

МІНІСТЕРСТВО ОСВІТИ І НАУКИ УКРАЇНИ
ТЕРНОПІЛЬСЬКА АКАДЕМІЯ НАРОДНОГО ГОСПОДАРСТВА
ЦЕНТР ПІДГОТОВКИ МАГІСТРІВ

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ДІЛОВА АНГЛІЙСЬКА МОВА

НАВЧАЛЬНО-МЕТОДИЧНИЙ ПОСІБНИК
ДЛЯ СЛУХАЧІВ МАГІСТРАТУРИ
спеціальності “Державна служба”

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Ділова англійська мова. Навчально-методичний посібник для слухачів магістратури спеціальності “Державна служба”. - Тернопіль: “Економічна думка”, 2001. – 99 с.

Навчально-методичний посібник складено відповідно до Програми підготовки магістрів державного управління. Він містить методичні рекомендації, навчальні матеріали для проведення практичних занять та самостійної роботи, примірні контрольні роботи для підсумкового контролю знань. Опрацювання термінологічної лексики, виконання лексико-граматичних вправ та завдань сприятиме активному засвоєнню програмового матеріалу. В кінці посібника подано в алфавітному порядку вокабулярій основних термінів, які зустрічаються в навчально-тренувальних та контрольних текстах. До посібника додається список використаної та рекомендованої літератури.

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Відповідно до Комплексної програми підготовки державних службовців, затвердженої Указом Президента України від 9 листопада 2000 року №1212/2000, "освітньо-професійні програми підготовки магістрів в освітній галузі "Державне управління" передбачають опанування ... однієї з іноземних мов"[1.- с. 8] .

Якісне володіння іноземною мовою у період інтеграції України у Європейське та світове співтовариство, поширення ділових зв'язків та контактів надасть можливість фахівцям в галузі державного управління вивчати та ефективно використовувати іноземний досвід управління державною службою, користуватися сучасними інформаційними технологіями, брати участь у міжнародних конгресах та семінарах з питань державного управління, проходити стажування в іноземних державах з метою вдосконалення фахової підготовки, проводити письмовий обмін діловою інформацією, тощо.

Нормативна дисципліна Н-10 "Ділова англійська мова" має за мету "навчити вільно спілкуватися з носіями англійської мови за питаннями професійної діяльності, використовуючи сучасні управлінські технології" [2.- с. 116-125]. Навчальна програма нормативної дисципліни "Ділова англійська мова" передбачає, що слухачі повинні

- оволодіти термінологією, яка охоплює основні концепції державного управління, та знати ідіоматичні вирази ділової англійської мови;
- розвинути та поглибити навички усного та писемного ділового мовлення з питань державного управління, мікроекономічних проблем, структури управління персоналом;
- застосовувати здобуті у процесі вивчення англійської мови професійні та комунікативні навички для вирішення повсякденних проблем;

- знати особливості письмового спілкування і вміти складати ділові документи на іноземній мові.

Програма складається з модулів, які охоплюють такі основні теми, як "Правове забезпечення підприємницької діяльності", "Інформаційні системи в управлінні", "Теорія сучасного державного управління", "Базові поняття функціонального та адміністративного менеджменту", "Мікроекономіка: види підприємств", "Ринок праці", "Економічне зростання", "Управління трудовими ресурсами".

Основними організаційними формами вивчення дисципліни "Ділова англійська мова" є практичні заняття, виконання індивідуальних робіт, залік та іспит, яким передують підсумкові контрольні роботи.

Слухачі магістратури опановують програмовий матеріал шляхом опрацювання навчально-методичної літератури, інтенсивного використання інформаційних технологій, таких як мультимедійні мовні курси, відповідні сайти Інтернету. Слухачам рекомендується практикувати отримання індивідуальних консультацій, виконання домашніх завдань за допомогою електронної пошти.

Слухачі магістратури повинні раціонально організувати самостійну роботу та забезпечити її результативність. Складовою частиною самостійної роботи над вивченням програмового матеріалу є опрацювання спеціалізованої літератури за фахом англійською мовою та підготовка оглядових рефератів, доповідей та повідомлень, які слухачі презентують під час практичних занять та індивідуальних консультацій. На першому етапі навчання слухачі визначаються з темою свого дослідження, підбирають та ознайомлюються з фаховою літературою, готують план та основні тези своїх рефератів та доповідей. На другому етапі слухачі презентують свої завершені роботи,

захищають їх під час практичних занять. Особливу увагу слід звернути на засвоєння термінологічної лексики. Слухачі готують вокабулярій об'ємом не менше 100 лексичних одиниць, долучають його до підготовлених рефератів, та здають залік на знання базової термінологічної лексики.

Для самостійної роботи пропонується такий примірний перелік тем для доповідей та рефератів:

- * Сучасні підходи до теорії управління.
- * Комп'ютери та інформаційні системи в управлінні.
- * Базові поняття адміністративного менеджменту.
- * Бюджетування, прогнозування та бізнеспланування.
- * Основні концепції управління трудовими ресурсами.
- * Основні види діяльності управлінців.
- * Особливості спілкування управлінців.
- * Взаємовідносини попиту та пропозиції.
- * Ринок праці та платня.
- * Економічна роль уряду.
- * Теорія суспільного вибору.
- * Напрямки та джерела економічного зростання.
- * Підприємницьке право та партнерство.
- * Правові аспекти торгової діяльності.
- * Міжнародна торгівля та її джерела.

(Список рекомендованої літератури подано в кінці даного навчально-методичного посібника.)

Слухачі магістратури повинні брати активну участь в обговоренні питань, пов'язаних з темами модулів, розуміти та інтерпретувати інформацію, яка міститься у різних джерелах. З цією метою у сітці навчального

навантаження під час практичних занять виділяється час для роботи з аудіо- та відеоматеріалами фахового спрямування, а також передбачається робота у мережі Інтернет з метою пошуку та отримання інформації для науково-дослідницьких робіт слухачів магістратури. Це сприятиме інтенсифікації навчального процесу і більш ефективному засвоєнню навчальних матеріалів.

Практичні заняття, згідно з програмою, мають на меті активізацію мовленнєвих вмінь та навичок, їх практичне застосування під час виконання слухачами комунікативних вправ та завдань за відповідними темами модулів. На практичних заняттях слухачі розвивають навички усного мовлення на основі прочитаних та індивідуально опрацьованих текстів за темами модулів, виконують вправи та завдання, які сприяють засвоєнню програмового матеріалу.

Для належного організаційного та навчально-методичного забезпечення слухачів магістратури розроблено запропонований збірник навчальних текстів, тренувальних вправ та контрольних робіт з дисципліни "Ділова англійська мова", який відповідає основним вимогам та критеріям Програми підготовки магістрів державної служби, затвердженої Головним управлінням державної служби України.

Даний навчально-методичний посібник має за мету

- ♦ допомогти слухачам магістратури розширити і збагатити запас термінологічної лексики відповідно до спеціалізації;
- ♦ розвинути та закріпити навички читання адаптованих текстів фахового спрямування з метою повного отримання інформації;
- ♦ активізувати навички усного мовлення під час переказу та обговорення навчальних основних та додаткових текстів та виконання тренувальних вправ;

- ♦ розвинути навички писемного ділового мовлення;
- ♦ допомогти у виконанні залікової та екзаменаційної контрольних робіт, складовою частиною яких є завдання з ділової комунікації.

Посібник має чітку структуру та складається з адаптованих основних та додаткових текстів за фахом навчання, лексико-граматичних вправ, примірних контрольних робіт, вокабулярію, списку рекомендованої літератури. Основні тексти охоплюють базові питання економіки та бізнесу. Післятекстові питання орієнтовані на контроль розуміння прочитаного і будуть сприяти розвитку навичок усного мовлення. Додаткові тексти та дискусійні питання для розвитку комунікативних навичок допоможуть інтенсифікувати навчальний процес.

Для кращого засвоєння матеріалу ставиться вимога здебільшого письмового виконання лексико-граматичних вправ. Тренувальні вправи допоможуть активізувати вживання термінологічної лексики, граматично правильно будувати свої висловлювання. Для закріплення тематичного матеріалу подаються запитання, які служать планом для обговорення певної теми та спонукають слухачів до участі у дискусії. До кожної теми включено завдання на реферування та анотування текстів. Вокабулярій містить рекомендовану термінологічну лексику в алфавітному порядку, що безсумнівно допоможе слухачам опрацювати та краще засвоїти теми, визначені програмою.

Для контролю засвоєння знань, передбачених програмою, проводяться контрольні роботи, залік та іспит.

Даний навчально-методичний посібник при умові систематичної та ефективної роботи над його опрацюванням допоможе слухачам магістратури

активно засвоїти програмовий матеріал відповідно до своєї спеціалізації та використовувати його у практичній діяльності.

Unit 1. The Economic Macro-Environment of Business.

Topic 1. The Economy as a System.

Task 1. *Learn the following economic and management terms.*

1. generate, <i>v</i>	виробляти, творити
2. counter-flow	рух у зворотньому напрямку
3. expenditure, <i>n</i>	витрата
4. inject into	додавати; вводити у
5. leak out of	витікати з
6. surplus, <i>n</i>	надлишок
7. inevitably, <i>adv</i>	неминуче
8. survive, <i>v</i>	виживати
9. prosper, <i>v</i>	процвітати (фінансово)
10. seek to do sth	намагатись; шукати засоби
11. be aware of	знати, усвідомлювати
12. threat, <i>n</i>	загроза
13. economic policy	економічна політика; план дій
14. economic indicator	економічний показник
15. value, <i>n</i>	цінність
16. Gross Domestic Product (GDP)	валовий внутрішній продукт
17. boundary, <i>n</i>	межа
18. rate, <i>n</i>	ставка; рівень; норма
19. recession, <i>n</i>	спад економічного розвитку
20. period of boom	період економічного зростання
21. induce sth	спонукати, стимулювати
22. coincidence, <i>n</i>	співпадання
23. hitherto	до сих пір, до теперішнього часу
24. unexploited natural resource	нерозвідане родовище
25. surge in growth	раптовий період екон. зростання

26.spin-off in activity	згортання діяльності
27.accumulation, <i>n</i>	збільшення; нагромадження
28.hinder, <i>v</i>	перешкоджати
29.promote, <i>v</i>	сприяти, заохочувати
30.counter-cyclical economic policy	заходи для нейтралізації негативних ефектів екон. політики
31.fluctuations	коливання
32.be constrained	бути обмеженим; зменшеним
33.have sth at (sb's) disposal	мати щось у (своєму) розпорядженні
34.consistent with sth	узгоджений з чим-небудь
35.subsidize, <i>v</i>	надати урядову фінансову підтримку
36.achieve, <i>v</i>	досягати
37.interest rate	процентна ставка
38.be subject to	бути підпорядкованим; схильним
39.time lag	часове відставання
40.forecast, <i>v</i>	передбачати
41.cut taxes	скорочувати податки
42.boost, <i>n</i>	(економічне) пожвавлення
43.recover, <i>v</i>	поправлятися

Task 2. *Read and translate the text No. 1.*

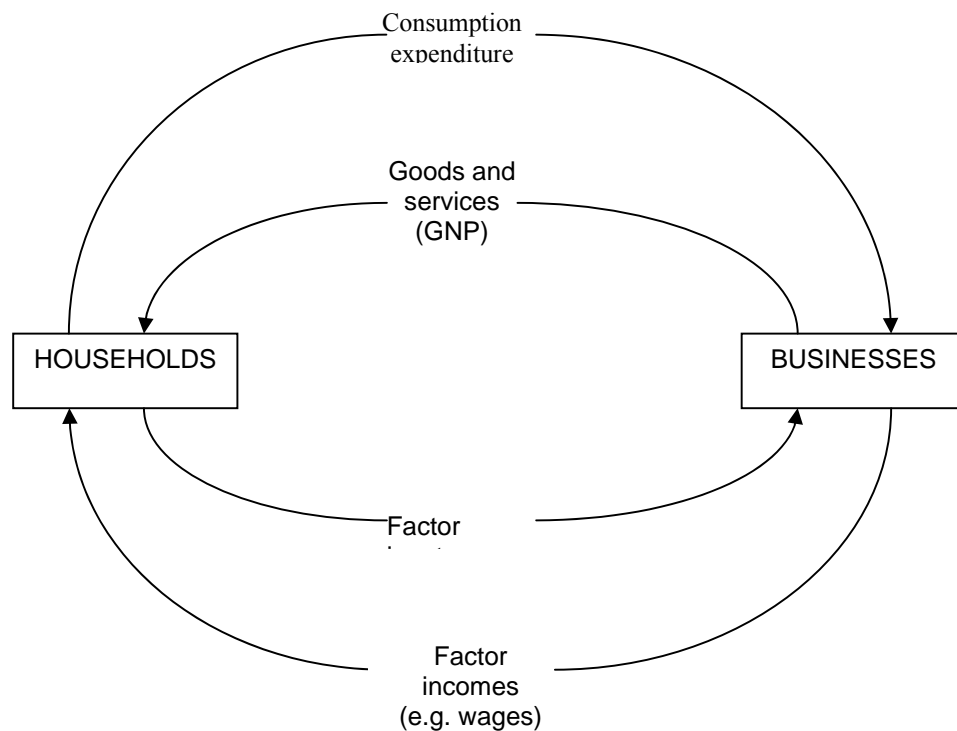
ECONOMIC GROWTH

(adapted from: M. Buckley, Business Studies, Longman, 1992)

Economists see the economy as a system which *generates* a flow of goods and services produced by businesses, for the use of households and consumers. A *counter flow* of payments takes place to the factor inputs used in the production of these goods and services (land, labour, capital).

