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Факультет іноземних мов

Іщук Н.Ю.

SET OFF FOR ENGLISH FOR ECONOMICS AND BUSINESS

**МЕТОДИЧНІ ВКАЗІВКИ
ДЛЯ САМОСТІЙНОЇ РОБОТИ
З ДИСЦИПЛІНИ «АНГЛІЙСЬКА МОВА ПРОФЕСІЙНОГО
СПРЯМУВАННЯ»**

**для здобувачів вищої освіти 1 курсу спеціальності
292 «Міжнародні економічні відносини»**

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I - 988 Set off for English for Economics and Business: методичні вказівки для самостійної роботи з дисципліни «Англійська мова професійного спрямування» для здобувачів вищої освіти 1 курсу спеціальності 292 «Міжнародні економічні відносини». Вінниця: ДонНУ імені Василя Стуса, 2022. – 115 с.

Методичні вказівки призначені для самостійної роботи здобувачів вищої освіти 1 курсу економічного факультету спеціальності 292 «Міжнародні економічні відносини» під час вивчення англійської мови професійного спрямування.

Мета посібника – забезпечити здобувачів вищої освіти можливістю самостійно розвивати мовну та комунікативну компетенції, необхідні для адекватної поведінки в типових професійних ситуаціях. Посібник укладено згідно з вимогами робочої програми з англійської мови за професійним спрямуванням.

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INTRODUCTION

"There is one rule for the industrialist and that is: make the best quality goods possible at the lowest cost possible, paying the highest wages possible."

- **Henry Ford**

The book for self-study *Set off for English for Economics and Business* is designed for first-year students majoring in international economic relations and doing the course of English for Specific Purposes. Economists engage the world of current affairs. Successful career in International Economics and Business requires rigorous skills of critical thinking and reasoning. All students can develop these skills along with second language acquisition through the *Set off for English for Economics and Business*.

The *Set off for English for Economics and Business* consists of 7 units: Job and Career, Economics and Economy, Types of Companies, Retailing, Entrepreneurship, Starting a New Business, Business Idioms. Units offer vocabulary, reading comprehension and writing tasks. Emphasis is put rather on language in context than on teaching grammar and language structures.

The methodological underpinning of the book is the text-based contextual vocabulary acquisition and development. The methodology employs pragmatic approach to create a framework for intensive and proactive study of ESP. The overall learning objective is to develop professional communicative competence.

The book offers topical vocabulary and the list of idiomatic expressions referring to money. The vocabulary is organized according to the principles of frequency, accessibility, applicability, necessity, and sufficiency. *Set off for English for Economics and Business* can be used both in classroom and at home.

Nataliia Ishchuk,

PhD in Education, Associate Professor

UNIT 1. JOB AND CAREER

Ex. 1. A. Read the text below.

A corporate job ad usually includes the job title, **job description** and requirements together with the required **qualities** of the prospective applicant. It also refers to various **fringe benefits**, which the prospective employees can enjoy. As a **job seeker**, you usually give description of or information on your **qualifications, work experience** and **skills** as well as the contact address, telephone, fax, etc. Jobs, and the people who do them, can be describes as **highly skilled** (e.g. car designer), **skilled** (e.g. car production manager), **semi-skilled** (e.g. taxi driver) and **unskilled** (e.g. car cleaner).

Companies look for people who are:

- **self-starters, proactive, self-motivated**, or **self-driven**: good at working on their own;
- **methodical, systematic** and **organized**: can work in a planned, orderly way;
- **computer-literate**: good with computers;
- **numerate**: good with numbers;
- **motivated**: very keen to do well in their job;
- **talented**: naturally very good at what they do;
- **team players**: people who work well with other people.

Prospective employer may expect you to send your **cover letter** along with the **curriculum vitae** (CV) / the **resumes** (Am.), or you may be asked to send a **letter of application** instead. Many companies offer applicants to **fill in** a standard **application form**. Employers consider letters of application carefully and then invite the most interesting candidates to **attend an interview**.

The people who work for a company are its **employees, personnel, staff**, or **workforce**. For many office workers regular working hours are 8.30-9.00 a.m. to 5.00-5.30 p.m. Consequently, people often talk about a **nine-to-five** job. Such employees **work full-time/ have a full-time job** (i.e. work from 32 to 40 hours per week). If you **work part-time/have a part-time job**, you work for only some of the day or the week. If your place of work is far from your home, you have to **commute**. Some people have **flextime** (or **flexible working hours**) which means they can start an hour or so earlier or finish later as long as they do enough hours

each month. Working at different times, e.g. days one week and nights the next week, is called **shiftwork**. Working from home using a computer and the internet is becoming increasingly popular, and it is called **teleworking** (or **telecommuting**).

