by both e-mail and by fax or even through the post. Second, e-mails are frequently poorly and hastily composed and consequently often unclear which may result in misunderstandings.

The golden rule for writing e-mail is KISS – Keep It Short and Simple: use short phrases instead of long, active voice instead of passive, avoid foreign words, metaphors, and scientific terms. There's no bold in e-mail but there are a lot of abbreviations, such as BTW – by the way, SHPT – shipment, RQST – request, BUZ – business, MESS – message and so on. It goes without saying that e-mail exists to make life easier, and if used correctly, is an invaluable tool for businesses of all sizes.

Another form of office communication is fax. The fax, or facsimile means the exact copy or reproduction. Fax machine is connected to a telephone socket and works as a system similar to the telephone. The advantage of fax is an instant reception and transmission of many documents, such as contracts, enquiries and offers, letters of credit, invoices, price-lists, advertising materials, etc. The disadvantage of fax is that it can't transmit original documents but only their photocopies.

### ACTIVE VOCABULARY

sales order	замовлення клієнта / заказ клиента
to keep track of shipments	контролювати перевезення вантажів / контролировать перевозку грузов
payroll	платіжна відомість / платежная ведомость
customer accounting	розрахунок з клієнтами / расчет с клиентами
to process data	обробляти дані / обрабатывать данные
electronic data processing (EDP)	електронна обробка даних / электронная обработка данных
information technology (IT)	інформаційні технології / информационные технологии
to put data into the computer	вводити дані в комп'ютер / вводит данные в компьютер
laser beam	лазерний промінь / лазерный луч
Optical Character Recognition (OCR)	оптичне розпізнавання знаків / оптическое распознавание знаков

Universal Product Code (UPC)	універсальний товарний код / универсальный товарный код
current account (Br)	поточний рахунок / текущий счет
digit	цифра / цифра, цифровой знак
cash register	касовий апарат / кассовый аппарат
itemized receipt	чек з переліченим товаром / чек с перечисленным товаром
hardware	апаратне обладнання / аппаратное оборудование
terminal	термінал / терминал
software	програмне забезпечення / программное обеспечение
icon	іконка / иконка
menu	меню / меню
word-processing	електронна обробка тексту / электронная обработка текста
spreadsheet	електронна таблиця / электронная таблица
graphics	графіка, графічні засоби / графика, графические средства
computer-literate	той, хто вміє користуватися комп'ютером / умеющий пользоваться компьютером
user-friendly	зручний для користувача / удобный для пользователя
to crash	вийти з ладу / выйти из строя
helpline	служба допомоги / служба помощи
subscriber	абонент / абонент
world wide web (www)	всесвітня павутина, Інтернет / всемирная паутина, Интернет
to surf the websites	блукати сайтами / бродить по сайтам
addressee	адресат / адресат
to retrieve	отримувати / получать
cyberspace	віртуальний простір, кіберпростір / виртуальное пространство, киберпространство
bold	жирний шрифт / жирный шрифт

facsimile	факсиміле, факсимільна копія / факсимиле, факсимильная копия
telephone socket	телефонна розетка / телефонный разъем

## COMPREHENSION QUESTIONS

1. How are computers useful for production activities?
2. In what way are computers used in marketing and distribution?
3. How do managers use computer generated information?
4. What is electronic data processing?
5. What are the three steps describing the operation of the computers?
6. What does the UPC number on a grocery item indicate?
7. What word describes the facts entered to the computer?
8. What does 'the data is processed' mean?
9. What word describes the output printed on paper?
10. What are the examples of output printed on paper?
11. What are the two main parts of the computer field?
12. What are the three major applications for the global computer network?
13. In what cases an operator may phone the computer helpline?
14. What is e-mail?
15. What are the advantages and disadvantages of e-mailing?
16. What is the golden rule for writing e-mail?
17. What is fax?
18. What are the advantages and disadvantages of using a fax?

### *Ex. 1. Memorize the following definitions.*

**Information technology (IT)** – the study or use of electronic equipment, especially computers, for storing, analyzing and sending out information.

**Optical Character Recognition (OCR)** – the process of reading numbers encoded by series of lines with a laser.

**Universal Product Code (UPC)** – the system of numbering groceries and other items in which the UPC number, which is bar coded, indicates the name and the size of the item.