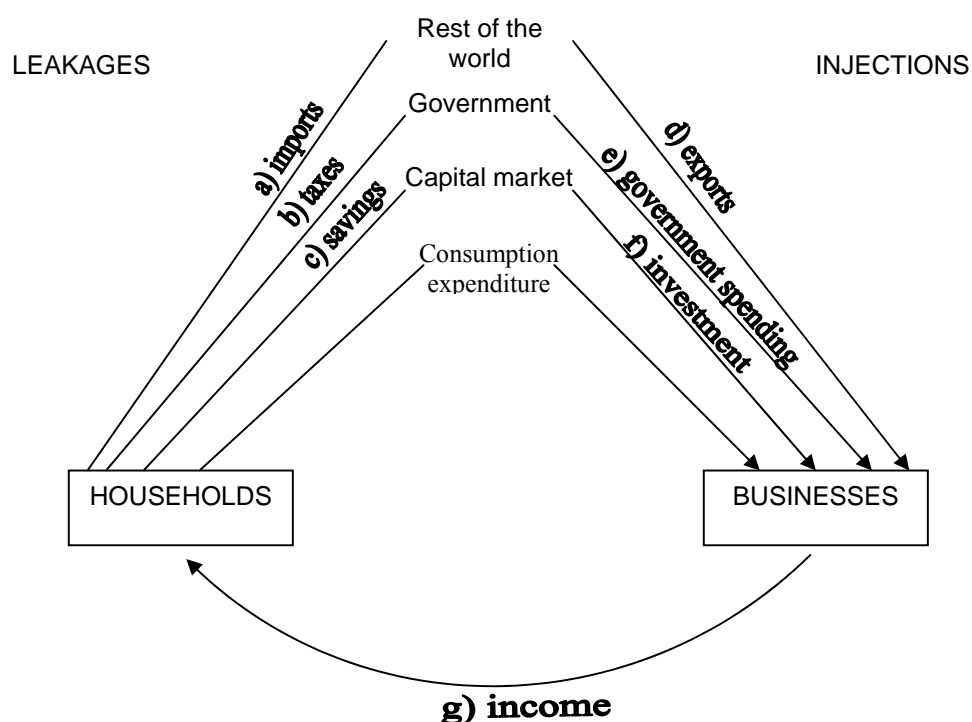
This is illustrated in simple form in Fig. 1.

Fig.1



This 'circular flow' is a basic model of the relationship between flows of physical goods and money flows. The model may be refined to show the existence of a range of *injections into*, and *leakages from*, this simple circular flow model (Fig. 2).

Fig.2



Some of the household incomes generated in producing goods and services in the domestic economy 'leak out' of the system. That is to say, the money is *not* passed on to domestic businesses. For example, spending on imports goes to foreign firms and individuals. Taxes go to the government and savings are held by financial institutions. Imports, taxes and savings are 'leakages' in that they are not directly received by domestic businesses. On the other hand, domestic businesses receive income from sources *other than* domestic households. We call these 'additions' to the circular flow of income 'injections'. For example, domestic businesses receive income from *overseas* households and businesses when they export. Some domestic businesses also receive income from the *government* (government contracts) or by way of investment when *other businesses* buy plant and equipment. Exports, government spending and investment are classed as 'injections' in that domestic businesses receive income from sources *other than* domestic households.

Any *surplus* of injections over leakages will increase the flow of income (create domestic growth) whilst a surplus of leakages over injections will reduce the flow of income (cause negative economic growth). Since this flow of income passes through businesses, their activities will *inevitably* be affected and they will have to plan their activities with possible future changes in mind, if they are to *survive* and *prosper*.

Governments *seek* by various means to manipulate items (a), (b), (c), (d), (e) or (f) in Fig. 2 in order to maximise item (g), the flow of income in the system. It can be seen that government *management of the economy* in this way is channelled through businesses, hence the need for businesses *to be aware of the threats* and opportunities offered by changes in government *economic policy*.

Economic growth is the most important of the *economic indicators* mentioned above. It is a measure of the rate at which the *real output* of the economy is growing over time. By 'real output' we mean the actual volume of goods and services produced by the economy (and the *incomes* which flow from this output). In other words we eliminate from our calculations of output (and income) the effects of inflation, which raises the '*value*' measured by prices, but not the volume.

The *Gross Domestic Product (GDP)* is the concept often used to measure output. This refers to the output produced by individuals and businesses actually located within the *boundaries* of the domestic economy.

Economic growth is calculated as a *rate*, namely the percentage change in 'real' GDP (inflation eliminated). Historically the UK has generated growth of about 2%

to 3% on average per annum. The range has been between - 1.5% in *recessions* and 4.5% (briefly) in *boom periods*.

COMPREHENSION QUESTIONS

- ⇒ How can you define “economic growth”?
- ⇒ Why is this economic indicator very important
 - for the government?
 - for the businesses?
 - for the household?
- ⇒ What helps to create economic growth?
- ⇒ What causes negative economic growth?
- ⇒ What is the rate of economic growth in Ukraine at present?

FACTORS LEADING TO GROWTH

Growth may *be induced* by the accidental *coincidence* of favourable resource conditions, or by government action on key economic indicators. The following factors help to create growth.

- The discovery of a *hitherto unexploited natural resource*, such as oil, may generate a *surge in growth*. The value of the new output of oil and gas would obviously increase GDP in its own right. However there would also be enormous *spin-offs in activity* in all the necessary support industries, engineering, transport, etc. These ‘spin-off’ effects are referred to by economists as the ‘multiplier effect’.
- The development of human skills will increase the capacity of an economy to grow. Thus economies where a high proportion of school leavers proceed to further or higher education, especially in applied sciences, will tend to have higher growth rates than those where a lower proportion do so.

- Capital *accumulation* is also critical to the generation of growth. This is often called *investment* and refers to the process of adding to the net stock of physical capital, machines, buildings and plants in the private business sector; it also includes additions or improvements to the infrastructure by public authorities.
- Rapid developments in technology, which bring about the possibility of productivity gains (more output from the same resources), may also induce a surge in growth.

A combination of rapid increases in capital accumulation, a highly trained workforce and modern technology, will generate very rapid growth. Conversely, low levels of investment and an ageing capital stock will *hinder* growth.

Once begun, a cycle of growth can be 'cumulative'. For example, the higher incomes which accompany economic growth may permit higher savings, which in turn may be channelled into the higher investment which *promotes* further growth.

COMPREHENSION QUESTIONS

- ⇒ Can you enumerate factors which help to create economic growth?
- ⇒ Are there only advantages in case of discovery of a hitherto unexploited natural resource?
- ⇒ What will happen if all school leavers proceed to higher education?
- ⇒ How can developments in technology induce a surge in growth?
- ⇒ What can hinder economic growth?

GOVERNMENT POLICY AND GROWTH

The priority of any government in an advanced economy is to generate growth in the economy. In doing so it is constrained by the effects of growth on inflation, unemployment and the balance of payments. Thus it must act *counter cyclically*,

dampening down periods of boom and stimulating the economy in periods of recessions. In this way the government is seeking to level out *fluctuations* in economic activity. For instance, inflation must be kept to levels which do not cause long term damage, and unemployment must be kept within politically acceptable limits. Governments must also keep in mind the ultimate *constraint* of the balance of payments deficit level which can be financed in the long term. In seeking to reconcile the four variables of growth, inflation, unemployment and the balance of payments, the government has various weapons *at its disposal*:

- The government may induce injections into, and leakages out of, the circular flow of income (see Fig. 2). For example, by adjustments in *public spending* it may manage the level of total (or aggregate) demand in the economy to make it *consistent with* sustainable growth.
- By adjusting the level and types of *taxation, social security benefits* and *subsidies*, it may also *achieve* the same effect.
- It may similarly use its powers of control over the *money supply* to manage aggregate demand. This may involve direct adjustments to the ‘volume’ of credit available from the banking system and/or adjustments in the ‘price’ of such credit, via *interest rates*.
- Any increased level of demand resulting from high levels of growth may cause inflationary pressures in the labour market, resulting in unacceptable rises in money incomes.

All of these measures are inclined *to be subject to time lags* and their overall effect cannot easily be *forecast*. For instance, if the government seeks to *cut taxes* in a time of recession, by the time the tax cuts work through to higher spending the economy may already *be in recovery*. There may then be the danger of over-stimulating the

economy, so that the extra spending from the tax cuts causes excessive inflation and balance of payments rather than the intended *boost* at a time of recession.

COMPREHENSION QUESTIONS

- ⇒ Why does any government intend to generate growth in the economy?
- ⇒ What does it mean “to act counter cyclically”?
- ⇒ What fluctuations in economic activity should the government level out?
- ⇒ How can the government reconcile the four variables of growth, inflation, unemployment, and the balance of payments?
- ⇒ What may happen in case of overstimulating the economy?

Task 3. *Find in the text and write down corresponding equivalents.*

sudden but short lived periods of economic growth
periods of rather uncontrolled economic growth
a temporary slow-down in economic activity
an excess of revenues over expenditures
to do very well financially
the amount sth is worth sth
sth which shows the current strength of the economy
measures taken to neutralise effects of economic cycles
money spent
to lower taxes

Task 4. *Fill in the blanks using the following words.*

is seeking; fluctuations; a surge in; induce; boom periods; recessions; economic policy; be aware of; to survive; inevitably; prosper; surplus; promote; ‘leak out’; generated; generation; accumulation; injections; hinder; to cut taxes; leakages.

1. Businesses must _____ the threats and opportunities offered by changes in government _____ .
2. The UK economic growth ranges between 1.5% in _____ and 4.5% in _____ .
3. Favourable resource conditions or government actions may _____ growth.
4. The government _____ to level out _____ in economic activity.
5. Some of the household incomes _____ in producing goods and services in the domestic economy _____ of the system.
6. _____ of injections over leakages will increase the flow of income and _____ economic growth.
7. If businesses are _____ and _____ , they will _____ have to plan their activities.
8. Capital _____ is essential to the _____ of growth.
9. Low levels of investment and an ageing capital stock will _____ growth.
10. The government may induce _____ into, and _____ out of, the circular flow of income.

Task 5. *Translate the following sentences in writing.*

1. The Gross Domestic Product (GDP) refers to the output produced by individuals and businesses actually located within the boundaries of the domestic economy.

2. Economic growth may be induced by the accidental coincidence of favourable resource conditions, or by government actions on key economic issues.
3. Economies where a high proportion of school leavers proceed to further or higher education, especially in applied sciences, will tend to have higher growth rates than those where a lower proportion do so.
4. A combination of rapid increases in capital accumulation, a highly trained workforce and modern technology, which bring about the possibility of productivity gains, will generate a surge in growth.
5. In seeking to reconcile the four key variables of growth, inflation, unemployment and the balance of payments, the government has various weapons at its disposal.
6. Extra spending from the tax cuts causes excessive inflation and balance of payments problems rather than the intended boost at a time of recession.

Task 6. *Using the given words, make up sentences and write them down.*

1. surplus, A, flow, over, income, of, increase, leakages, of, will, injections, the.
2. leakages, of, injections, A, surplus, will, over, the, income, of, reduce, flow.
3. by, seek, the, system, various, Governments, flow, means, income, of, to, the, economic, maximize, in.
4. The, an, the, human, of, to, grow, will, skills, increase, economy, development, capacity, of.
5. incomes, may, investment, be, into, channelled, Higher, the, higher.
6. government, in, The, activity, to, out, seeking, level, is, fluctuations, economic.

Task 7. *In writing put questions to the words in italics.*

1. A cycle of growth *can* be 'cumulative'.
2. *Higher investment* promotes further growth.

3. The priority of any government in an advanced economy is *to generate growth in the economy*.
4. The government must stimulate the economy *in periods of recession*.
5. Unemployment must be kept within *politically acceptable* limits.
6. *There may be* the danger of over-stimulating the economy.

Task 8. *Open the brackets in the following sentences using the given words in the correct form.*

1. Since the flow of income _____ (to pass) through businesses, their activities _____ (to be affected) inevitably.
2. It can _____ (to see) that government management of the economy _____ (to channell) through businesses.
3. Businesses should _____ (to be aware) of the threats and opportunities _____ (to offer) by the government.
4. By 'real output' we _____ (to mean) the actual volume of goods and services _____ (to produce) by the economy.
5. The value of the new natural resource _____ (to increase) obviously GDP in its own right.
6. Inflation must _____ (to keep) to levels which _____ (not to cause) long term damage.

Task 9. *Have a discussion on the topic "Economic Growth". Use the following questions as a plan.*

1. What does the economy as a system generate?

2. How do injections and leakages influence on the flow of income?
3. Why should businesses plan their activities?
4. What do governments do to maximize the flow of income in the system?
5. What do we mean by 'real output'?
6. What does the GDP refer to?
7. What factors may help to create growth?
8. What is the priority of any government in an advanced economy?
9. Why is the government seeking to level out fluctuations in economic activity?
10. What may happen if the government seeks to cut taxes in a time of recession?

Task 10. *Using active business vocabulary, write a short summary of the text (not more than 200 words).*

SUPPLEMENTARY TEXT FOR READING AND DISCUSSION

STAFF ASSESSMENT

(adapted from: L.Y.Kulish, E.A.Druyanova, M.F.Khachaturova. English for Communication.

Київ: Astarta, 1995)

Staff assessment has great potential for improving the efficiency of an organisation. Staff assessment requires a well thought-out and systematic approach. The purpose of staff assessment is not to make immediate decisions about promotion or salary increases. The primary purpose is to improve the performance of the individual and the whole organization. The annual staff assessment interview is an excellent opportunity to resolve problems and develop possibilities. At the beginning of the interview encourage an employee to speak openly of his successes and failures, let him analyse his work. When you come to give your own views treat the interview as a two-way discussion. Focus on the performance in the job, not on personality traits that have no connection with his work. Don't compare him with other employees. When criticising his performance, do so with reference to concrete examples and with the focus on the future. Don't dwell on mistakes, but praise his achievements. He must know that his successes have been recognised. Finally, there should be an agreement on a plan of actions to improve performance. Assure him of your support in carrying out the plan. The employee should know what to do to improve his work and feel confident that he can do it.