Most **blue-collar workers** (manual or unskilled workers) are paid by the hour. Their pay (**wages**) may be higher if they work at night or on public holidays. Wages are usually paid weekly or daily. **White-collar workers** and professionals usually get a **salary**, which is paid monthly and usually by bank transfer. The basic salary often goes with **bonuses**.

Many people used to work for the same organization until they reached **retirement** (the age at which people **retire**, or end their working life). **Career paths** were clear: you could **climb the career ladder**, getting **promotion** to jobs that were more **senior**, with greater responsibility. You would probably not be **demoted** (moved to a less senior job). To leave the company, you could **resign** or **hand in your notice**. Nowadays, companies often use **freelancers**, independent people who may work for several different companies, and they employ people for short periods on temporary contracts.

Companies may decide to **downsize** and **delayer**. It means that the number of management levels in the company hierarchy is reduced, and many managers lose their jobs. Companies are reorganized and **restructured** in order to become **flatter** (with fewer layers of management) and **leaner** (with fewer, more productive employees). They do this to reduce costs, and increase **efficiency** and **profits**.

If you do something wrong, you are **dismissed**, **fired**, **sacked** or **terminated**. If you have done nothing wrong, you are **laid off**, **made redundant**, **offered early retirement**. Top executives may receive a **golden handshake** if they lose employment because of retirement or layoffs.

***B.** Decide if these statements are true (T) or false (F). Correct the false ones.*

1. Freelancers, blue-collar workers and white-collar workers work shift work.
2. An applicant's background is one of the most important elements of their CVs.
3. When applying for a job, you have to submit a CV, a letter of application and fill in a standard application form.
4. Office workers usually have a typical working day.

5. Some offices have flextime, which means employees start and finish work at different times, provided they do a certain number of hours each week or month.
6. Teleworking involves commuting.
7. Most blue-collar workers get wages.
8. Salary is usually paid every week by bank transfer.
9. Nowadays, people prefer to have one job for life.
10. Restructuring means increasing a company's efficiency and profits with the same workforce.

Ex. 2. Complete the words to match the definitions given.

- | | |
|----------------------------------------------------------------------------------------------|---------------------|
| 1. a system that allows employees to vary the time they start and finish work | _ l _ _ _ i _ _ |
| 2. travel some distance between one's home and place of work on a regular basis | _ _ m _ _ e |
| 3. able to do basic mathematics | _ _ m _ r _ _ _ |
| 4. money paid every month for work | _ a _ _ _ y |
| 5. work comprising recurring periods in which different workers do the same jobs in relay | s _ _ _ t _ _ _ _ |
| 6. extra money paid to employees as a reward for good work | b _ _ _ _ |
| 7. money paid per hour or per week of work | _ _ _ e _ |
| 8. an individual who earns money on a per-job or per-task basis, usually for short-term work | f _ _ _ l _ _ _ _ _ |
| 9. people employed in an organization | _ e _ _ o _ _ _ l |
| 10. the act of leaving your job and stopping working, usually because you are old | r _ _ _ r _ _ _ _ _ |

Ex. 3. Are these jobs generally considered to be highly skilled, skilled, semi-skilled, or unskilled? Each expression is used twice.

1. teacher
2. brain surgeon
3. car worker on a production line

4. airline pilot
5. office cleaner
6. labourer (someone doing basic work on a building site)
7. bus driver
8. office manager

Ex. 4. Complete the abstracts from job ads using the vocabulary that describes a desirable employee.

1. You need to be _____, as you'll be working on financial budgets.
2. As part of our sales team, you'll be working independently, so you have to be self-_____ and self-_____.
3. We're looking for someone who can work on ten projects at once. You must be _____, _____ and _____.
4. We need _____ journalists who are very good at their job and extremely _____ to find out as much as they can.
5. You'll be researching developments on the Internet, so you have to be _____-_____. You must be _____, able to work on your own initiative, and a _____-_____. But as part of a team of researchers, you need to be a good _____-_____ too.

Ex. 5. Complete the tables with forms of words from the text. You may wish to refer to a dictionary.

Noun	Verb	Noun	Adjective
	retire	seniority	
demotion			freelance
lay-off		redundancy	
	dismiss		insecure
	terminate		flexible

Ex. 6. Match the sentence beginnings (1-5) to the correct endings (a-e).

- | | |
|-------------------------------------------------------------|-------------------------------------------------------|
| 1. Career paths aren't what they used to be; | a) and they will be replaced by temporary workers. |
| 2 He worked his way up from | b) companies won't take care of us for life any more. |
| 3. The new management have delayed the company, | c) but now we outsource it. |
| 4. We used to do printing in-house, | d) factory worker to factory manager. |
| 5. Workers are afraid their organizations will be downsized | e) reducing five management levels to three. |

Ex. 7. A. Read what people say about their remuneration.

My name's Luigi and I'm a hotel manager in Rome. I get paid a salary every month. In summer we're very busy, so we work a lot of **extra hours**, or **overtime**: the money for this is quite good. Working in a hotel, we also get nice **perks**, for example free meals!