**Digit** – one of the written signs that represent the numbers from 0 to 9.

**Spreadsheet** – a computer program that can show and calculate financial information and is used in financial and project planning.

**Telecommunications** – the technology of sending signals, images and messages over long distances by radio, telephone, television.



**Helpline** – a telephone number that a person can ring if he needs some advice or information.

**E-mail** – a system of sending electronic mail messages by the computer network.

**Subscriber** – a person who pays money usually in advance to have a service or to receive copies of a newspaper or magazine.

**Update** – the most recent information about something presented in the form of a report, newsletter, etc.

**Cyberspace** – the imaginary place where electronic messages, pictures, etc. exist while they are being sent between computers.

**Fax** – the system of sending electronic letters or messages down a telephone line and then printing, using a special machine.

**Ex. 2. Find in the text English equivalents of the following word-combinations and phrases. Make your own sentences using them:**

1) забезпечувати надійність та безпечність різноманітних процесів; 2) виконувати все більше й більше складних завдань; 3) розробляти маркетингові стратегії; 4) складати графіки постачання; 5) виставлення рахунків банками; 6) базувати свої рішення на інформації з комп'ютера; 7) дані повинні бути перетворені у цифри; 8) вилучається з балансу поточного рахунка; 9) надає покупцю чек з переліченим товаром; 10) задовольняти потреби користувача; 11) охоплює мільйони користувачів у всьому світі; 12) систематизація фінансової інформації та бази даних; 13) комерційне використання комп'ютерної мережі; 14) отримувати повідомлення в будь-який час; 15) надання останньої інформації про проекти; 16) губитися у кіберпросторі; 17) неправильно та спішно складене; 18) призвести до непорозуміння; 19) само собою зрозуміло; 20) полегшити життя; 21) при правильному використанні; 22) миттєве прийняття та передавання багатьох документів.

**Ex. 3. Find antonyms to the following words and expressions in the text:**

input; hardware; complex; cheap; to be added; to send an e-mail; unreliable; short; drawbacks; reception; original documents.

**Ex. 4. Find synonyms to the following words and expressions in the text:**

to input data; number; terminal; application; to monitor; output; reproduction; computer equipment; computer program; to retrieve messages; disadvantages; computer operator; network.

**Ex. 5. Match the words and expressions to their definitions.**

1. data	a) to move around the Internet from website to website
2. word-processing	b) a person who pays for smth in advance
3. to surf	c) information that is stored by a computer
4. to transmit	d) a piece of paper showing that money has been paid
5. access	e) computer equipment
6. receipt	f) to pass information from one place to another
7. subscriber	g) a way of entering or reaching something
8. computer-literate	h) to deal with information or documents
9. to process	i) having experience of working with computers and know how to use them
10. hardware	j) an organized set of data that is stored in a computer and can be looked at and used in various ways
11. software	k) writing and editing documents, letters, etc., using a computer
12. database	l) a set of programs needed to operate a computer

**Ex. 6. Select the answer which best completes the meaning of the sentence. There could be more than one. Translate the sentences into your native tongue.**

1. Computers could be used to coordinate materials movement.
  - a) The amount of materials to be used can be determined by the production schedule.
  - b) Unused materials are not suitable for the computer.
  - c) Materials are input, and manufactured products are output.
2. Managers make some decisions based on the information the computers provide them.
  - a) The computer decides which course the company should take.
  - b) A marketing decision might be based on population statistics.
  - c) The data can tell them if they are making the correct decision.

3. Computers process data quicker than any human could.
  - a) Because of computers, many skilled workers have been replaced.
  - b) Computers make many activities and analyses possible which could never have been performed before.
  - c) Computers are not at all like other machines used in production.
  
4. There are three steps which describe the operation of the computer.
  - a) Input / Output / Process
  - b) Feed in / Software / Hardware
  - c) Input / Process / Output
  
5. Data is made up of various facts or concepts, and it may be entered in several different ways.
  - a) In the grocery store, the UPC number is data which is entered by OCR.
  - b) In a program designed for banking, the amount of a check and the account number are printed on the check with magnetic ink.
  - c) The data and destination are punched into an airline ticket reservation computer.
  