DISCUSSION QUESTIONS

- ⇒ What are aims of staff assessment?
- ⇒ What are advantages and disadvantages of staff assessment?
- ⇒ What should managers emphasize while conducting staff assessment?
- ⇒ Why should staff assessment interview be treated as a two-way discussion?
- ⇒ What is the outcome of staff assessment interview?

Role-play the staff-assessment interview.

Topic 2. Inflation.

Task 1. *Learn the following economic and management terms.*

1. aggregate demand	сукупний попит
2. bargaining power	переваги при веденні переговорів
3. in excess of	більше, ніж
4. rise, <i>v</i>	підніматися
5. purchase, <i>n</i>	покупка
6. durables	споживчі товари тривалого користування
7. sth is likely to happen	правдоподібно, щось трапиться
8. be severely hit by sth	бути сильно ураженим чим-небудь
9. raise sth	піднімати (щось)
10. profit margin	маржа прибутку
11. 'demand pull' inflation	інфляція, викликана надлишковим попитом
12. squeeze profit margins	скоротити прибутки
13. lay sb off	скоротити кого-небудь (з роботи)
14. issue bills and bonds	випускати векселі і облігації
15. deter borrowing	стримати запозичення

Task 2. *Read and translate the text No.2.*

INFLATION

(adapted from: M. Buckley, Business Studies, Longman, 1992)

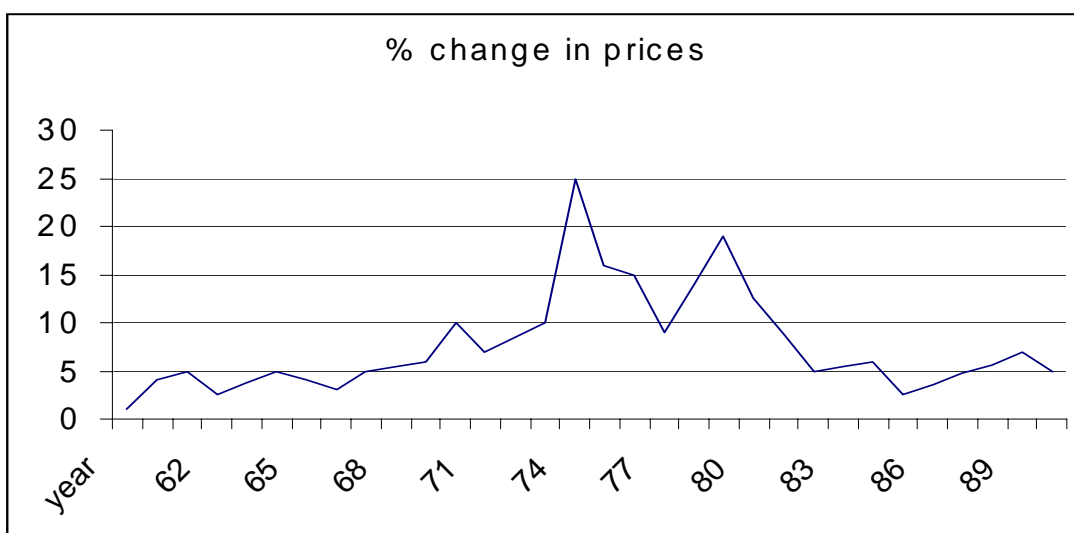
Inflation in the UK is measured by the Retail Price Index (RPI). It is calculated by selecting a representative sample of goods normally purchased by households. The items are weighted for relative importance and the cost of the basket of goods today is expressed as a percentage of the same basket of goods in some starting or 'base' year.

CAUSES OF INFLATION

- *Demand pull influences.* These are factors which cause an increase in *aggregate demand* to levels beyond the ability of the economy to deliver the appropriate level of output. Such factors include increases in public spending, or sudden increases in credit creation and money supply by the banking system. In such conditions buyers want to buy more goods and services than are available at the time. The demand for goods and services is related to the amount of money in the economy. If the supply of money increases faster than production increases, the result is inflation.
- *Cost push influences.* These are factors on the supply side of the economy which lead to increases in the costs of production which are then passed on in higher prices. Such pressure may be caused by the strong *bargaining power* of large labour unions (especially at times of full employment) or by increases in the cost of basic raw materials which force up industrial costs of production. Business people raise prices when the costs of various factors of production go up.

Fig.3 shows UK inflation record 1962-89.

Fig.3.



THE EFFECTS OF INFLATION

Many economists see inflation as being the most damaging economic phenomenon which can affect an advanced nation. It may also have alarming political consequences. Some economists however take the view that some inflation is an acceptable 'price' for economic growth. There is no clear agreement as to when inflation becomes unacceptable, but rates *in excess of* perhaps 5% are generally thought to be threatening, whilst rates in excess of perhaps 15% (hyperinflation) may cause social and political breakdown. There are a number of reasons for arguing that inflation is damaging:

- When price *rises* surge ahead of rates of increase of money income, the real income of consumers will decrease. Consumers will then have to adjust their *purchases* and the demand for some products may decrease. High price consumer *durables*, for example cars, *are likely to* experience sharp falls in demand.
- Hyperinflation may destroy confidence in money, leading to a return to barter and the collapse of normal trading.
- People who rely on incomes derived from past savings or who are in occupations where pay rates are slow to respond to changes in inflation, will *be severely hit by* inflation. In extreme cases the value of savings may be destroyed.
- Businesses are also affected adversely. The costs of inputs will rise, and the firm will need *to raise* prices if possible to maintain its *profit margins*. If it cannot do so, it may find itself in financial difficulties.
- Interest rates usually rise during periods of inflation. For instance the government may raise interest rates to discourage borrowing and spending, and thereby curb '*demand pull*' inflation. Firms which rely heavily on borrowing will find that as interest rates rise, *profit margins are squeezed*.

- The attempts by workers and their unions to force up wages in response to inflation may cause widespread *lay-offs* where these cost increases cannot be passed on to consumers in higher prices.
- Firms which rely on export markets will find that their relative prices may rise, causing them to be priced out of world markets.

GOVERNMENT RESPONSES TO INFLATION

Broadly, governments will respond to inflationary pressures in one of two ways.

A **Keynesian** approach would concentrate on attempts to aggregate demand through a combination of monetary and fiscal policies. A range of credit control measures would be used as part of monetary policy to increase the cost and reduce the availability of credit for consumer purchases, for example cars. Personal taxation may be increased and/or government spending cut as part of fiscal policy.

A **Monetarist** approach would seek to reduce the growth of money supply by reducing government spending and hence the Public Sector Borrowing Requirement. Lower government spending would reduce aggregate demand. More important to the monetarist, it would also reduce the amount of bills and bonds issued by governments when borrowing, thereby cutting the money supply in the economy. The monetarist approach would also raise interest rates *to deter borrowing* in the private sector.

COMPREHENSION QUESTIONS

- ⇒ What are the major causes of inflation?
- ⇒ Why is inflation damaging for the economy?
- ⇒ Who suffers most in case of inflation?
- ⇒ How does government respond to inflation?
- ⇒ How do people respond to inflation?
- ⇒ What is inflation rate in Ukraine now?

Task 3. Find in the text and write down corresponding equivalents.

a person's strong position in negotiations

something bought

consumer goods expected to last

be seriously affected by sth

to take a reduction in profit

to dismiss sb

to prevent

Task 4. Fill in the blanks using the following words

in excess of; are likely to; durables; bills and bonds; bargaining power; lay-offs; wages; deter; raw materials; money supply; profit margins; spending;

1. The monetarist approach would reduce the amount of _____ issued by governments and _____ borrowing in the private sector.
2. It was caused by the strong _____ of trade unions and by increases in the cost of basic _____.
3. High price consumer _____, for example cars, _____ cause fall in demand.
4. As interest rates rise, _____ are squeezed.
5. Widespread _____ were caused by the attempts of trade unions to force up _____.
6. According to monetarist approach, _____ must be reduced by reducing government _____.

Task 5. *Translate the following sentences in writing.*

1. Demand pull influences are factors which cause an increase in aggregate demand to levels beyond the ability of the economy to deliver the appropriate level of output.
2. Such factors include increases in public spending, or sudden increases in credit creation and money supply by the banking system.
3. Cost push influences are factors on the supply side of the economy which lead to increases in the costs of production which are then passed on in higher prices.
4. Such pressure may be caused by the strong bargaining power of large labour unions or by increases in the cost of basic raw materials which force up industrial costs of production.
5. There is no clear agreement as to when inflation becomes unacceptable, but rates in excess of perhaps 5% are generally thought to be threatening, whilst in excess of perhaps 15% (hyperinflation) may cause social and political breakdown.
6. People who rely on incomes derived from past savings or who are in occupations where pay rates are slow to respond to changes in inflation, will be severely hit by inflation.

Task 6. *Using the given words, make up sentences and write them down.*

1. see; phenomenon; harmful; Many; economists; damaging; the; for; the; most; inflation; economic; nation; while; as.
2. some; economists; acceptable; However; some; economic; view; growth; as; an; inflation; price; for.
3. damaging; There; for; number; inflation; arguing; is; a; that; are; reasons; of.
4. may; one; to; ways; inflationary; Government; pressures; of; in; two; respond.
5. calculated; sample; by; Price; means; The; purchased; selecting; goods; is; of; normally; Retail; a; households; representative; by; Index; of.

Task 7. *Make the following sentences negative.*

1. In the early 1970s the price of oil increased fourfold.
2. Inflation may have alarming political consequences.
3. Some consumer goods are likely to experience sharp falls in demand.
4. Hyperinflation leads to the collapse of normal trading.
5. Interest rates usually rise during periods of inflation.
6. The firm will need to raise prices to maintain its profit margins.
7. Lower government spending would reduce aggregate demand.

Task 8. *Open the brackets in the following sentences using the given words in the correct form.*

1. Hyperinflation _____ (to destroy) confidence in money.
2. When prices _____ (to rise) the real income of consumers _____ (to decrease).
3. The demand for high price consumer durables _____ (to experience) sharp fall.
4. _____ (to lead) to a return to barter, hyperinflation may _____ (to collapse) the normal trading.
5. If the costs of input _____ (to rise), the firm _____ (to raise) prices _____ (to maintain) its profit margins.
6. Last year attempts _____ (to force up) wages _____ (to cause) widespread lay-offs.
7. Governments _____ (to be) likely _____ (to respond) to inflationary pressures in different ways.

Task 9. *Have a discussion on the topic “Inflation”. Use the following questions as a plan.*

1. How is the Retail Price Index (RPI) calculated?
2. What are causes of inflation?
3. How can inflation damage the economy?
4. May inflation have alarming political consequence?
5. What is an extreme form of inflation?
6. Who is severely hit by inflation?
7. Why do interest rates usually rise during periods of inflation?
8. What may happen if workers and their unions try to force up wages in response to inflation?
9. What are government responses to inflation?
10. What response to inflation is more effective?

Task 10. *Using active business vocabulary, write a short summary of the text (not more than 150 words).*

SUPPLEMENTARY TEXT FOR READING AND DISCUSSION

THE DISCIPLINE INTERVIEW

(adapted from: L.Y.Kulish, E.A.Druyanova, M.F.Khachaturova. English for Communication.

Kyiv: Astarta, 1995)

One of the least pleasant duties of a manager is holding a discipline interview. It is done if the employees break the rules or do not meet the performance standards. The penalties may be the following: reprimand, fines, demotion, dismissal. Before holding the interview, get the full facts of the matter. Carry out the discipline interview in private. The dignity of an employee must be respected. The purpose of discipline interview is to improve behaviour rather than to punish. Disciplinary action should not be delayed. If you need some time to investigate the matter, do it as quickly as possible. At the actual interview tell the employee at once why the interview is being held. Find out why the offence took place. Encourage the employee to speak openly about the situation. Ask him open-ended questions, wait for his reply. Keep the conversation to the point. Be polite but firm. The outcome of the interview should be constructive. Try to agree on an improvement plan. Fix a review date and explain what will happen if there is no improvement.

DISCUSSION QUESTIONS

- ⇒ What is the purpose of the discipline interview?
- ⇒ What penalties might be imposed for breaking the rules and not meeting the required performance standards?
- ⇒ Why should the discipline interview be carried out in private?
- ⇒ Should disciplinary actions be delayed?
- ⇒ How can disciplinary actions improve behaviour?

Role-play the discipline interview.

Topic 3. Employment.

Task 1. *Learn the following economic and management terms.*

1. unemployment benefits	допомога по безробіттю
2. be made redundant	бути звільненим з роботи
3. emphasize sth	наголошувати щось
4. obstruct, <i>v</i>	перешкоджати; турбувати
5. adopt sb's idea	схвалити, прийняти чиюсь ідею
6. encourage investment	сприяти, заохочувати інвестування
7. relaxation of credit	спрошені умови кредитування
8. deficiency in sth	дефіцит, недостача чого-небудь
9. current account	поточний рахунок
10. downturn in the economy	спад в економіці
11. overhead costs	накладні витрати
12. gearing, <i>n</i>	співвідношення боргу до активів
13. bottleneck, <i>n</i>	затримка; відставання
14. in terms of	стосовно; відносно;
15. recruit labour	працевлаштовувати

Task 2. *Read and translate the text No.3.*

EMPLOYMENT

(*adapted from: M. Buckley, Business Studies, Longman, 1992*)

The measure of unemployment currently used is the number of persons 'registered as unemployed and claiming *benefit*'. It has been suggested that this figure understates the true number of persons wishing to be economically active, but unable to find a job.