I'm Ivan and I work as a waiter in Prague. I like my job even if I don't earn very much: I get paid wages every week by the restaurant. We get the **minimum wage**: the lowest amount allowed by law. But we also get **tips**, money that customers leave for us in addition to the bill. Some tourists are very generous!

I'm Catherine and I'm a saleswoman based in Paris. I get a basic salary, plus **commission**: a percentage on everything I sell. If I sell more than a particular amount in a year. I also get extra money – a bonus, which is nice. There are some good fringe benefits with this job: I get a company car, and they make payments for my **pension**, money that I'll get regularly after I stop working. All that makes a good **benefits package**.

B. *Xavier and Yvonne are talking about Xavier's new job as a photocopier salesman. Complete the conversation using active vocabulary from the text and **ex. 7A**.*

1. X: I get paid every month.

Y: I see. You get a _____, not wages.

2. X: I usually have to work late: I don't get paid for it, but I get a percentage for every photocopier I sell.

Y: So you don't get _____, but you do get _____. That's good.

3. X: The people in production get a _____ if they reach their targets.

X: Oh right. They get an extra payment for producing a certain amount.

4. X: The company pays for medical treatment too, and the company restaurant is fantastic.

Y. Wow! The company _____, sound very nice.

5. X: And they've given me a _____ _____ to go and visit clients.

Y: So you don't have to buy a car, then.

6. X: What's more, the company pays in money for us to get when we don't work any more

Y: Yes, it's important to get a good _____.

7. X: The total _____ _____ is brilliant.

Y: Yes, all that extra stuff is really worth having.

Ex. 8. *Fill in the missing words. Use only ONE word in each gap.*

The Job Market

Practical skills and academic qualifications _____¹ both important when it comes to getting a job. There are manual jobs such _____² cleaning or labouring where qualifications are less necessary.

Therefore, employers are more likely to use people _____³ good knowledge of the job, but people need to have a basic education _____⁴ they want to get a better position. However, a student with _____⁵ highest level of qualifications and few practical skills still has much to learn.

Students need _____⁶ understand that getting a job with a degree in management, for example, does not automatically qualify _____⁷ for a managerial role. Clearly, education is vital as knowledge forms an important basis for practical skills when _____⁸ comes to getting a good job.

Ex. 9. In this text, you have been given the first two letters of some missing words and expressions. You will find the other parts of the words in the box.

—w salaries • —nd in • —tire • —ck • —tend
 —llying • —lf-motivated • —lled in • —signed
 —smitted • —tice • —fered • —layering • —mmute
 —omoted • —ply for • —terview • —plication form
 —y off • —cial discrimination

Ian Woodham left college and decided to **ap**____¹ a job which he saw advertised in the local paper. He **fi**____² the **ap**____³ that the company sent him, and a week later he was asked to **at**____⁴ an **in**____⁵. He was **of**____⁶ the job that same day.

As he lived in a small town outside the city, he had to **co**____⁷ every day. He was **se**____⁸ and so very soon was **pr**____⁹ to a better position. However, the company he worked for was having problems. Two people were **di**____¹⁰ for continual **bu**____¹¹, three got the **sa**____¹² for **ra**____¹³, two of their friends **re**____¹⁴ in sympathy and then most of the workforce walked out because of **lo**____¹⁵. A few weeks later, the directors decided to **la**____¹⁶ two managers because of **de**____¹⁷, and the managing director decided to **re**____¹⁸ early. The atmosphere was so bad that Ian eventually decided to **ha**____¹⁹ his **no**____²⁰.

Ex. 10. In this text, the first letter of each word in **bold** is in the correct place, but the other letters have been mixed up. Rearrange the letters to make words.

Ian couldn't afford to be **upedmloyen**¹, however, so he started **jbo hgnnuti**² again. A computer company had a **vnyaacc**³ for position of **smlesana**⁴. A lot of **cidnteadsa**⁵ with good **qnafsulictioa**⁶ and **eerinepcx**⁷ applied, and Ian was one of them. After all the interviews had finished, the directors made a **striotlsh**⁸ of the best **anpictlsa**⁹, then invited them back for another interview. After a lot of discussion, they **apndoipet**¹⁰ Ian.

Ian was delighted. After all, he would receive a **slyraa**¹¹ of £25,000 **pre amunn**¹², with a 5% **iteenmncr**¹³ twice a year, a **csnmioism**¹⁴ for each computer he

managed to sell, excellent **psrke**¹⁵ such as private health insurance and a company car, a company **pnosnie**¹⁶ plan to make sure he would be well-off when he retired, and the chance of **pmotoonir**¹⁷ to the position of sales manager. All in all, his future **psocrsept**¹⁸ looked excellent.