6. The output of a computer is referred to as information. It is either displayed or printed out.
  - a) It must also be entered as data.
  - b) Bank statements, airplane tickets, and receipts are print-out information.
  - c) This information can be displayed, using OCR.
  
7. The computer field is divided into hardware and software.
  - a) Only one of them is necessary for operation.
  - b) The hardware is generally harder to operate than the software.
  - c) Software refers to the program for using the hardware, or computer equipment.
  
8. E-mail is a fast, cheap, and relatively reliable means of communication.
  - a) It is very useful for communicating with colleagues in other countries.
  - b) It permits to send large amounts of information to different addressees.
  - c) E-mails have a tendency to get lost in cyberspace.

**Ex. 7. Match the words to make collocations and make your own sentences with them.**

- |                 |                          |
|-----------------|--------------------------|
| 1. information  | a) machine               |
| 2. to process   | b) receipt               |
| 3. to surf      | c) socket                |
| 4. itemized     | d) register              |
| 5. to solve     | e) the websites          |
| 6. fax          | f) information           |
| 7. laser        | g) data                  |
| 8. cash         | h) documents             |
| 9. telephone    | i) beam                  |
| 10. personal    | j) mathematical problems |
| 11. to store    | k) computer              |
| 12. to transmit | l) technology            |

**Ex. 8. Match the following definitions to the words in the box.**

- |             |             |             |             |
|-------------|-------------|-------------|-------------|
| 1. mouse    | 4. graphics | 7. laptop   | 10. menu    |
| 2. homepage | 5. website  | 8. keyboard | 11. virus   |
| 3. modem    | 6. memory   | 9. icon     | 12. scanner |

- a) a small picture or symbol at the top of the computer screen that is used to start a particular operation
- b) a place on the Internet where a company or organization puts information
- c) the ability of a computer to store information and data on a silicon chip
- d) a small computer that can work with a battery and be easily carried
- e) the set of keys for operating a computer or typewriter
- f) the pictures and symbols a computer program can produce
- g) a device that connects one computer system to another using a telephone line so that data can be sent
- h) the first page of a website
- i) a software problem that may cause a crash of the computer system
- j) a list on the screen from which the user chooses which application or file to access
- k) a small device which is moved by hand across a surface to point and click on different symbols on the computer screen
- l) a device which moves through a sequence of numbers or positions

**Ex. 9. Match parts of words going together to form compounds.**

1. <b>help</b>	site	_____
2. lap	friendly	_____
3. e-	literate	_____
4. net	board	_____
5. home	<b>line</b>	<u>helpline</u>
6. key	communications	_____
7. computer-	space	_____
8. data	copy	_____
9. user-	page	_____
10. spread	mail	_____
11. word-	work	_____
12. hard	top	_____
13. web	sheet	_____
14. cyber	base	_____
15. tele	processing	_____
16. photo	ware	_____

**Ex. 10. Underline the verb which does not match the noun.**

1. AN EMAIL  
a) send      b) receive      c) present      d) open      e) write
2. INFORMATION  
a) store      b) arrange      c) communicate      d) access      e) correspond
3. A PROBLEM  
a) spend      b) deal with      c) handle      d) solve      e) identify
4. A PHONE CALL  
a) make      b) receive      c) return      d) answer      e) communicate
5. A MESSAGE  
a) send      b) retrieve      c) respond      d) leave      e) return
6. DATA  
a) process      b) enter      c) combine      d) construct      e) transmit
7. A PROGRAM  
a) crash      b) design      c) install      d) use      e) copy
8. DOCUMENTS  
a) send      b) sing      c) sort      d) sign      e) check
9. THE WEBSITES  
a) surf      b) design      c) compose      d) visit      e) change
10. THE INTERNET  
a) connect to      b) access      c) send over      d) use      e) move around

**Ex. 11. Complete the following sentences with the given words and expressions. Translate them into your native tongue.**

addressee	computers	input
software	laser beam	subscribers
facsimiles	helpline	cyberspace
memory	generated	cash registers