CAUSES OF UNEMPLOYMENT

There are several categories of unemployment. It is important to distinguish between them as they will require different treatment.

- ◆ **Frictional unemployment (or search unemployment).** Persons who *are made redundant* will need time to search for and start a new job. The time involved in such searching may be increased by recession and the consequent fall in the demand for labour.
- ◆ **Seasonal unemployment.** Fluctuations in demand for labour in certain industries will be linked either to the seasonal nature of production, e.g. agriculture, or to seasonal patterns of demand, e.g. children's toys at Christmas, or summer holidays.
- ◆ **Technological unemployment.** This may result from new technology causing a change in the pattern of demand, e.g. where a new product replaces one of inferior quality. It may also occur where an established industrial process is replaced by new machinery, requiring less labour. Skills may then become obsolete, as in steel making, leading to sudden and often very localised increases in unemployment. This sort of change may also be referred to as 'structural unemployment'.
- ◆ **Cyclical or demand deficiency unemployment.** Fluctuations of demand, caused by the pattern of the business cycle, may compound some of the above effects to produce sudden increases in unemployment.
- ◆ **Unemployment due to obstructions to the labour market.** Monetarists believe that this is the major cause of long term unemployment. They see the excessive national bargaining power of trade unions as being especially important. They believe that workers are then priced out of work by excessive increases in real wages. They also see excessively high unemployment benefits as a cause of

longer search times, thus increasing the number of workers unemployed at a given time.

Those economists who adopt a supply side approach are likely *to emphasise* the importance in creating unemployment of excessive increases in real wages, *obstructions* to the labour market and high levels of welfare benefits. Those who *adopt* a Keynesian approach are likely to emphasise the importance of inadequate levels of aggregate demand. Their prescriptions for reducing unemployment will reflect these views. On the other hand, those who support the supply side approach will emphasise the importance in reducing unemployment of curbing the power of the unions, reducing the real value of benefits, and improving the sources of information about available vacancies. Keynesians, on the other hand, argue for increases in government spending, *encouragement for investment* in the private sector and a *relaxation of credit* to encourage consumer demand and reduce unemployment.

RESPONSES TO UNEMPLOYMENT

Governments may respond in a number of ways to high or increasing levels of unemployment.

- ◆ If it is believed that a *deficiency* in aggregate demand is the cause of unemployment, it is possible to increase demand by use of a package of measures, fiscal and monetary. Thus the government might lower taxation and/or increase public spending. It might increase effective demand by removing restrictions on credit creation by the banking system and/or by lowering interest rates to induce both individuals and businesses to borrow for consumption or investment purposes.

- ◆ If it is believed that imperfections in the labour market are the cause of unemployment, the government might seek to break the power of the unions by legislation. More modest wage increases might then help to ‘price’ people back into work. Alternatively, the government might reduce the real value of benefits in order to make jobs on low wages more attractive.
- ◆ Where specific industries or regions are worst affected, it might use a policy of direct subsidy and regional aid measures in order to maintain existing jobs in the short term whilst encouraging the creation of new jobs.

COMPREHENSION QUESTIONS

- ⇒ How can unemployment influence upon the economy?
- ⇒ What are the causes of unemployment?
- ⇒ How is it possible to reduce the level of unemployment?
- ⇒ What are economists’ perceptions for reducing unemployment?
- ⇒ What is the role of trade unions in curbing unemployment?

Task 3. *Find in the text and write down corresponding equivalents.*

to dismiss sb

compensation received when out of work

major holdups (delays)

to make investment attractive

to employ

a fall in the amount of business done

lack of sth

this makes loans easier to get

Task 4. *Fill in the blanks using the following words and expressions.*

labour market; relaxation of credit; unemployment; unemployment benefits; encourage; emphasise; deficiency; economic variables; current account; investment.

1. Monetarists see excessively high _____ as a cause of longer search times.
2. In creating _____ some economists _____ the importance of excessive increases in real wages and high levels of welfare benefits.
3. To _____ consumer demand and reduce unemployment, some economists argue for encouragement for _____ in the private sector and a _____.
4. A _____ in aggregate demand is believed to be the cause of unemployment.
5. Imperfections in the _____ are the cause of unemployment.
6. Government must seek to manipulate the _____ to maintain low unemployment level.

Task 5. *Translate the following sentences in writing.*

1. The measure of unemployment currently used is the number of persons “registered as unemployed and claiming benefit”.
2. Persons who are made redundant will need time to search for and start a new job.
3. Fluctuations in demand for labour in certain industries will be linked either to the seasonal nature of production, or to seasonal patterns of demand.
4. Technological unemployment may occur where an established industrial process is replaced by new machinery, requiring less labour.
5. Those economists who support the supply side approach in reducing unemployment will emphasise the importance of curbing the power of the unions and reducing the real value of benefits.

6. The government might increase effective demand by removing restrictions on credit creation by the banking system to induce both individuals and businesses to borrow for consumption or investment purposes.

Task 6. *Make up and write down sentences of your own using the following words and expressions.*

- * to encourage investments
- * high levels of welfare benefits
- * to make redundant
- * labour market
- * the cause of unemployment
- * a relaxation of credit
- * public spending

Task 7. *Put questions to the words in italics.*

1. The major cause of long term unemployment is *obstructions to the labour market*.
2. Fluctuations of demand may produce *sudden increases in unemployment*.
3. Persons *who are made redundant* will need time to search for and start a new job.
4. Governments may respond *in a number of ways* to high or increasing levels of unemployment.
5. It is possible to increase demand by use of a package of measures, *fiscal and monetary*.
6. The government might reduce the real value of benefits *in order to make jobs on low wages more attractive*.

Task 8. *Open the brackets in the following sentences using the given words in the correct form.*

1. The government _____ (to understate) the true number of people who _____ (to wish) to be economically active, but unable _____ (to find) a job.
2. It is important _____ (to distinguish) between several categories of unemployment and _____ (to give) them different treatment.
3. Changes in technology may _____ (to lead) to sudden increases in unemployment.
4. Improving the sources of information about available vacancies will _____ (to reduce) unemployment.
5. Imperfections in the labour market _____ (to be believed) to be the cause of unemployment.
6. _____ (to make) jobs more attractive, the government _____ (to reduce) the real value of unemployment benefits.

Task 9. *Have a discussion on the topic "Employment". Use the following questions as a plan.*

1. What is the measure of unemployment currently used?
2. Why does this figure understate the true number of people wishing to be economically active, but unable to find a job?
3. What categories of unemployment are there?
4. Why is it important to distinguish between different categories of unemployment?
5. What do the economists who adopt a supply side approach to unemployment emphasise?
6. What is a Keynesian approach to unemployment?

7. How can governments respond to high or increasing levels of unemployment?
8. What is the unemployment rate in Ukraine now?
9. What does the Ukrainian government do to reduce the level of unemployment?
10. Are unemployment benefits in our country excessively high?

Task 10. *Using active business vocabulary, write a short summary of the text (not more than 150 words).*

SUPPLEMENTARY TEXT FOR READING AND DISCUSSION

CONSULTING STAFF

(adapted from: L.Y.Kulish, E.A.Druyanova, M.F.Khachaturova. English for Communication.

Kyiv: Astarta, 1995)

The main concern of managers is getting things done by other people. For this the managers should have the skills to make decisions, to see that the decisions are carried out and to get people to go along with your decisions. Consultation is an essential part of this process. Before consultation the manager should consider the company's policy and objectives, the available resources, the deadline for reaching a decision and people who will be affected by your decision. Consultation isn't a matter of collecting facts but the consequences of your decision. For this you must gather opinions and decide which facts are relevant. The purpose of consultation is to get assistance in making the decision, and acceptance of the decision once made. Getting assistance means getting ideas, criticising each other's suggestions, generating dissention. To get such productive disagreement your staff must have no fear of saying what they think. When the time comes to make the decision, review your priorities, consider the alternatives, weigh up the pros and cons of each. Then decide what action is to be taken, who is to take it and who must be informed of it. Communicate your decision and check that everyone has understood. Finally, follow

up the implementation of your decisions. Remember that others may carry out the work but the responsibility is yours.

DISCUSSION QUESTIONS

- ⇒ Why is it necessary to consult the staff?
- ⇒ What constraints should managers consider before consulting the staff?
- ⇒ What is the purpose of consultation?
- ⇒ Why is it better to generate dissention than to achieve consensus?
- ⇒ How can managers communicate their decision?

Figure out topics you would like to consult your staff.

TEST

TASK 1. Match the terms on the left with the appropriate definition or paraphrase on the right.

- | | |
|-------------------------------|--|
| _____ surge | 1. yield (a profit) |
| _____ return on an investment | 2. to increase sth |
| _____ surplus | 3. to dismiss sb |
| _____ expenditure | 4. a temporary slow-down in economic activity |
| _____ value | 5. to encourage sth |
| _____ prosper | 6. being out of a certain item |
| _____ promote sth | 7. the amount sth is worth |
| _____ economic indicator | 8. sudden but short-lived periods of economic growth |
| _____ recession | 9. money spent |
| | 10. to vary between different values |

_____ bargaining power (to bargain)	11. when the government provides financial support
_____ be made redundant (redundancy)	12. an excess of revenues over expenditures
_____ unemployment benefits	13. to lower taxes
_____ lay sb off (lay-off)	14. to be fired
_____ squeeze profit margins	15. to buy
_____ durables	16. to do very well financially
_____ purchase	17. a fall in the amount of business done
_____ recover (be in recovery)	18. this makes loans easier to get
_____ cut taxes (cut in taxes)	19. consumer goods expected to last
_____ rise (a rise)	20. to make investment attractive
_____ raise	21. to take a reduction in profit
_____ subsidize (a subsidy)	22. a person's strong position in negotiations
_____ fluctuate (fluctuations)	23. sth which shows the current strength of the economy
_____ encourage investment	24. to be doing better
_____ relaxation of credit	25. compensation received when out of work
_____ deficiency in sth	26. an increase
_____ downturn (upturn) in the economy	

TASK 2. Read the following text and translate the first two paragraphs in writing.

IMPLICATIONS FOR BUSINESS PEOPLE

(adapted from: M. Buckley, Business Studies, Longman, 1992)

Government Economic Management

All governments must seek to manipulate the economic variables in such a way as to maintain stable and low inflation and unemployment levels, high levels of economic growth and equilibrium in the balance of payments on *current account*. This 'stability' is clearly difficult to achieve.

It is essential for any businessperson to be aware of the condition of the economic environment in which he or she is operating. The ability to be able to predict the likely movements of key economic indicators and the likely government responses to those movements may enable the businesspeople to 'place' their business in such a way as to maximise profits or growth or at least ensure survival.

Economic Growth and the Business

- ◆ Recognition of a likely *downturn in* growth may allow the business to avoid being caught with excessive stock, too many employees and too much capacity. Reduction of inventory and *overhead costs* may enable it to survive as competitors fail and to emerge with increased market share when the *upturn* comes.
- ◆ Such recognition of a downturn in growth may enable the business to avoid being caught with excessive 'gearing' (borrowing) which may lead to cash flow difficulties and bankruptcy.
- ◆ Conversely, recognition of a likely *upturn in* growth may cause the businessperson to take other decisions. Greater production capacity and stock levels can be put in place before the expected *upturn* occurs, reducing the likelihood of *bottlenecks* and shortages impeding future increases in sales, etc.

Inflation

- ◆ Since high inflation leads to high interest rates, the successful business will often be the one which reduces its borrowing requirements during inflationary times.

- ◆ Businesses operating in a high inflation climate will be wise to avoid competing with overseas producers on price only, and instead to compete increasingly *in terms of* quality, delivery, service and value added.

Unemployment

- ◆ Increased unemployment may mean that the firm can *recruit key labour* more easily and cheaply.
- ◆ A fall in unemployment may cause difficulties. Suitable skilled labour may then be hard to recruit and retrain and wage levels may rise rapidly.

TASK 3. *In writing answer the following questions to the text.*

1. What kind of stability must all governments seek?
2. Why is it essential for any businessperson to be aware of the condition of the economic environment?
3. How can the business avoid being caught with excessive stock, too many employees and too much capacity?
4. How should businesses compete with overseas producers if they have to operate in a high inflation climate?
5. Will increased unemployment keep the firm to recruit labour more easily and cheaply?
6. What difficulties may a fall in unemployment cause?

TASK 4. *In writing ask four types of questions to the following sentence.*

- ◇ A rise in the level of unemployment will signal to the firm a possible fall in demand, requiring careful cutbacks of all costs and possibly a change in marketing strategy.

TASK 5. *Make up sentences of your own with the following words and expressions.*

- * labour force
- * flexible working practices
- * to stabilise pay
- * high interest rates
- * successful business

TASK 6. *Correct and rewrite only those statements which are false.*

1. Bottlenecks and shortages impede future increases in sales.
2. Downturn in growth promotes greater production capacity and stock levels.
3. Excessive borrowings lead to cash flow difficulties and bankruptcy.
4. High inflation leads to low interest rates.
5. Successful business reduces its borrowing requirements during inflationary times.
6. When it comes to government's role in the economy, economic growth is the only goal.
7. It is not possible to consider the circular flow from a strictly domestic point of view.

TASK 7. *Complete the following sentences.*

1. Increased unemployment means ...
2. Sometimes businesses seek to ...
3. Upturn in growth allows the business to ...
4. It is difficult to achieve ...
5. To ensure survival the business must ...

TASK 8. *Fill in the blanks with suitable words or expressions from the box given below.*

Money supply; inflation; balance of payments; to invest; industry; unemployment; function efficiently; business; economy; GDP; economic; devaluation.