Ex. 11. *You are going to read an article about what NOT TO DO when starting a new job. The title of each of the paragraphs has been removed from the article. Choose from the titles (a-k) the one which best fits each gap (1-10). Use each letter only ONCE. There is ONE extra title you DO NOT need to use.*

10 things you should never do when starting a new job

Congratulations! You've finally secured a new job, and now you want to start off on the right foot. You want to be careful not to make any career-ending mistakes. So, what should you NEVER do when starting a new job?

Title 1 _____

You learned this in first grade, when the teacher began keeping track of tardies: being on time matters. Factor in extra time if there's traffic, construction, or other reasons to expect a delay.

Title 2 _____

Before starting your job, talk with the hiring manager or human resources professional to make sure you understand what constitutes acceptable outfit for your new workplace. There's nothing more embarrassing than showing up wearing something that doesn't fly with your supervisors.

Title 3 _____

Many companies require new employees to go through a training process before starting a new position. While it may be tempting to skip these sessions or treat them lightly, don't do it. Even if your training managers won't be your direct supervisors, they are watching you.

Title 4 _____

No matter where you're working, there are certain processes, tools, and forms that make up the standard operating procedures of your company. You may have been introduced to these through a very organized, systematic orientation, or you may feel like you're expected to absorb them by osmosis. If you were formally informed, consider yourself fortunate, if not, don't feel shortchanged or frustrated. Instead, take initiative and master the basics on your own.

Title 5 _____

It's understandable that you may need help or guidance during your first few weeks at a new job, and asking co-workers for assistance or just to answer questions can be perfectly acceptable. But remember, you were hired because managers believed in your ability to get the job done. Ask for help if you need it, but believe in yourself and prove that you can do the work yourself.

Title 6 _____

Your employer isn't paying you to chat with your girlfriend or even your kids' babysitter. Make a personal policy of limiting personal phone calls and texts to your lunch break, except for emergencies.

Title 7 _____

Most likely, you and your employer agreed to a certain salary during the hiring process. So don't change your mind before you even show up at work. Don't expect more money until you've worked long enough to prove your value to the employer.

Title 8 _____

Of course you want to make a good impression as soon as you arrive at a new job, and show your new employer they made the right choice in hiring you. However, be cautious of suggesting new policies or strategies during your first few weeks, as it may not be the best way to demonstrate you are a team player. At first, take time to really understand and learn your job, then over time, you can make suggestions and changes as situations arise, and as your input and expertise is called upon.

Title 9 _____

In a new job, there will always be a learning curve, and effective supervisors understand that. Inevitably, you'll be asked to do something or expected to know something that you don't yet know or know how to do. Rather than saying you can complete the task on your own, tell the truth and "don't be afraid to say, 'I don't know,'"

Title 10 _____

You may be so eager to start your new job that you don't want to stop and ask questions. But by skipping even the most basic questions, you are setting yourself up for failure.

- a. Don't show up late
- b. Don't be dishonest
- c. Don't try to change things
- d. Don't dress unprofessionally
- e. Don't be afraid to ask for help

- f. Don't avoid the job orientation
- g. Don't demand a higher income
- h. Don't lose confidence in yourself
- i. Don't spend time on private matters
- j. Don't take too long before you start work
- k. Don't feel disappointed if you are not given total support

Ex. 12. Match the definitions (a–j) with the vocabulary (1–10).

Vocabulary	Definitions
1. idle chit-chat	a) a regular journey between work and home
2. maternity leave	b) to be allowed to decide what to do by yourself
3. to bounce ideas off someone	c) to record the time you begin work
4. to wear someone out	d) a period of time a woman takes off work due to the birth of a child
5. to clock in	e) calculated according to how many hours you work
6. to make a concession	f) to make someone very tired
7. paid on a pro-rata basis	g) to give or allow something in order to end an argument or conflict
8. a freelancer	h) talk that is informal and irrelevant to work
9. a commute	i) a person who sells their services or work by the hour or day
10. to be left to your own devices	j) to share ideas with someone in order to get feedback on them

Ex. 13. A. Read what four people have to say about their working hours.

Jo

I used to do a typical five-day week, but after I came out of my maternity leave, I decided that I wanted to spend more time with my children before they start school. After negotiating with my boss, we decided to cut my working week down to a three-day work week. This of course meant a

significant cut in my pay too, as I'm paid on a pro-rata basis. I've since noticed, though, that my workload hasn't decreased in the slightest! I'm now doing five days' worth of work in three days, but getting paid much less for it! I find myself having to take work home just so that I can meet the deadlines. It's wearing me out trying to juggle work with looking after my children and my family, but I don't dare to bring this up with my boss because I think he feels as if he's made a huge concession letting me come in only three days a week.