1. Like most types of machines used in business, \_\_\_\_\_ perform the time consuming and repetitive work which people find generally boring.
2. Have you given the complete postal mail address of the \_\_\_\_\_ and also the sender's postal address?
3. The bulk of its revenues come from selling cut-rate subscriptions to first-time \_\_\_\_\_.
4. Although we were officially the London \_\_\_\_\_, we got calls from all over Britain and from all over the world.
5. New \_\_\_\_\_ has made it possible to control inventory more accurately.
6. Managers base many of their decisions on computer \_\_\_\_\_ information.
7. The data must be \_\_\_\_\_ before it can be processed.
8. The newest types of \_\_\_\_\_ in stores are examples of smart terminals.
9. The \_\_\_\_\_ of this computer will be erased if the electric power fails.
10. The UPC scanner uses a \_\_\_\_\_ to read the bars that indicate the code number of a product.
11. This technique has enabled extremely accurate \_\_\_\_\_ of ancient bodies to be produced.
12. Computers can construct and manipulate areas and objects in \_\_\_\_\_, but they do so mostly under human guidance.

**Ex. 12. Rewrite the following sentences. Replace the underlined words and expressions with the words and expressions of the same meaning.**

1. One of the new uses for computers is in the development of marketing plans.
2. First, the facts or concepts are put into the computer.
3. The data is combined, sorted, or acted upon according to programmed instructions.
4. The processed data is shown on a screen.
5. The basic order of events for computers is IPO.
6. All products at the grocery store bear a number which indicates the item and its size.
7. The printer prints the name of the product and the price on the piece of paper given to the customer.

8. Two main divisions of the computer field are the equipment and the programs.

**Ex. 13. Complete the following word-combinations with prepositions and make your own sentences with them.**

- |                                    |  |
|------------------------------------|--|
| 1. to set ___ meetings             | 10. to be added ___ the amount             |
| 2. to get lost ___ cyberspace      | 11. to be subtracted ___ the amount        |
| 3. to have access ___ the Internet | 12. a subscriber ___ e-mail                |
| 4. to send ___ fax                 | 13. to be connected ___ a telephone socket |
| 5. a program designed ___ banking  | 14. to send ___ the post                   |
| 6. to carry ___ tasks              | 15. to provide updates ___ the projects    |
| 7. to print ___ a ticket           | 16. to put data ___ the computer           |
| 8. ___ means ___ a keyboard        | 17. a system similar ___ the telephone     |
| 9. to divide ___ two parts         | 18. to convert data ___ numbers            |

**Ex. 14. Select the answer which best completes the meaning of the sentence. Translate the sentences into your native tongue.**

- In the computer, data is \_\_\_ with other data and instructions from the program as it is processed.  
a) added                      b) combined                      c) stored
- Computers can be used to \_\_\_ production volume with sales volume.  
a) coordinate                      b) control                      c) monitor
- Information concerning the sale is \_\_\_ on the customer receipt and used as data by the central computer.  
a) printed                      b) indicated                      c) displayed
- This computer program has been \_\_\_ to process airline ticket reservations.  
a) constructed                      b) designed                      c) transmitted
- After the data is \_\_\_, the information will be displayed on the screen.  
a) encoded                      b) input                      c) processed
- A programmer feeds the \_\_\_ and instructions into the computer.  
a) data                      b) information                      c) problems
- When commercial users send e-mail messages, they only have to pay for phone calls to their local service \_\_\_, not for calls across their countries or around the world.  
a) suppliers                      b) providers                      c) dealers

8. All the data is processed on the \_\_\_\_.  
 a) screen                      b) terminal                      c) server
9. Users have to change their user \_\_\_\_ regularly for security reasons.  
 a) surnames                      b) names                      c) logos
10. If you want to \_\_\_\_ a file from the computer, press FIND and then enter the name of the file you want.  
 a) retrieve                      b) transmit                      c) access
11. AlterNet service sells a full range of equipment used for the Internet \_\_\_\_: modems, routers, and terminal servers.  
 a) communications                      b) correspondence                      c) connections
12. The newsletter gives an \_\_\_\_ on current activities.  
 a) update                      b) information                      c) announcement