1. In postwar Britain, governments relied on the Keynesian doctrine of economic management to remedy the recurrent problems of high levels of _____ and high _____.
2. Governments had to employ _____ measures to save the _____, thus steady growth became difficult.
3. _____ must be kept under control, and that given the right conditions, the market could _____.
4. Low levels of _____ activity and unemployment are caused by a lack of demand in the _____.
5. The government's recent cuts in corporate tax rates should boost the _____, increase _____ confidence and encourage businesses _____ more.

Task 9. Complete the fax, using an appropriate form of the verb in brackets.

INDEX ENGINEERING PLC FAX	

Attention of: Shigeru Kanemori c/o Hilton Hotel, London	From: Peter Wilsdon
No. of pages incl. top sheet: 1	Time-Date: 02:00pm 2 June

<i>Please telephone us immediately if you do not receive the number of pages indicated</i>	
Dear Shigeru	
Welcome to Britain. _____ (you/have) a good journey? _____ (you/be) tired when you _____ (get) here? What _____ (you/do) last night? I'm sure you _____ (not/go) to the night club!	
I _____ (come) to your hotel this morning, but you _____ (not/be) here. The receptionist _____ (tell) me that you _____ (leave) the hotel at about 9 a.m. I _____ (not/be) surprised because I knew that you have a meeting at ICL today.	
If you are free tomorrow, phone me or fax me on 0171- 222-1234, and we'll have a drink together.	
Best wishes, Peter	
INDEX ENGINEERING PLC INDEX HOUSE BAKER STREET LONDON W1A 1AA Tel.0712221234	

(from Business Basics by D.Grant, R.McLarty, Oxford, 1997, p.53).

Task 10. Now write a fax from Shigeru to Peter.

- a Thank him for his fax.
- b Answer his questions in the first paragraph.
- c Explain where you were today (meeting at ICL).
- d Explain that you are busy this evening and can't meet him for a drink. *I'm afraid...*
- e Suggest that you meet tomorrow. *Let's...*

Unit 2. Types of Business Unit.

Topic 1. Private and Public Companies.

Task 1. *Learn the following economic and management terms.*

1. joint-stock company	акціонерне товариство
2. share, <i>n</i>	акція
3. authorised capital	статутний капітал
4. issue shares	випускати акції
5. liability, <i>n</i>	зобов'язання
6. shareholder, <i>n</i>	акціонер
7. subscription clause	інформація в документі, яка вказує, скільки акцій повинно бути продано
8. subscribe to	підписуватись на
9. run the company	керувати компанією
10. allocation of	розподіл, призначення
11. voting right	право голосу
12. shareholders' meeting	збори акціонерів
13. grant, <i>v</i>	давати згоду; дозволяти
14. funds	кошти
15. offer for sale	пропозиція на продаж
16. safeguard, <i>n</i>	захист
17. losses, <i>n</i>	збитки
18. trade, <i>v</i>	торгувати
19. transfer of shares	передача акцій
20. takeover offer	пропозиція на злиття (компаній)
21. exercise stringent control over sth	здійснювати строгий контроль над чим-небудь

ДІЛОВА АНГЛІЙСЬКА МОВА

22.fraud, <i>n</i>	обман; незаконна діяльність
23.liability position	фінансова відповідальність
24.incurr debts	накопичувати борги
25.assets, <i>n</i>	активи
26.be liable for	бути зобов'язаним; бути відповідальним за що-небудь
27.go bankrupt	збанкрутувати
28.obtain, <i>v</i>	отримати, придбати
29.initially	спочатку; початково
30.for expansion purposes	з метою розширення
31.debenture, <i>n</i>	боргове зобов'язання
32.loan, <i>n</i>	позика
33.in anticipation of profits	в очікуванні прибутків
34.dividend, <i>n</i>	дивіденд
35.retain profit	утримувати прибуток
36.preference shareholder	власник привілейованої акції
37.be entitled to sth	мати право на що-небудь
38.ordinary shareholder	власник простої акції
39.return on capital	дохід на вкладений капітал
40.forego sth	відмовлятися, утримуватися (від)
41.lend, <i>v</i>	позичати (кому-небудь)
42.claim, <i>n</i>	вимога; претензія
43.have no say	не мати права голосу
44.majority shareholding	контрольний пакет акцій
45.prevent sth (from happening)	запобігати; перешкоджати
46.board of directors	рада директорів, правління

47.major shareholder	акціонер, який має контрольний пакет акцій
48.be appointed to the board	бути призначеним у члени правління
49.disapproval of	несхвалення; небажання затвердити що-небудь
50.function as a rubber stamp for sth	схвалювати щось без розгляду, обдумування
51.executive director	виконавчий директор
52.managing director	директор-розпорядник
53.preside over a meeting	головувати на зборах

Task 2. *Read and translate the text No. 1.*

PRIVATE AND PUBLIC COMPANIES

(adapted from: A.G.McArthur, Economic Theory & Organisation, Plymouth, 1980)

A. Production within the private sector is carried out largely by companies, sole proprietors and partnerships. Within the public sector, production is carried out mainly by public corporations.

Within the private sector of the economy companies are by far the most important form of business unit in terms of the total value of output controlled and numbers employed. A company is formed by two or more people, normally to conduct business with a view to making profit, and once it has been incorporated, it takes on a separate legal existence of its own, quite apart from the individuals who have brought about its formation. This means that any legal processes carried out in relation to a company operate as though it were an individual, for as long as it continues to exist. This feature rigidly distinguishes the company from the

partnership which, although involving more than one person, has no separate legal identity.

In order to register a *joint stock company* the persons concerned (the promoters) must draw up two documents, a memorandum of association and articles of association, which must be submitted to the Registrar. There is a legal minimum of information which the memorandum must contain, including the proposed company's name, its objectives in outline, the maximum value of *shares* (i.e. the *authorised capital*) and the types of shares which will *be issued*, an indication of the *liability* position of the *shareholders*, and a *subscription clause*. The articles contain the internal rules which are to govern how the company is *run*, for example the *allocation of voting rights* to the people who are to own the business, i.e. the shareholders, and the procedure for calling *shareholders' meetings*. Assuming that these documents are satisfactory, the Registrar will *grant* a certificate of incorporation, which brings the company into existence.

The next step involves a distinction between the public and the private company. In the case of a public company, the procedure will often be to raise the necessary *funds* to commence business by advertising shares for sale to the general public. This is likely to be carried out by the publication of a prospectus or an *offer for sale*. The public can subscribe to these shares in varying quantities subject to a minimum, and the promoters of the company must also legally take up at least one share each. There is, of course, no guarantee that the public will subscribe to all or any of these shares, in which case the company might have insufficient funds to begin business operations. A *safeguard* is required here to protect those people who have subscribed from *losses* which might result from any attempt to commence business

with an inadequate financial base. Consequently, a public company cannot start to *trade* until a minimum subscription figure (stated in the memorandum and agreed by the Registrar) is reached, when the Registrar will issue a trading certificate.

COMPREHENSION QUESTIONS

- ⇒ What types of business units do you know?
- ⇒ Which form of business is the most important?
- ⇒ What is the procedure to register a joint stock company?
- ⇒ Can a public company start to trade if a minimum subscription figure is not reached?

B. The procedure for a private company varies in that shares cannot be offered for sale to the general public, no prospectus of offer for sale thus being required, and consequently there is no need to protect the general public from possible loss. Private companies do not need a trading certificate and can commence business whenever they so wish, following their incorporation. Also private companies normally have included in their articles a clause which effectively prevents the *transfer of shares* by an individual shareholder to another person without the agreement of the directors. This enables control of the company to be kept by the immediate group of people concerned, e.g. a family, and thus provides a barrier to undesired *takeover offers*.

The directors of large public companies are usually unknown personally to members of the sharebuying public, so it is necessary for *stringent control to be exercised* over company formation and behaviour to protect shareholders from *fraud*.

All limited companies are now required to submit accounts, whether they are public or private. The terms “limited” and “unlimited” refer to the *liability position* of the shareholders of a company. The existence of limited liability means that, although shareholders may lose fully the value of the shares they have purchased in a company, they cannot be called upon to pay any further *debts* which have been *incurred* by the company and which cannot be fully repaid out of its existing *assets*. This protection is essential in a public company if people are to be persuaded to buy shares, because they would otherwise be unwilling to risk becoming *liable for* any further sums of money should the company *go bankrupt*.

As previously explained, companies *obtain* their finance *initially* from the sale of shares, but further future issues are possible and quite normal as further funds are required *for expansion purposes*. Such share capital forms the basic finance of a company, but, once operational, companies are likely to raise additional finance in a variety of other ways, for example through *debenture* issues and bank *loans*. The existence of limited liability obviously reduces the risk taken by people providing the share capital of a company, but it does not eliminate it - this capital can still be lost! To encourage people to take this risk some reward must be offered, and shares are thus purchased *in anticipation of profits* to be made from the company's operations (and possibly gains from the rising value of the shares). *Dividends* are paid on existing shares out of profit made (or possibly at least partly out of reserves if profits are inadequate), although some profit is commonly *retained* for future use. The *holders of preference shares* are *entitled to* a fixed dividend e.g. 9 per cent while *ordinary shareholders* receive a variable amount, depending partly on the level of profit and partly on the directors' dividend policy.

This *return on* share capital is considered by economists to be partly interest, as a reward for the shareholders *foregoing* the use of the money for other purposes, and partly pure profit for bearing the risk of (a) a low return (if any) and (b) the loss of their share capital through the bankruptcy of the company. Shareholders are legally the owners of a company and as such take the main risk of possible loss. As mentioned previously, finance may be raised in other ways than through the sale of shares. Anyone *lending* money to a company, as opposed to buying shares and becoming a part-owner, becomes a creditor and, as such, will also be taking a certain amount of risk. However, the risk taken is not as great as that of the shareholders, in that in the event of the liquidation of a company, all creditors have a prior *claim* on the assets of the company. The shareholders can only be repaid after **all** creditors, and it may well be that the assets of the company are insufficient to allow full repayment of share capital, if any. Thus, the shareholders are taking the greater risk.

COMPREHENSION QUESTIONS

- ⇒ How does the private company differ from the public company?
- ⇒ How is it possible to protect shareholders from fraud?
- ⇒ What does limited liability mean?
- ⇒ How do companies obtain their finance?
- ⇒ Who takes the greater risk: shareholders or creditors of the company?

C. Because the shareholders are the owners of a company, one would expect them to have some control over the operation of the business, but this is by no means always so. Firstly, not all shareholders have voting rights. Commonly these rights are held entirely by the ordinary shareholders, and are related to the number of shares held, e.g. one vote for one share. Preference shareholders normally have no such rights and thus *have no say* in the running of a company, except in special circumstances.

Secondly, the voting rights of some ordinary shareholders may be effectively of no importance should one person or a small group of persons hold a *majority of the voting shares*. They are able to exercise their voting rights, but will ultimately be unable to *prevent* the acceptance or non-acceptance of any matter being considered. Ownership is thus said to be separated from control. Shareholders are always, however, entitled to attend general meetings, at least one of which must be held each year, namely the annual general meeting. At these they can express their views even though they may not be accepted.

In general, the average shareholder has very little control over the operation of a company. All but the most major policy decisions, such as those involving a change in the articles, are taken by an elected *board of directors*. This board is in fact elected by the shareholders, but it is likely, at best, to be only the *major shareholders* (if any) who find themselves *appointed to the board*, and it is this board which then makes the policy decisions. Shareholders have the opportunity to express their *disapproval* of the board's actions when directors seek re-election at an annual general meeting, but private shareholders will normally find it impossible to obtain sufficient support to force any changes in the board's membership. Partly for these reasons many shareholders never attend such meetings, which tend to *function merely as a rubber-stamp* for the chairman of the board's report, which will include details of the previous year's trading results and his view of the company's future.

Many of the directors themselves often have very little to do with a company's operations, their function being only to attend board meetings for the purpose of voting on policy matters and possibly putting forward their own views. However, there will also be directors who take a more active role in the working of their company, possibly being responsible for a particular activity, such as production, or

department, such as marketing. These are the *executive directors*, who carry out this work on a full-time basis and who will be paid salary. There will be also a *managing director* (or chief executive officer) who will take overall responsibility for the firm's day-to-day operations and will co-ordinate the activities of the other executive directors. The chairman may simply be the person who *presides over* board meetings, but he may in addition play an active role in the work of the company, and the post is commonly combined with that of the managing director or CEO.

COMPREHENSION QUESTIONS

- ⇒ Who are the owners of the company?
- ⇒ How do the shareholders control the operation of the business?
- ⇒ Who makes the policy decisions of the company?
- ⇒ Who is responsible for a particular activity of the company?
- ⇒ Who takes overall responsibility for the company's day-to-day operation?

Task 3. *Find in the text and write down corresponding equivalents.*

stock

stockholder

direct or manage a business

offer to take control

property and possessions

be answerable

be legally declared insolvent

a sum of money lent to someone

share of profit paid to shareholders

yield

demand or request for sth

official administrative body of a company

the process of giving sth to sb

money

a protection

money lost

move ownership in sth to someone else

watch/monitor sth very closely

illegal activity

financial responsibility

money one owes

the things of value owned by a company

in the very beginning

a bond issued by a company and traded on the stock exchange

acknowledgement of indebtedness

expecting a return

have a right to sth

do without sth

relinquish

be chosen as a director

an unwillingness to accept sth

okay sth without looking at it

chair a meeting

Task 4. *Fill in the blanks using the following words.*

for expansion purposes; liability position; joint stock company; running of a

company; to exercise stringent control; shareholders; shares; fraud; debenture; obtain; incurred debts; disapproval; initially; funds; issues; executive directors; loans.