Marcus

I work for a global IT company, but because their headquarters is in the States, I do all my work online from home. That means that I don't waste time commuting or making idle chit-chat with colleagues. I work on a project basis, and this flexibility is very valuable to me because it means that I can easily take some time off when my children need me to go to their school performances or if I need to schedule an appointment with the dentist. The downside is that without clear office hours, I tend to work well into the evening, sometimes skipping dinner to finish a task. It can also get quite lonely working on my own, and I sometimes miss sharing ideas with colleagues.

Lily

I'm a freelancer and work for myself. This is great because I am in control of what I do and how I spend my time. At first, I was working from home, but I found it really hard to concentrate. There were just too many distractions around: housework that needed doing, another cup of tea, my family members wanting my attention for various things. So I started to go to a nearby café to work, but the Wi-Fi connection wasn't ideal and I found myself drinking too much coffee. In the end, I decided to rent a desk in a co-working space with five other freelancers like myself. I liked getting dressed to go to work in the morning and being able to focus in an office environment. The other freelancers do similar kinds of web-based work to me and so it's nice to have workmates to bounce ideas off as well.

B. Choose the best answer.

1. Ronan would prefer it if he ...
 - a. wasn't left to his own devices.
 - b. could spend more time commuting and less time in the office.
 - c. could work from home and be judged based on task performance.
 - d. could trust his boss more.
2. Jo wanted to reduce her working hours because she ...
 - a. thought she would be more efficient and productive when she was at the office.
 - b. wanted to bring her work home.
 - c. wanted to go on maternity leave.
 - d. wanted to spend time with her children.
3. Jo is unhappy with her three-day work week because ...
 - a. she didn't realise how much the change would affect her economically.
 - b. she now has to spend more time looking after her children and her family.
 - c. she has more deadlines to meet.
 - d. her workload has remained the same although she's reduced her hours.
4. In Marcus's opinion, which of these is a disadvantage of working from home?
 - a. You spend a lot of time in the house.
 - b. It's easy to get distracted by your family.
 - c. You tend to work later.
 - d. You end up eating more as you have access to the fridge all day.
5. Why did Lily not like working from home?
 - a. She found it lonely.
 - b. Her family didn't like her working.
 - c. She didn't have a good Wi-Fi connection.
 - d. There were a lot of distractions.
6. What solution did Lily find most suitable for her working needs?
 - a. Renting an office space to work from.
 - b. Working from a café.
 - c. Working for an employer.
 - d. Working for other freelancers.

C. Are the sentences true or false?

- | | | |
|-------------------------------------------------------------------------------------------------------------------------|------|-------|
| 1. Ronan's boss thinks his employees will not be as productive if they work from home. | True | False |
| 2. Ronan thinks that the performance of employees should be judged according to how much time they spend in the office. | True | False |
| 3. Jo is paid the same for a five-day work week as she is on a three-day week. | True | False |
| 4. Jo feels exhausted trying to manage both a five-day workload and childcare. | True | False |
| 5. Although Marcus sees the benefit in not having idle chit-chat, he misses interacting with his colleagues. | True | False |
| 6. Lily didn't like working from the café because the coffee wasn't very good. | True | False |

UNIT 2. ECONOMICS AND ECONOMY

Ex. 1. Read and translate the following words and definitions:

Economy

- a system according to which the money, industry, and trade of a country or region are organized.
- a country's economy is the wealth that it gets from business and industry.
- careful spending or the use of things in order to save money.
- large-size packages of goods which are cheaper than the normal sized packages on sale.

Economic

- concerned with economics and with the organization of the money, industry, and trade of a country, region, or social group.
- relating to services, businesses, etc. that produce a profit.

Economical

- something that is economical does not require a lot of money to operate.
- using the minimum amount of time, effort, language, etc. that is necessary.

Economics

- the study of the production of wealth and the consumption of goods and services in a society, and the organization of its money, industry, and trade.

Economist

- an expert or student of economics.

Economize

- save money by spending it very carefully and not buying expensive things.

Ex. 2. Fill in the gaps.

1. Home _____ is a subject studied at school and college in which students are taught how to run a house well and efficiently.
2. New England's _____ is still largely based on manufacturing.
3. All western _____ are competing against each other.
4. These businesses contribute hundreds of millions of pounds to the _____ of the country.

5. I switched off the lights as an _____ measure.
6. The majority of my staff are expected normally to travel _____ class by air.
8. _____ is the oldest of social sciences.
9. A lot of companies are trying to _____ by not taking on new staff.
10. In his works he explains the ideas of the great English _____ J.M. Keynes.
11. It would be more _____ to buy the bigger size.
12. This system was extremely _____ because it ran on half-price electricity.
13. What has gone wrong with the _____ system during the last ten years?
14. He was recently appointed chief _____ at the Bank of Scotland.
15. We should increase production and _____ as much as possible.

Ex. 3. Read the text below paying attention to the underlined words. Can you translate them without a dictionary?