**Ex. 15. Match the abbreviations and symbols used in communication to their definitions.**

- |          |                                  |
|----------|----------------------------------|
| 1. PC    | a) request                       |
| 2. SHPT  | b) Optical Character Recognition |
| 3. RQST  | c) message                       |
| 4. IT    | d) electronic data processing    |
| 5. EDP   | e) Universal Product Code        |
| 6. OCR   | f) information technology        |
| 7. UPC   | g) world wide web                |
| 8. www   | h) shipment                      |
| 9. MESS  | i) by the way                    |
| 10. BUZ  | j) input, procession, output     |
| 11. BTW  | k) business                      |
| 12. KISS | l) at                            |
| 13. IPO  | m) keep it short and simple      |
| 14. @    | n) personal computer             |

**Ex. 16. Translate the following sentences into English.**

a)

1. Всесвітня павутина (Інтернет) дає можливість користувачу відшукувати різноманітну інформацію у кіберпросторі.

2. Електронна обробка текстів та доступ до Інтернету відіграє не останню роль у роботі професійного перекладача.

3. При користуванні електронною поштою треба бути обережним, щоб не втратити інформацію.

4. Той, хто вміє добре користуватися комп'ютером, вміє встановлювати нове програмне забезпечення, якщо пам'ять комп'ютера зіпсована чи в системі є вірус.



5. За допомогою комп'ютера можна контролювати перевезення вантажів, робити розрахунки з клієнтами, формувати графіки постачань.

**b)**

1. Компьютер – это удобный для пользователя высокоскоростной электронный прибор для обработки электронных данных.

2. Число универсального товарного кода на продукте питания отображает единицу товара и его количество.

3. Большинство людей, имеющих доступ к Интернету, используют его лишь для отправки и получения электронных сообщений и для хождения по сайтам.

4. Само собой разумеется, что электронная почта облегчает жизнь делового человека и при правильном использовании она становится бесценным инструментом в работе предприятий любого размера.

5. Глобальная компьютерная сеть охватывает миллионы пользователей по всему миру.

**Ex. 17. Discuss the following statements. Are they true or false? Prove your choice.**

a) Fax is the most reliable means of documents' transmission.

b) In the near future, ordinary shops will be completely replaced with on-line shops.

c) Access to the Internet by the office workers is to be strictly monitored by the superiors.

d) If used correctly, e-mail is an invaluable tool for businesses of all sizes.

e) There are some fields where human brains cannot be replaced with the computer or technical equipment.

**Ex. 18. Imagine that you had some problems with your computer yesterday. Your computer screen went blank and about three hours' work disappeared. Compose an e-mail to your colleague asking for help.**

## REVISION 4 (UNITS 8-9)

*Ex. 1. Read the definitions. Then put the anagrams in the correct order. The first letter of each word is in bold.*

- |  |                  |          |
|--|------------------|----------|
| 1. An electronic machine for the processing of data.   | potmucer         | computer |
| 2. Protecting a country's trade by taxing foreign goods.                                     | motepctionris    | .....    |
| 3. To assist a private company with government funds.  | ibsusdize        | .....    |
| 4. Referring to the home market.   | osmedtic         | .....    |
| 5. A large and powerful company operating in several different countries.                    | ltinautionmal    | .....    |
| 6. Pictures or images that are designed to represent objects or facts in a computer program. | rahpigcs         | .....    |
| 7. An official limit on the amount of something.   | tuoqa            | .....    |
| 8. Worldwide, considering the entire world.  | blogal           | .....    |
| 9. An exchange of information by telephone or cable.   | elcomtunications | .....    |
| 10. A program used to enter and arrange numbers and financial information.                   | hpreadsset       | .....    |
| 11. An exact copy of a picture, piece of writing, etc.                                       | casifmile        | .....    |
| 12. A systematic arrangement of keys or switches which are operated by the fingers.          | deybokar         | .....    |

*Ex. 2. Match the words and word-combinations to similar meanings.*

- |                      |                     |
|----------------------|---------------------|
| 1. data              | a) domestic         |
| 2. terminal          | b) duty             |
| 3. to access         | c) a multinational  |
| 4. global company    | d) computer program |
| 5. application       | e) the Internet     |
| 6. to limit          | f) to find          |
| 7. tariff            | g) use              |
| 8. home              | h) computer         |
| 9. computer operator | i) to retrieve      |