1. Two documents must be drawn up in order to register a _____ .
2. It's necessary _____ over company formation and behaviour to protect shareholders from _____ .
3. The terms "limited" and "unlimited" refer to the _____ of the _____ of a company.
4. Though shareholders may lose fully the value of the _____ in the company, they cannot bear responsibility for any further company's _____ .
5. Companies _____ their finance _____ from the sale of shares, but further future _____ are possible _____ .
6. Companies are likely to raise additional _____ through _____ issues and bank _____ .
7. Shareholders have the opportunity to express their _____ of the board's actions, but normally find it impossible to force any changes in the _____ .

Task 5. *Translate the following sentences in writing.*

1. Within the private sector of the economy companies are by far the most important form of business unit in terms of the total value of output controlled and numbers employed.
2. A safeguard is required to protect those people who have subscribed from losses which might result from any attempt to commence business with an inadequate financial base.
3. The directors of large public companies are usually unknown personally to members of the sharebuying public, so it is necessary for stringent control to be exercised over company formation and behaviour to protect shareholders from fraud.
4. The existence of limited liability obviously reduces the risk taken by people providing the share capital of a company, but it does not eliminate it - this capital can still be lost!
5. The return on share capital is considered by economists to be partly interest, as a reward for the shareholders foregoing the use of the money for other purposes, and partly pure profit bearing the risk of a low return and the loss of their share capital through the bankruptcy of the company.
6. The board of directors is in fact elected by the shareholders, but it is likely, at best, to be only the major shareholders (if any) who find themselves appointed to the board, and it is this board which then makes the policy decisions.

Task 6. *Make up and write down sentences of your own using the following words and expressions.*

- * authorised capital
- * shareholders' meeting
- * to grant
- * funds

- * losses
- * liable for
- * loan
- * dividend
- * claim
- * have no say

Task 7. Ask questions to the words in italics.

1. Production within the private sector is carried out largely by *companies, sole proprietors and partnership*.
2. A company is formed *to conduct business* with a view to making profit.
3. Any legal processes *carried out in relation to a company* operate for as long as it continues to exist.
4. Private companies do not need a trading certificate and *can commence business* whenever they so wish.
5. *Amount of dividends received by shareholders* depends partly on the level of profit and partly on the directors' dividend policy.

Task 8. Open the brackets in the following sentences using the given words in the correct form.

1. Now all limited companies _____ (to be regarded) to submit accounts, whether they _____ (to be) public or private.
2. To encourage people _____ (to take) the risk some reward must _____ (to be offered).
3. Dividends _____ (to be paid) on existing shares out of profit made, although some profit _____ (to be retained) for future use.

4. Finance may _____ (to raise) on other ways than through the sale of shares.

5. Anyone _____ (to lend) money to a company _____ (to become) a creditor of the company.

6. One would _____ (to expect) shareholders _____ (to have) some control over the operation of the business.

Task 9. *Have a discussion on the topic “Private and Public Companies”. Use the following questions as a plan.*

1. What are the most important forms of business unit?
2. How is a company formed and registered?
3. What is the difference between a memorandum of association and articles of association?
4. Why is it necessary to make a distinction between the public and the private company?
5. How can shareholders be protected from fraud?
6. In what ways do companies obtain their finance?
7. Who are the owners of the company?
8. Who are the creditors of the company?
9. Who has a prior claim on the assets of the company in the event of its liquidation?
10. Is the board of directors elected by the shareholders?
11. Why do many shareholders never attend annual general meetings?
12. Why do people incorporate?

Task 10. *Using active business vocabulary, write a short summary of the text (not more than 200 words).*

SUPPLEMENTARY TEXT FOR READING AND DISCUSSION

HOLDING A MEETING

(adapted from: L.Y.Kulish, E.A.Druyanova, M.F.Khachaturova. English for Communication.

Kyiv: Astarta, 1995)

Meetings are one of a manager's most useful means of communication. Before the meeting it's necessary to identify the specific items for consideration and arrange them in sequence in the agenda. Begin the meeting by stating its purpose. Keep the discussion relevant, watch out for repetition. Where necessary seek clarification from speakers. After each item has been discussed, briefly summarise the conclusions. Avoid answering questions and getting involved in arguments. Respond positively to suggestions and encourage alternative suggestions. Ask the speakers open-ended questions and praise their contributions. At the end of the meeting give an overall summary, relating the final conclusions to the initial statement of the purpose of the meeting. Finally, finish the meeting on time. As the end approaches, encourage speakers to keep their final contributions as brief as possible. If you value the time of the participants of the meeting you are more likely to get a full attendance at future meetings. So, holding a meeting requires good leadership skills to be shown by managers. If meetings are duly prepared and effectively conducted, they won't be regarded as a waste of time.

DISCUSSION QUESTIONS

- ⇒ Why are meetings one of a manager's most useful means of communication?
- ⇒ What should managers consider while preparing meetings?
- ⇒ How is it possible for the chairman to keep the discussion relevant?
- ⇒ What are the chairman's concerns in dealing with people at the meeting?
- ⇒ How is it necessary to organize a meeting so that it isn't a waste of time?

Role-play a meeting with your staff on a relevant problem.

Topic 2. The Company Versus Sole Proprietor.

Task 1. *Learn the following economic and management terms.*

1. sole proprietor	одноосібний власник
2. ownership, <i>n</i>	власність
3. savings	заощадження
4. salaried manager	менеджер, який отримує зарплату
5. utilise, <i>v</i>	використовувати
6. scale of operations	масштаб операцій
7. raise finance	збирати кошти
8. go public	ставати державною (комунальною) компанією з обмеженою відповідальністю
9. invest in	інвестувати у
10. legal device	законний засіб
11. rely on	покладатися на
12. bear losses	нести збитки
13. be liable for debts	бути відповідальним за борги
14. to the full extent	повною мірою
15. irredeemable	який не підлягає обміну на гроші
16. have money tied up somewhere	мати гроші, інвестовані у
17. quote shares	визначати ціну за акції
18. Stock Exchange	фондова біржа
19. be freely negotiable	бути у вільній продажі
20. cash, <i>n</i>	готівка
21. estate duty	податок на нерухоме майно
22. be adversely affected	бути болюче враженим
23. validity of contract	законність; дійсність контракту

Task 2. *Read and translate the text No.2.*

THE COMPANY VERSUS THE SOLE PROPRIETOR

(*adapted from: A.G.McArthur, Economic Theory & Organisation, Plymouth, 1980*)

The *sole proprietor* type of firm, which contrasts most strongly with the company, indicates that *ownership* lies in the hands of an individual, who will normally provide the basic finance for the operation of the business out of his own *savings*. However, this should not be taken to imply that he will always be responsible for the day-to-day control of the business and that there will be no finance obtained from other sources. Control could to a large extent be left in the hands of a *salaried manager* and, as a sole proprietor business grows, it will become increasingly necessary to obtain assistance in the management of the business. Also the sole proprietor is not restricted to his own financial resources, and he may well *utilise* funds provided by others, for example personal loans and bank loans.

In the UK economy the company and the sole proprietor are both common types of firm. There are far fewer companies in terms of number, but they control a much larger segment of the economy, which indicates that they operate on average on a larger scale than the sole proprietor. However, the fact that they exist side by side implies that neither has in itself any predominant advantages over the other, nor any overwhelming disadvantages: there are, however, definite points in favour of and against each type. These points relate partly to the actual forms of the firm and partly to the fact that the form itself leads to other points which relate to the *scale of operations*. Thus, companies tend to be very much larger than sole proprietor, because they are in a position *to raise more finance*, but it must be remembered that small companies and large sole proprietor businesses do exist and that the advantages and disadvantages of size are thus not invariably related to the form of firm.

The primary reason for the companies being able to raise larger quantities of finance is their ability to issue shares and thus raise money from a large number of people. The public company is in an even stronger position than the private one in this connection, in that it can appeal to the general public. In fact, private companies often *go public* in order to obtain further finance for expansion. Also, the existence of limited liability for all shareholders is a definite encouragement *to invest in shares*, and companies could never have developed to their present size without this *legal device*. The sole proprietor must *rely* much more heavily *on* his own financial resources, and consequently his ability to expand tends to be very limited. He must also *bear fully any losses* arising from his business operations and *is liable for debts to the full extent* of his resources, business or personal.

For various reasons the company is also more likely to achieve a greater continuity of existence. Once shares have been purchased in a company, they are normally *irredeemable*, and the company thus has the use of such finance for as long as it continues to exist. On the other hand shareholders are not forced as a result *to have their money permanently tied up* in a particular company, because shares can be resold to other persons. In this connection the public company whose *shares are quoted* on the *Stock Exchange* has the greater advantage, in that its shares *are freely negotiable*, that is the shares can be sold to another investor at any time. A company can thus continue to operate and expand without the fear that it may abruptly lose its basic finance, unless a situation arises where *cash* must be raised from the sale of an individual's existing shareholding, but where no one is willing or able to buy. This might arise on the death of a shareholder in a private company, the shares of which will not of course be quoted. *Estate duties* may be payable and if the other

shareholders are unable to afford to purchase the shares, the sale of at least some of the assets of the business may be required to raise the necessary cash.

The sole proprietor business will be more likely still *to be adversely affected* as a result of the death of the sole proprietor. To pay estate duties, at least some of the assets of the business will have to be sold, possibly bringing it to an end, unless it can be sold as a whole, in which case there is still no guarantee of its continued success under new proprietorship. The quoted public company avoids these problems and has a greater chance of long-term and smooth expansion. Also, all companies have the advantage of legal existence separate from their shareholders, and the death of shareholders thus does not give rise to legal difficulties, for example regarding the *validity of contracts* previously signed.

COMPREHENSION QUESTIONS

- ⇒ How can sole proprietor raise funds for his business?
- ⇒ Companies and sole proprietors exist side by side, don't they?
- ⇒ Who can raise larger quantities of finance: companies or sole proprietors?
- ⇒ Who has limited life: a company or a sole proprietorship?
- ⇒ Why will the sole proprietor business be adversely affected in case of the death of the sole proprietor?

Task 3. *Find in the text and write down corresponding equivalents.*

tax on property consisting of much land and usually a large house

be hurt

legal acceptance of sth

one and only owner of a business

money saved

sb who is paid salary

use sth

levy, collect, or bring together

become a public limited company

put trust in sb/sth

bear full liability

can't be converted into cash

have money firmly invested

shares are easily sold

put money for profit into (stocks, etc.)

money in coins or notes

place for dealing in stocks

Task 4. *Fill in the blanks using the following words.*

savings; sole proprietor; extent; validity; quoted; utilise; irredeemable; loans; go public; salaried; expansions; negotiable; funds; Stock Exchange.

1. The _____ normally finances his business out of his own _____.
2. To a large _____ control could be left in the hands of a _____ manager.
3. The sole proprietor may _____ funds provided by bank _____.
4. Private companies often _____ in order to obtain further _____ for _____.
5. Shares are normally _____.
6. Shares which are _____ on the _____ are fully _____.

Task 5. *Translate the following sentences in writing.*

1. Control could to a large extent be left in the hands of a salaried manager and, as a sole proprietor business grows, it will become increasingly necessary to obtain assistance in the management of the business.
2. It must be remembered that small companies and large sole proprietor businesses do exist and that the advantages and disadvantages of size are thus not invariably related to the form of firm.
3. The existence of limited liability for all shareholders is a definite encouragement to invest in shares, and companies could never have developed to their present size without this legal device.
4. Estate duties may be payable and if the other shareholders are unable to afford to purchase the shares, the sale of at least some of the assets of the business may be required to raise the necessary cash.
5. All companies have the advantage of legal existence separate from their shareholders, and the death of shareholders thus does not give rise to legal difficulties.

Task 6. *Make up and write down sentences of your own using the following words and expressions.*

- * to have money tied up
- * to the full extent
- * to be liable for
- * legal device
- * to be adversely affected
- * validity of
- * to be freely negotiable
- * to raise funds

Task 7. *Make the following sentences negative.*

1. Once shares have been purchased in a company, they are irredeemable.
2. Companies could have developed to their present size without this legal device.
3. The public company is in an even stronger position than the private one.
4. Cash must be raised from the sale of an individual's existing shareholding.
5. The quoted public company avoids these problems.
6. All companies have the advantage of legal existence separate from their shareholders.
7. The name indicates that ownership lies in the hands of an individual.

Task 8. *Complete the following sentences and write them down.*

1. The sole proprietor type of firm is the one which ...
2. Control could be left in the hands of ...
3. The company had to raise more finance because ...
4. Shareholders were encouraged to ...
5. Without this legal device ...
6. To expand the scale of operations, the company ...
7. We had to sell shares because ...

Task 9. *Have a discussion on the topic "The Company Versus Sole Proprietor".*

Use the following questions as a plan.

1. How does the sole proprietor type of firm differ from the company?
2. What type of business has more advantages? Why?
3. What type of business has more disadvantages? Why?
4. Are companies in a position to raise more money than sole proprietor businesses?
How can they do it?

5. Why do companies need to raise large quantities of finance?
6. How is it possible to encourage people to invest in shares?
7. If shares have been purchased in a company, are they redeemable
8. Are shareholders forced to have their money permanently tied up in a particular company?
9. If shares are freely negotiable, can they be sold to another investor at any time?
10. Why will the sole proprietor business be adversely affected in case of the death of the sole proprietor?
11. In what kind of business is it better to be busy: sole proprietorship or corporation?

Task 10. *Using active business vocabulary, write a short summary of the text (not more than 150 words).*

SUPPLEMENTARY TEXT FOR READING AND DISCUSSION

NEGOTIATING

(adapted from: L.Y.Kulish, E.A.Druyanova, M.F.Khachaturova. English for Communication.