"There is no such thing as a free lunch." This statement is one of the most famous in modern economics. Is it correct? Economics is a science, and so you can challenge the claim with evidence. Did you have a "free lunch" last week? Does that lunch qualify as evidence that refutes the claim? Maybe economists mean something a little different by the term than the ordinary person might. Let's look at a situation in which a free lunch might not be really free. Suppose Joe wants to borrow Sam's car and takes Sam out for a free lunch. This lunch is not really free for Sam, for he must either return the favor by lending his car or go through the pain of saying no to Joe. Here we have the idea of an *exchange* — one lunch exchanged or traded for one Friday night's worth of car use. Economists study exchanges, especially exchanges for money, such as lunches for money and car rentals for money. There are also exchanges *not* involving money: we call exchanges of one good for another barter. Barter is the exchange of one good for another good without the use of money. In a modern economy, most exchanges involve money – for example, one hamburger for \$1.75.

Primitive economies rely on barter – for example, two freshly killed wild pigs for one stone ax. Barter is the exchange of one good for another without the use of money. But is there no such thing as a *free* lunch? Is there no case on record where someone has eaten a free lunch with no expectation of a return favor or

anything else? Of course. We have all had a free lunch with no return favor expected. But «no free lunch» is a little “in” joke for economists. *Somebody* has to pay for your “free” lunch; the lunch is not free for the society as a whole. Certain resources – hamburger meat, wheat for the roll, potatoes for French fries, milk for milk shakes, the labor for preparing the lunch, and so on – are used up when you eat the lunch. Other, less obvious resources go into the preparation of the lunch. Energy, probably gas or electricity, is used to cook the food, and this energy could be used instead to help heat a house in the winter time. And the labor involved is considerable. We tend to forget that labor is the most important resource of all, as has been demonstrated by the speed with which nations devastated by war recover if they have skilled labor forces. Thus, when we look at the labor that goes into your free lunch, we need to ask what else can be done with the time of the farmer who grows the food, the time of the truck driver who delivers the food, and the time of the cook who prepares the food. The farmer might grow corn instead of wheat for the hamburger rolls. The truck driver might be a test pilot who can help to put new flight-control electronics in service. The cook might be a carpenter who can spend time building a house instead of preparing food.

How does it happen that people’s time is devoted to producing this particular item, your lunch? Why do we have the number of “free” lunches and purchased lunches that we do? Why not more? Why not fewer? Why does the economy not produce more food and fewer cars, or more cars and less food, or more of both? Why does the United States produce food, and cars, and other goods in abundance, while China produces by comparison relatively small amounts of these goods even though its citizens want more than they have? That is, why are material goods abundant in some countries and not in others? Why are some people in a poor country rich and some in a rich country poor? The aim of economics is to answer these types of questions.

The dictionary definition of economics is “the science dealing with the production, distribution, and consumption of wealth.” It is often easiest to think of abstract concepts such as production, distribution, and consumption in terms of specific examples. When economists study production, they are interested in “goods”: the output from factories (such as cars rolling off Detroit assembly lines), the output from natural resources (such as coal from mines in West Virginia), and services (such as meals in restaurants or lectures in university classrooms). Economists study *how* these goods are produced. Are the firms large or small? Do

they have computerized operations? Are goods produced by hand, on assembly lines, or by robots? **Production** is the process of using material and labor inputs to create goods and services.

Production is the process of using material and labor inputs to create goods and services.

What about distribution? **Distribution** refers to who gets what part of a society's output. Suppose we were to add up all the money that firms receive from the goods and services they sell over the course of a year. What happens to that money? Much of it is paid out as wages and salaries to employees. These companies also pay out money to rent land, to buy materials, to pay interest to those who have lent them money, and to pay dividends to their owners. Economists study how the total amount of money these firms pay out is distributed among members of society. Why do some jobs pay very well while other jobs pay very poorly? Who gets the money paid as rent on land, interest on loans, and dividends on stock? If we know who gets what, we can then begin to understand why some people are rich and some are poor.

Distribution is the division of society's output among its members.

Finally, what about consumption? By **consumption** we mean the eating up or using up of something of value, or the enjoyment of services from durable goods. Think of all the various goods and services you buy, and all those your friends buy, and all those you know others buy. There are everyday goods such as food and clothing. We buy shelter services when we pay rent for a house or an apartment. We buy cars, video cassettes, concert tickets, airline travel, and hundreds of other things. Although the dictionary definition of consumption is «using up», the economist's definition is broader. People enjoy the services of lighthouses and famous paintings, neither of which are "used up" by our looking at them, so economists also include the use of these services in the concept of consumption. Why do we buy the precise list of things we do? Why do people in different countries buy different things? Some of the answers are obvious: it is no mystery why people in Norway buy many fewer air conditioners than do people in Florida. But some of the answers are not obvious: why do people in Europe generally drive smaller and more fuel-efficient cars than do people in the United States? Economists study consumption behavior to try to understand why people decide to buy the goods they do. They study why some people decide to save part of their income by putting

money into savings accounts and pension funds rather than spending every dollar that comes in.