- |                    |                |
|--------------------|----------------|
| 10. global network | j) user        |
| 11. software       | k) information |
| 12. to receive     | l) to restrict |

**Ex. 3. Match the words and word-combinations to opposite meanings.**

- |               |                   |
|---------------|-------------------|
| 1. reception  | a) unreliable     |
| 2. reliable   | b) foreign        |
| 3. restricted | c) transmission   |
| 4. import     | d) parent company |
| 5. domestic   | e) export         |
| 6. subsidiary | f) drawback       |
| 7. surplus    | g) unrestricted   |
| 8. advantage  | h) deficit        |

**Ex. 4. Match the words to get collocations and give their equivalents in your native tongue.**

- |                    |                |
|--------------------|----------------|
| 1. trade           | a) information |
| 2. information     | b) beam        |
| 3. legal           | c) machine     |
| 4. laser           | d) taxes       |
| 5. customs         | e) industry    |
| 6. fax             | f) rate        |
| 7. cash            | g) tender      |
| 8. to impose       | h) union       |
| 9. free-trade      | i) technology  |
| 10. floating       | j) area        |
| 11. to communicate | k) register    |
| 12. domestic       | l) mission     |

**Ex. 5. Underline the odd word in each set.**

- |                         |              |           |                 |
|-------------------------|--------------|-----------|-----------------|
| 1. a <u>scanner</u>     | b subscriber | c user    | d operator      |
| 2. a keyboard           | b mouse      | c printer | d software      |
| 3. a input              | b enter      | c access  | d feed into     |
| 4. a quota              | b duty       | c tariff  | d tax           |
| 5. a international      | b worldwide  | c global  | d multinational |
| 6. a computer           | b modem      | c laptop  | d terminal      |
| 7. a cyberspace         | b region     | c area    | d district      |
| 8. a usage              | b using      | c use     | d application   |
| 9. a access             | b find       | c search  | d look          |
| 10. a telecommunication | b telex      | c fax     | d telephone     |

**Ex. 6. Fill in the gaps with prepositions.**

- 1 We sometimes send orders ... fax or ... the post.
2. The involvement of too many groups might have a negative effect ... our progress.
3. How will access ... sensitive areas of information be controlled?
4. Data ... the form ... a number is put ... the computer.
5. Output terminals display or print ... information resulting ... the processing ... the data.
6. Some devices, such as telephone cables, connect computers ... their hardware.
7. International trade cannot be free ... restrictions and governments levy taxes ... certain products to protect a domestic industry.
8. ... international business, the importing countries must pay ... most products ... the legal tender ... the producing country.
9. The multinational set ... three subsidiaries ... three regions to carry ... complex marketing tasks.
10. A new software program, specializing ... financial management, is similar ... the old one but it is also designed ... banking.
11. A subscriber ... e-mail can retrieve and send messages ... any time.
12. It goes ... saying that some part of electronic information gets lost ... cyberspace.

**Ex. 7. Complete the following table with appropriate forms of the words.**

Verb	Noun (concept)	Noun (person)	Adjective
operate	<i>operation</i>	<i>operator</i>	<i>operational</i>
inform			
trade			
consume			
export			
protect			
use			
compose			
design			

**Ex. 8. Complete the following sentences with the correct form of the word in capitals. Translate them into your native tongue.**

1. Sometimes these \_\_\_\_\_ companies export their \_\_\_\_\_ SUBSIDY products and sell them cheaply overseas.

- |  |          |
|--|----------|
| 2. Taxing foreign goods is the governmental _____ means.   | PROTECT  |
| 3. There are wide variations among the Internet _____ in features, cost, reliability, and customer service.    | PROVIDE  |
| 4. Income is money of all kinds coming regularly to a person, family or _____.                                 | ORGANISE |
| 5. A faxed letter should state the name of the _____ at the top of the first page.                             | ADDRESS  |
| 6. Mutually _____ trade can be the result of each country's comparative advantages.                            | BENEFIT  |
| 7. International trade companies need to be able to compete on a global basis rather than a _____ basis.       | REGION   |
| 8. Most grocery products are _____ with a number which indicates the item and its size.                        | CODE     |
| 9. The new cash registers print out _____ receipts which show the name of each product purchased and its cost. | ITEM     |
| 10. During _____, the data is sorted according to the program.   | PROCESS  |