Kyiv: Astarta, 1995)

Most managers are involved in negotiating. Successful negotiation is where you get what you want. There are a number of factors that affect the negotiating process. All these factors - attitudes, personal needs, sources of power - should be considered before the negotiations. Your attitude means your high aspiration for good results, your commitment to the deal and determination to win. You should encourage and take into account the personal needs of the other party. Then people will be more willing to go along with you. The more you know about the other party, the more time you have to negotiate, the more power you'll have. Start negotiations with a firm demand, but don't be hostile. You may refer to the policy of your company or regulations. Before making concessions, find out what the other party wants. The longer you hold out, the more likely you are to get something in exchange. Don't be afraid of reaching a deadlock, but do it in a way that doesn't reduce your credibility. Try to keep the relationship friendly. It's easier to get the agreement you want when the other party is well-disposed towards you. It's essential to maintain trust and integrity.

DISCUSSION QUESTIONS

- ⇒ How do you understand the successful negotiation?
- ⇒ What should be taken into account when planning the strategy of the negotiations?
- ⇒ What factors affect the negotiating process?
- ⇒ Why is the question of power at the centre of all negotiations?
- ⇒ How can you keep the relationship friendly throughout the negotiations?

Role-play negotiations on the relevant business problems.

Topic 3. Partnership.

Task 1. *Learn the following economic and management terms.*

- | | |
|--------------------------|--|
| 1. deed of partnership | акт створення товариства |
| 2. dispute, <i>n</i> | спір, суперечка |
| 3. be superseded by | бути заміненим |
| 4. joint stock company | акціонерна компанія |
| 5. limited liability | обмежена відповідальність |
| 6. sleeping partner | партнер, який не бере активної участі у роботі фірми |
| 7. general partner | генеральний партнер, компаньйон, який несе повну юридичну відповідальність за справу |
| 8. silent partner | маловідомий партнер, компаньйон |
| 9. secret partner | секретний партнер (з правом голосу, але невідомий громадськості як партнер) |
| 10. withdrawal of money | вилучення грошей |
| 11. run the business | керувати фірмою, вести справи |
| 12. compete, <i>v</i> | змагатися; конкурувати |
| 13. disruption, <i>n</i> | руйнування; розкол |

Task 2. *Read and translate the text No.3.*

PARTNERSHIPS

(*adapted from: A.G.McArthur, Economic Theory & Organisation, Plymouth, 1980*)

There are no legal formalities which must be followed in the formation of a partnership, as in the case of a company, but a legal document called a *deed of partnership* is normally drawn up to govern the business relationship between the partners and to indicate their respective positions. For example, the deed might show the sums of money each partner is to invest, the method of distributing profits and the voting allocation in the settlement of any *disputes*.

Partnerships are still common in some areas of business, particularly the professions, for example, doctors, solicitors and stockbrokers, but elsewhere they *have been largely superseded* by the arrival of the private *joint stock company*. The greatest advantage of the small private company lies in the fact that all shareholders are able to have *limited liability*. In the ordinary partnership all partners bear unlimited liability, including *sleeping partners*. True, a limited partnership can be formed, which allows some partners to be granted limited liability, but there must still be at least one partner - the *general partner* - who has unlimited liability for any debts incurred in the business.

Partnerships also have many of the other disadvantages of sole proprietors, when compared with companies. There are still the problems of continuity arising from the death of a partner, which may involve the ending of a partnership and the *withdrawal of money*, but on the other hand continuity with regard to the *running of the business* should be less of a problem. On average, partnerships are, however, more likely to be able to raise more finance than sole proprietors, but they still cannot *compete* here with the public company.

As regards control, partnerships possess some of the advantages of the company, but lose some of the advantages of the sole proprietor. The work of control can be spread among a number of people as in a company, but this can give rise to difficulties as previously explained. Co-ordination becomes necessary and disputes can arise, possibly in extreme cases causing the complete *disruption* and closure of the business. Also, the actions of one partner are binding on the others, which is a considerable disadvantage where unlimited liability exists.

COMPREHENSION QUESTIONS

- ⇒ Are there many legal formalities in the formation of a partnership?
- ⇒ What does unlimited liability mean?
- ⇒ Can partnerships compete with the companies in raising finance?
- ⇒ Are there any difficulties in exercising control in partnerships?
- ⇒ How can disputes be settled in partnerships?

Task 3. *Find in the text corresponding equivalents.*

a disagreement often settled in a court of law

legal document (used especially for transferring ownership of property)

partner not sharing in the actual work of a firm

to be replaced

disturbance

company formed on the basis of a joint stock

to rival (especially in business)

taking money out of business (account)

direct or manage (a business)

Task 4. *Fill in the blanks with the following words and expressions.*

limited liability; debts incurred; deed of partnership; general partner; compete; withdrawal of money; disputes; joint stock companies; unlimited liability.

1. On average, partnerships cannot _____ with the public companies.
2. In the ordinary partnership all partners bear _____ , including sleeping partners.
3. All _____ must be settled according to the _____ .
4. In case of _____ the partnership may stop its existence.
5. The _____ has unlimited liability for any _____ in the business.
6. Partnerships have been largely superceded by the arrival of the private _____ .

Task 5. *Translate the following sentences in writing.*

1. The deed might show the sums of money each partner is to invest, the method of distributing profits and the voting allocation in the settlement of any disputes.
2. Limited partnership allows some partners to be granted limited liability, but the general partner has unlimited liability for any debts incurred in the business.
3. Co-ordination becomes necessary and disputes can arise, possibly in extreme cases causing the complete disruption and closure of the business.
4. The actions of one partner are binding on the others, which is a considerable disadvantage where unlimited liability exists.

Task 6. *Make up and write down sentences of your own with the following words and expressions.*

- * dispute
- * joint stock company
- * to withdraw money
- * to run the business
- * to compete

Task 7. *Complete the following sentences and write them down.*

1. A legal document was drawn up to
2. Partnerships are common in such professions as
3. All partners were granted
4. When compared with companies, partnerships
5. After withdrawal of money
6. We couldn't compete with

Task 8. *Open the brackets in the following sentences using the given words in the correct form.*

1. A deed of partnership _____ (to draw up) to govern the business relationships between the partners.
2. We _____ (to settle) our disputes according to the deed.
3. Partnerships _____ (to supercede) by the appearance of the private joint stock companies.
4. All partners _____ (to bear) unlimited liability, _____ (to include) sleeping partners.
5. Our business _____ (to incurr) a lot of debts.

6. To stop the partnership, I _____ (to withdraw) my money.
7. Our partnership couldn't _____ (to compete) with the public company.

Task 9. *Have a discussion on the topic "Partnership". Use the following questions as a plan.*

1. What legal document is normally drawn up to govern the business relationships in the formation of a partnership?
2. How are disputes settled should they appear in the partnership?
3. Are partnerships common in many areas of business?
4. Who bears unlimited liability in the ordinary partnership?
5. What is the role of the general partner in the limited partnership?
6. What may death of a partner involve?
7. Who is able to raise more finance, partnerships or sole proprietors?
8. Are partnerships always successful?
9. What difficulties are there in the running of the partnership?
10. What may cause complete disruption and closure of the business?

Task 10. *Using active business vocabulary, write a short summary of the text (not more than 150 words).*

SUPPLEMENTARY TEXT FOR READING AND DISCUSSION

HANDLING COMPLAINTS

(adapted from: L.Y.Kulish, E.A.Druyanova, M.F.Khachaturova. English for Communication.

Kyiv: Astarta, 1995)

Managers would prefer to avoid complaints, but in fact a complaint should be welcomed. Any contact with a customer is an opportunity to improve business, and even a dissatisfied customer is no exception. A complaint can be turned into good public relations. In case of complaint try to see the situation from the customer's viewpoint. Show the customer that you're concerned, that you take his complaint seriously. You can always show sympathy for the customer's problem without actually accepting responsibility for it. Show the customer that you understand him, negotiate patiently and make some concession. Complaints should be dealt with as quickly as possible, but avoid making a decision right away. Promise to investigate the matter and arrange meeting with the customer. It's a good idea to take notes because this shows you think the customer's complaint is important. If you have to reject the complaint, you should show that the rejection is in no way due to a lack of respect. If the complaint is justified, you should accept responsibility, apologise and compensate. Finally, always investigate the causes of complaint. Find out what went wrong and make sure it doesn't happen again.

DISCUSSION QUESTIONS

- ⇒ Should a complaint be welcomed?
- ⇒ How can a complaint be turned into good public relations?
- ⇒ How should complaints be dealt with?
- ⇒ In what cases will you
 - a/ accept responsibility?
 - b/negotiate?

c/make concession?

d/reject the claim?

⇒ What is it necessary to do to avoid complaints?

Role-play a conversation with a customer who visited you with a complaint.

TEST

Task 1. Match the terms on the left with the appropriate definitions or paraphrase on the right.

- | | |
|---------------------------|--|
| _____ fraud | 1. direct or manage a business |
| _____ liability | 2. money lent to sb |
| _____ debt | 3. partner not sharing in the actual work of a firm |
| _____ debenture | 4. share of profit paid to shareholders |
| _____ loan | 5. official administrative body of a company |
| _____ redeemable | 6. tax on property |
| _____ run the company | 7. the things of value owned by a company |
| _____ funds | 8. a bond issued by a company and traded on the stock exchange |
| _____ go bankrupt | 9. to chair a meeting |
| _____ assets | 10. money lost |
| _____ dividend | 11. company formed on the basis of a joint stock |
| _____ board of directors | 12. property and possessions |
| _____ losses | 13. can be converted into cash |
| _____ claim | 14. illegal activity |
| _____ utilise | 15. demand or request for sth |
| _____ be fully negotiable | 16. money one owes |
| _____ cash | |
| _____ estate duty | |

_____ withdrawal of money	17. one and only owner of a business
_____ preside over a meeting	18. to use sth
_____ sole proprietor	19. to have money firmly invested
_____ have money tied up somewhere	20. shares are easily sold
_____ invest in	21. put money for profit into (stocks, etc.)
_____ sleeping partner	22. money in coins and notes
_____ joint stock company	23. be legally declared insolvent
	24. taking money out of business
	25. financial responsibility

Task 2. Read and translate the following text.

WHO CONTROLS THE MODERN FIRM?

(adapted from: A.G.McArthur, Economic Theory & Organisation, Plymouth, 1980)

The characteristic pattern of corporate ownership is that tens of thousands or hundreds of thousands of shareholders own tiny fractions of the total, while dominant groups (often including other corporations) may hold anything from 3% to 20% of the voting stock.

It is quite possible for the owners of a minority of the stock to control a majority of the shares that are voted and thus *to exercise effective control over* the decisions of the corporation. This possibility arises because not all shares are actually voted. Each share of common stock has one vote in a corporation. Shares must be voted at the annual meeting of stockholders, either in person or by *assigning a proxy* to someone attending. Any individual or group controlling 51% of the stock clearly controls a majority of the votes. But suppose one group owns 30% of the stock, with the remaining 70% distributed so widely that few of the *dispersed* group even bother to vote; in this event, 30% may be the overwhelming majority of the shares actually

voted and thus represent a controlling interest in the corporation. In general, a very small fraction (sometimes as little as 5%) of the shares may exercise dominant influence at meetings of stockholders.

◇ **The hypothesis of minority control is that a well-organized minority often controls *the destiny of the corporation* against the wishes of the majority.**

Dispersed ownership and minority control are well established in the corporate sector. There is no *evidence* to show that controlling groups of stockholders generally seek objectives different from those sought by the holders of the majority of the firm's stock. Of course, disagreements between stockholder groups sometimes arise. A colourful phenomenon in corporation history is the proxy fight, in which competing fractions of stockholders (or management) attempt to collect the voting rights of the dispersed and generally disinterested stockholders.

A different consequence of diversified ownership was suggested in the 1930s by Berle and Means. They argued that, because of diversified ownership and the difficulty of assembling stockholders or gathering proxies, the managers rather than the stockholders effectively control the corporation.

◇ **The hypothesis of the separation of ownership from control is that managerial control occurs and leads to different behaviour than would stockholder control.**

In the modern corporation, the stockholders elect directors, who appoint managers. Directors are supposed to represent stockholders' interests and to determine broad policies that the managers will carry out. In order to conduct the complicated business of running a large firm, a full-time professional management group must be given broad powers of decision. Although managerial decisions can be monitored from time to time, they cannot be supervised in detail. In fact the links are typically

so weak that top management often does truly control the destiny of the corporation over long periods of time.

As long as directors have confidence in the managerial group, they accept and ratify their proposals, and stockholders *elect* and re-elect directors who are proposed to them. If the managerial group behaves badly, it may later be removed and replaced - but this is a drastic step and is not often taken.

Within wide limits, then, effective *control of the corporation's activities resides with the managers*, who need not even be stockholders. The management group characteristically asks for, and typically gets, the proxies of a large enough number of stockholders to elect directors who will *reappoint* it - and thus it *perpetuates itself* in office.

Task 3. *In writing answer the following questions to the text.*

1. Is it possible for the owners of a minority of the stock to exercise effective control over the decisions of the corporation?
2. How many votes in a corporation does each share of common stock have?
3. Who usually votes at the annual meeting of shareholders?
4. Can any individual or group which owns less than 51% of the stock represent a controlling interest in the corporation?
5. What is the hypothesis of minority control?
6. Why is there the proxy fight in corporation history?
7. Why do rather the managers than the stockholders effectively control the corporation?
8. Does managerial control lead to different behaviour than would stockholder control?
9. Who appoints managers: stockholders or directors of the corporation?
10. How does the management group perpetuate itself in office?