Consumption is the eating up or using up of something of value, or the enjoyment of services from durable goods.

What to produce, how to produce it, who gets it – all of these involve *choices*. People as consumers choose how to spend their incomes. People as workers choose what career to pursue and how hard to work. People as firm managers choose what goods their firms produce and how to produce them. People as government officials choose how the government taxes and how tax revenues are spent. Government officials usually prefer to promise high government spending and low taxes – something for nothing, a free lunch – rather than to emphasize the need for choices. Economists study the choices people make and why.

Economics is a big subject. It is not true that everything worthwhile costs something. Some of the best things in life are free. But some of the best things in life are costly – a university education, for example. Why do goods, such as cars, and services, such as education, cost so much? Why can't they be cheaper? Is someone getting «ripped off? Economics deals with all these questions. If you care about any of them, you will enjoy this subject.

Scarcity and Resource Allocation

Think of any object you paid money for within the past year – a car, a tank full of gas, ticket to a rock concert, a steak dinner, or whatever. Because you paid money for the good (meaning a thing or service), we will assume that it had value to you. (We will put aside your mistakes: you may also have paid good money for a new-style haircut, only to have your hair butchered.)

Let's consider a lobster dinner. Why are there not more of them available? Why do they cost so much? The number of lobsters in the ocean is limited, and over the years, heavy fishing has reduced their numbers. Each lobster boat today must go farther off shore than was necessary in the past, and gathers fewer lobsters in a day than before. Those who trap lobsters must get a high enough price to make it worthwhile to go to sea in search of them.

In economists' jargon, an item is a **scarce good** if valuable resources, such as labor time, fuel, and equipment, must be devoted to the production of the item.

Some scarce goods such as art objects cannot be reproduced at all; a reproduction Picasso painting is a different good from an original Picasso. Scarce goods can only be obtained through exchange for other valuable goods. But take note – a scarce good is not the same thing as a rare or uncommon good. The basic idea is that an individual or society must give up something to obtain a scarce good.

The opposite of a scarce good is a free good. An item is a **free good** – that is, not scarce – if it can be obtained free or with no effort. Air is a traditional example of a free good, because we usually think that we do not need to give up anything to obtain air. Air may be a free good, but in many urban areas air that is clean is no longer a free good; to get clean air we must now travel to the countryside, or spend large sums installing pollution control equipment in factories and cars.

Scarce goods require valuable resources for their production.

Free goods require no productive resources and are available in unlimited supply to anyone who wants them.

Scarcity is not a condition that arises only when goods trade for money at certain prices. Consider a family in which chores are somehow divided among family members without any explicit payment of wages. Don, the father, does the grocery shopping and Diane, the mother, manages the family's finances and pays the bills. The children have certain duties, such as cooking, washing dishes, doing the laundry, cutting the lawn, and cleaning the house. In this example, the products are services – cooking, washing, and so forth. These services are not in unlimited supply or automatic; cleaning the house requires someone's effort – dishes do not wash themselves. All these services require a valuable resource – *time* – that is scarce. If Kim did not have to cut the lawn, she could do something else with her time – something enjoyable or useful, such as watching television or reading an economics text.

Whether a good is scarce or free is not an inherent characteristic of the good itself. Free goods are available with no expenditure of effort or resources, but the conditions under which we can obtain a good, such as clean air, may change over time. Conditions may also differ from place to place. Ice is a free good in much of Alaska but not in the Sahara Desert. Coconuts may be a free good on a lightly inhabited South Seas island. Because you can pick one up at any time, no one could successfully

charge a price for coconuts. Coconuts are not free goods in New York because of the transportation costs of shipping them from remote islands to the Big Apple.

What, How, and For Whom

Given that most goods are scarce, every society must somehow determine *what* goods to produce. Economists study how these decisions are made. Later we'll examine in detail how what is produced depends on both production costs and consumer preferences. Let's take two foods as examples: oranges show the importance of production costs; more oranges are produced in Florida than in Montana, because it is relatively cheap to produce oranges in Florida. Montana could produce oranges in greenhouses, but it would be very expensive to do so. If people in Montana want oranges, it is cheaper to ship them in from Florida. Grits provide an example of the importance of consumer preferences; more grits are produced in South Carolina than in New Jersey, because people in South Carolina like grits, whereas many people in New Jersey are not familiar with them. Government taxes, subsidies, and prohibitions also affect what economies produce. An important part of our study will be to analyze all of the considerations that determine what specific goods and services a society produces.