**Ex. 9. Choose the right meaning of the word. Translate the word-combinations into your native tongue.**

1. trading nations  
nations – нации, культуры, страны
2. to produce crops  
crops – сельскохозяйственные культуры, зерно, урожай
3. to encourage exports  
encourage – вдохновлять, поощрять, стимулировать
4. domestic industry  
domestic – домашняя, отечественная, внутренняя
5. to control inventory  
inventory – запасы, инвентарь, товары
6. to process data  
data – даты, информацию, данные
7. to communicate information  
communicate – сообщать, передавать, нести
8. trade routes  
routes – пути, маршруты, дороги
9. plain regions  
plain – равнинные, плоские, ровные
10. trade missions  
missions – миссии, представительства, задачи

***Ex. 10. Translate the following sentences into your native tongue.***

1. Countries can exchange various goods and services to satisfy their needs and wants.
2. Countries, which are located on the world trade routes, usually deal in banking and trading.
3. Some countries have special governmental programs to encourage their exports.
4. Dumping is selling on a foreign market at a price below the cost of production.
5. A quota has a substantial effect on the market because it limits the number of items imported over a period of time.
6. Computers are high speed electronic machines which process data by combining, sorting or acting upon according to the programmed instructions.
7. Most computers can use several different kinds of programs designed by programmers to meet the users' needs.
8. Most people now are becoming computer-literate as many programs and machines are user-friendly.
9. Fax machine is connected to a telephone socket and works as a system similar to the telephone.
10. The Internet is considered to be a reliable alternative to the expensive and unreliable telecommunications systems.

***Ex. 11. Translate the following sentences from Ukrainian into English.***

1. Країни, багаті на енергоресурси, користуються цією перевагою у всіх галузях виробництва.
2. Для підтримки вітчизняної промисловості необхідно субсидувати експорт та ввести оподаткування на імпортні товари.
3. Плаваючий обмінний курс може загрожувати економічній стабільності країни.
4. Взаємовигідна торгівля можлива тільки на підставі використання законних платіжних засобів.
5. Раціональне використання виробничих фондів може забезпечити активне сальдо торгового балансу.
6. Обчислювальна техніка складається з двох взаємопов'язаних частин: з апаратного обладнання та програмного забезпечення.
7. Недоліком факсу є неможливість передачі оригінальних документів, а його перевагою – миттєва передача та прийняття фотокопій різних документів.

8. Комп'ютери допомагають людині у вирішенні найскладніших завдань та мають широкий спектр використання.
9. Роботу комп'ютера можна відобразити у трьох послідовних операціях: введення даних, їх обробка та видача даних, які оброблено.
10. У системі телекомунікацій існує багато спеціальних скорочень та аббревіатур, які полегшують роботу користувача комп'ютера.

***Ex. 12. Translate the following sentences from Russian into English.***

1. С развитием торговли каждый регион может развивать ту сферу, где он относительно хорошо преуспевает.
2. Всемирная торговая организация была создана для обеспечения свободной, т. е. беспошлинной торговли между странами, которые являются ее членами.
3. Специальная пошлина – это фиксированная сумма налога за каждую единицу импортированного товара.
4. Импорт или экспорт товаров или услуг обеспечивает движение капитала, что приводит к активному сальдо торгового баланса или к его дефициту.
5. Транснациональная корпорация является продуктом взаимосвязанной мировой экономики, где используются преимущества взаимовыгодной торговли.
6. Компьютеры успешно используются в бухгалтерии, т. к. они позволяют быстро решать сложнейшие математические задачи с помощью электронных таблиц.
7. Возможность использования простых иконок и меню при работе в любой операционной системе является ее главным преимуществом.
8. Разные документы могут передаваться по факсу, например, прайс-листы, аккредитивы, запросы и предложения.
9. Компьютеры экономят наше время и помогают нам быстро выполнять как монотонную, так и сложную работу.
10. Оператор может вводить данные в компьютер с помощью клавиатуры, мыши, диска или других технических средств.

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