Task 4. *Make up sentences of your own using the following words and expressions.*

- * to purchase stocks
- * proprietorship
- * to be responsible for debts and losses
- * to have an advantage
- * to assign a proxy to
- * to elect
- * stockholder

Task 5. *Translate the following sentences in writing.*

1. It is quite possible for the owners of a minority of the stock to control a majority of the shares that are voted and thus to exercise effective control over the decisions of the corporation.
2. A colourful phenomenon in corporation history is the proxy fight, in which competing fractions of stockholders (or management) attempt to collect the voting rights of the dispersed and generally disinterested stockholders.
3. The management group characteristically asks for, and typically gets, the proxies of a large enough number of stockholders to elect directors who will reappoint it - and thus it perpetuates itself in office.

Task 6. *Correct and rewrite only those statements which are false.*

1. Disagreements between stockholder groups sometimes arise.
2. Majority always exercise effective control over the activity of the corporation.
3. Shares must be voted at the annual meeting of stockholders in person.
4. Any individual or group represents a controlling interest in the corporation.
5. Managers carry out policies determined by the board of directors.
6. Managers need to be stockholders.

Task 7. *Open the brackets in the following sentences using the given words in the correct form.*

1. Managers _____ (to appoint) by the directors to conduct the complicated business of _____ (to run) the firm.
2. Last time directors _____ (not to accept) the proposals of the managerial group.
3. Stockholders usually _____ (to elect) directors who _____ (to propose) to them.
4. The board of directors _____ (to decide) _____ (to replace) the managerial group because it _____ (to behave) badly.
5. Sometimes stockholders _____ (not to bother) _____ (to attend) the meeting.
6. A well-organised minority often _____ (to control) the destiny of the corporation.

Task 8. *Fill in the blanks with the following words and expressions.*

shareholders; market; fund; proxy; profits; shares; annual meeting; wealth; incurred heavy losses; management; managers; run; partners; directors; investments.

1. The shareholders of a company do not always agree with the _____ on how the business should be _____.
2. The company generated good _____ from its business this year.
3. The firm finds it hard to _____ the _____ it needs to make to modernize the plant.
4. BMW has _____ in the UK _____, which have rather spoilt its overall results.

5. In ordinary partnerships the _____ are liable for the debts of the business with their personal _____ .
6. A group of _____ attempted to collect the voting rights to exercise influence at the _____ .
7. A large number of stockholders elect _____ who will appoint _____ .
8. Not all _____ are actually voted.

Task 9. *Read the following letter and mark these statements true (T) or false (F).*

- a Luis got the job for a one-year period.
- b Alan Green promises Luis a \$5,000 pay rise in a year's time.
- c Luis will receive shares in the company.
- d Luis must start immediately.
- e The contract is closed.

AVRC

P.O. BOX 2435
LONDON W1AA 6WW

*Luis Antonio de Oliveira
53, rua Maria Angelica
22461 Rio de Janeiro
BRAZIL*

6th July 200x

Dear Mr de Oliveira,

Thank you very much for coming to see us in London the day before yesterday. We were very impressed with your interview and would like to offer you the position of Marketing Manager (Antibiotics) for South America. We would like you to start in three months' time.

After a one-year period, we expect to see our market share grow. We are sure you can help us to achieve this.

The starting salary will be \$85,000 p.a. plus car and full medical insurance. In the second year, this will rise to \$90,000. You will also receive regular profit shares based on sales figures for your area.

If you would like to accept this offer, please contact me at the above address and we will draw up a contract.

I look forward to hearing from you.

Yours sincerely

Alan Green

*Alan Green
Human Resources Manager.*

(from Business Basics by D.Grant, R.McLarty, Oxford, 1997, p.143).

Task 10. *You are Luis. Send a letter to Alan Green replying to AVRC's job offer.*

VOCABULARY

A

accounts payable - очікувані витрати

accounts receivable - очікувані надходження

accumulation - збільшення; нагромадження; концентрація

advertising - реклама

achieve - досягати

adopt sb's idea - схвалити, сприйняти чию-небудь ідею, думку

aggregate demand - сукупний попит

allocate resources - виділяти, розподіляти ресурси

allowance - знижка (яку надають гуртові торговці роздрібним)

at current prices - за поточними цінами

assets - активи

authorised capital - статутний капітал

average price - середня ціна

B

balance of payments - баланс платежів

bargaining power - переваги; сила аргументів при веденні переговорів

be adversely affected - бути болюче враженим

be appointed to the board - бути призначеним у члени правління

be aware of - знати, усвідомлювати

be constrained - бути обмеженим; зменшеним

be entitled to - мати право на

be freely negotiable - бути у вільній продажі

be liable for debts - бути відповідальним за борги

be severely hit by sth - бути серйозно ураженим ч-н

be subject to - бути підпорядкованим; бути схильним до

be superceded by - бути заміненним

bear losses - нести збитки

bear responsibility - нести відповідальність

bearer bond - облігація на пред'явника

board of directors - рада директорів, правління

boost, *n* - (економічне) пожвавлення

bottleneck - затримка; відставання

boundary - межа

С

capital accumulation - капіталонакопичення

capital turnover - оборот капіталу

cash - готівка

cash discount - знижка за оплату готівкою

casual labour - тимчасова робоча сила

claim, *n* - вимога; претензія

coincidence - співпадання

collective bargaining - переговори про укладання колективного договору

commodity - товар

compete - змагатися; конкурувати

competitive price - конкурентноспроможна ціна

consistent with sth - узгоджений з чим-небудь

consumer goods - споживчі товари

counter-cyclical - заходи, які приймаються для нейтралізації негативних ефектів економічної політики

counter flow - рух у зворотному напрямку

creeping inflation - повзуча інфляція

current account - поточний рахунок

cut taxes - скорочувати податки

D

damages - збитки

deal, n - угода

debenture - боргове зобов'язання

deduction - вирахування

deed of partnership - акт створення товариства

deferred payment - відтермінований платіж

deficiency in sth - дефіцит, нестача чого-небудь

delivery time - період доставки

deter borrowing - стримати запозичення

deteriorate, v - псуватися; зношуватися

disapproval of - несхвалення; небажання затвердити що-небудь

dispute, n - спір, суперечка

disruption - руйнування; розкол

dividend - дивіденд

division of labour - розподіл праці

downturn in the economy - спад в економіці

durables - споживчі товари тривалого користування

E

economic and social problems - економічні і соціальні проблеми

economic indicator - економічний показник

economic policy - економічна політика; план дій

efficiency - продуктивність, ефективність

embezzlement - розтрата

emphasize sth - наголошувати що-небудь

encourage investment - сприяти; заохочувати інвестування

equitable distribution of income and wealth - рівний, справедливий розподіл доходу і багатства

estate duty - податок на нерухоме майно

executive director - виконавчий директор

exercise strongest control over - здійснювати строгий контроль над

excess purchasing power - надмірна купівельна спроможність

expenditure - витрата

extention - розширення

extremely flexible - надзвичайно гнучкий

F

fall, n - спад

finance house - фінансова компанія

fixed/floating exchange rate - фіксований/плаваючий курс

fluctuation - коливання (курсу; попиту і пропозиції)

forecast, v - передбачати

forego sth - відмовлятися, утримуватися (від чогось)

for expansion purpose - з метою розширення

franco trade area - зона вільної торгівлі

fraud, n - обман; незаконна діяльність

fringe benefits - додаткові винагороди

full-time employment - повна зайнятість

function as a rubber stamp for sth - схвалювати щось без розгляду,
обдумування

funds - кошти

G

gearing, *n* - співвідношення боргу до активів компанії

general partner - генеральний партнер/компаньйон, який несе повну юридичну відповідальність за справу

generate, *v* - виробляти, творити

go bankrupt - збанкрутувати

go public - ставати державною (комунальною) компанією з обмеженою відповідальністю

government expenditures - урядові витрати

gradual reduction - поступове скорочення

grant, *v* - давати згоду; дозволяти

Gross Domestic Product - валовий внутрішній продукт

H

have money tied up somewhere - мати гроші, інвестовані/залучені у

have no say - не мати права голосу

have sth at (sb's) disposal - мати щось у (своєму) розпорядженні

hinder, *v* - перешкоджати

hire purchase - оренда з правом викупу

hitherto - до сих пір, до теперішнього часу

household - невиробничий сектор економіки

I

in anticipation of - в очікуванні прибутків

increment - щорічний приріст заробітної плати

incurr debts - накопичувати борги

indemnity - компенсація; відшкодування

induce sth - спонукати, стимулювати що-небудь

inevitably - неминуче

in excess of - більше, ніж

initially - спочатку; початково

inject sth into sth - додавати; вводити у щось

insurance - страхування

interest - проценти (на капітал)

interest rate - процентна ставка

in terms of money - мовою грошей; у грошовому вираженні

invest in - інвестувати у

irredeemable - який не підлягає обміну на гроші

issue bills and bonds - випускати векселі і облігації

issue shares - випускати акції

J

joint-stock company - акціонерне товариство

joint venture - спільне підприємство

L

lay sb off - скоротити кого-небудь (з роботи)

leak out of sth - витікати з чого-небудь

legal device - законний спосіб

lend, v - позичати (кому-небудь)

letter of credit - акредитив

liabilities - пасиви

liability position - фінансова відповідальність

liable to unemployment - схильний, чутливий до безробіття

limited liability - обмежена відповідальність

living conditions - умови життя

loan, n - позика

losses - втрати

low-cost method of production - низькозатратний метод виробництва

M

major shareholder - акціонер, який має контрольний пакет акцій

majority shareholding - контрольний пакет акцій

make people redundant - звільняти людей з роботи

managing director - директор-розпорядник

market value - ринкова вартість

means of production - засоби виробництва

meet creditors' demands - задовольняти вимоги кредиторів

merger, n - злиття (компаній)

money laundering - відмивання грошей

mortgage, n - іпотека; заклад

N

net profits - чистий прибуток

O

obstruct, v - перешкоджати; турбувати

obtain, v - отримати, придбати

offer for sale - пропозиція на продаж

ordinary shareholder - власник простої акції

output, n - випуск (продукції)

outstanding bill - неоплачений рахунок

overhead costs - накладні витрати (витрати на господарське
обслуговування виробництва й управління)

ownership - власність

P

payment order - платіжне доручення

per head/per capita - на душу населення

period of boom - період економічного зростання, здебільшого неконтрольований

personal identification number (PIN) - особистий ідентифікаційний номер

piece-work payment - відрядна оплата

preference shareholder - власник привілейованої акції

preside over a meeting - головувати на зборах

prevent sth (from happening) - запобігти, перешкодити

private property - приватна власність

promote, v - сприяти, заохочувати

prosper, v - процвітати (фінансово)

proxy - довіреність

purchase, n - покупка

Q

quote shares - призначати/визначати ціну за акції; котирувати акції

R

raise finance - збирати гроші

rate, n - ставка; рівень; норма

rate of economic growth - темп економічного зростання

rationing - нормування

recovery, n - пожвавлення (виробництва)

receipts - грошові надходження

recession - тимчасове уповільнення темпів економічного розвитку

recover, v - поправлятися; покращуватися

recruit labour - працевлаштовувати

reduce the level of unemployment - скоротити рівень безробіття

relaxation of credit - спрощені умови кредитування

rely on - покладатися на

rent, n - орендна плата

remuneration - винагорода; оплата праці

retail trade - роздрібна торгівля

retain profit - утримувати прибуток

return on investment - дохід на вкладений капітал

revenue, n - щорічний дохід

rise, n - зростання

run the business - керувати фірмою; вести справи

S

safeguard, n - захист

salaried manager - менеджер, який отримує зарплату

savings - заощадження

scale of operations - масштаб операцій

secret partner - секретний партнер/компаньйон (з правом голосу, але невідомий громадськості як партнер)

seek to do sth - намагатись зробити щось; шукати засоби

self-sufficient - самодостатній, незалежний економічно

share, n - акція

shareholder - акціонер

shareholders' meeting - збори акціонерів

silent partner - маловідомий партнер/компаньйон

sleeping partner - партнер/компаньйон, який не бере активної участі у

роботі фірми

sth is likely to happen - правдоподібно, щось трапиться

social costs - суспільні затрати

sole proprietor - одноосібний власник

spin-off in activity - згортання діяльності

squeeze profit margins - скоротити прибутки

steady increase - стійке збільшення

stock exchange - фондова біржа

subscribe to - підписуватися на (акції)

subscription clause - інформація в документі, яка вказує, скільки акцій повинно бути продано

subsidize, v - надавати урядову фінансову підтримку

supply, n - пропозиція

surge in growth - раптовий, але недовготривалий період економічного зростання

surplus, n - надлишок (прибутків над витратами)

survive, v - виживати

Т

takeover offer - пропозиція на злиття (компаній)

tasks of production distribution - завдання виробництва і розподілу

taxation - оподаткування

tax cuts - скорочення податків

threat, n - загроза

time lag - часове відставання

to the full extent - повною мірою

trade, v - торгувати

transaction, n - (торгова, фінансова) операція

transfer of shares - передача акцій

Treasury deficit - бюджетний дефіцит

turnover, n - оборот

U

under market conditions - в ринкових умовах

unemployment benefits - компенсації; допомога по безробіттю

unemployment rate - рівень безробіття

unexploited natural resources - нерозвідане родовище корисних копалин

upturn in the economy - зростання в економіці

utilisation of resources - використання ресурсів

V

validity of control - законність; дійсність контракту

value, n - цінність

value added tax (VAT) - податок на додану вартість (ПДВ)

voting right - право голосу

W

welfare, n - добробут

wholesale trade - оптова торгівля

withdraw money - знімати гроші з рахунку

work permit - дозвіл на працю

Y

yield, n - дохід по цінних паперах

**СПИСОК ВИКОРИСТАНОЇ ТА РЕКОМЕНДОВАНОЇ
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