How are goods produced? Every society has some method, one way or another, to determine how to produce the various goods. Some societies use a lot of labor and not much machinery, while others do the reverse. For example, on a drive through an agricultural region in China you will see many people in fields, while on a drive in a similar region in the United States you will see very few farmers at work. What accounts for the difference in how the crops are raised? The explanation seems pretty obvious: relative to arable land and the amount of machinery and factory buildings available, China has a very large population, whereas the United States has a relatively small population. In addition, a much larger percentage of the population of China is engaged in agriculture than in the United States. This observation only raises further questions — questions we will explore as we study economics principles. Why is labor in China so much less productive than labor in the United States? Why is it that in China people rely on manual labor and animal power, whereas in the United States people produce goods with the aid of large, sophisticated machines?

Economists traditionally call the goods that an economy produces outputs and the productive resources that go into that production inputs. The inputs can

be thought of in two broad groups – capital and labor. Capital can be thought of as also falling into two principal categories, land and reproducible (or man-made) capital. The term *land* means all natural resources associated with land – mineral deposits such as oil, hydroelectric power from mountain rivers, and so forth – as well as the actual land itself. Reproducible capital includes tools, machines, buildings, and structures of all kinds; examples run from the cave-dweller’s stone ax to a dam to a jet passenger plane. Labor – well, we all know what labor is. There is sweaty manual labor, a heart surgeon’s delicate work, a musician’s concert performance. Some labor is unpleasant, some is not. A job does not have to be painful to be a job. Labor is the productive resource consisting of the physical or mental work that people do in producing goods and services.

Outputs are the goods and services an economy produces.

Inputs are the productive resources an economy uses to produce its outputs.

Capital is a productive resource consisting of land and other natural resources, such as mineral deposits, and reproducible capital, such as machinery and factory buildings.

Labor is the productive resource consisting of the physical or mental work that people do in producing goods and services.

The amount of available labor and its quality – how hard people are willing to work and how skilled they are – helps determine the health of an economy.

And last but not least, no economic system can do without **entrepreneurship**. The existence of abundant natural resources and a skillful and willing labor force accounts for only part of the structure of a country's economy. If left to themselves, these ingredients will not produce anything. The resources must be brought together and directed as efficiently as possible into the areas where they will be most productive. Entrepreneurship refers to the innovating, organizing, and risk-taking activities of individuals and firms that create new products and new markets. It is difficult to quantify entrepreneurship but it is nevertheless important. If government discourages entrepreneurs, by heavy taxes or other means, there may be too few to harness the energies of the people and the resources of the land; and sometimes economies of great potential go nowhere for just this reason. Entrepreneurship involves more than invention; inventions do

not bring themselves to market. It takes the drive, business sense, and marketing skills of entrepreneurs to turn good inventions into good products, and good ideas into good business practices. Entrepreneurial activities almost always involve risk; it is rarely clear ahead of time whether a new product will really work and whether consumers will accept it if it does work.

Entrepreneurship refers to the innovating, organizing, and risk-taking activities of individuals and firms that create new products and new markets.

Once a society has figured out what to produce and how to produce it, who is going to get it? Every society must have some system or method to determine how to distribute its production. A society might distribute its production in equal shares to each citizen. Alternatively, a society might distribute its output very unequally, with some few enjoying enormous amounts of goods while many others exist below subsistence level. A pattern of distribution may not be the result of any governmental decision at all – it might just happen. Economists study the factors that determine who gets what and how governmental decisions affect the outcome.

Ex. 4. *Correct the information in the following sentences:*

1. Distribution is the eating up of goods and services. 2. Picasso paintings are considered free goods. 3. There are many fuel-efficient cars in the USA. 4. Everybody spends every dollar that comes in without saving. 5. Barter is the exchange of one good for another for money. 6. Scarcity occurs when certain tangible goods are limited only. 7. Machinery and factory are regarded as natural resources. 8. Scarce goods don't require valuable resources. 9. Economists' definition of consumption is «using up». 10. Government officials promise high government spending and low taxes and they keep their promise. 11. The lunch is free if you don't pay for it. 12. Economists don't need to know what choice people make and why. 13. Scarce goods require invaluable resources. 14. Every country produces cars in abundance. 15. Clean air is a free good in every urban area. 16. Mineral deposits are referred to reproducible capital. 17. Consumers decide how the government taxes must be spent. 18. Labour is the least important resource of all. 19. Time is a free resource. 20. Everyone can provide services in unlimited amounts. 21. Outputs are used in producing finished goods. 22. Doing chores requires few valuable resources. 23. Manufacturers concern themselves with

spending their incomes. 24. Coconuts are a free good in Ukraine. 25. The term 'land' involves a plot with buildings on it. 26. Labour is associated with blue-color workers. 27. Many people in Norway buy air conditioners. 28. Land is a reproducible resource. 29. You should give up everything to obtain a scarce good. 30. Every society distributes its production in equal shares to each citizen.

Ex. 5. *Translate into English.*

1. Економісти вивчають такі поняття, як виробництво, розподіл та споживання товарів і послуг. 2. Вони вивчають, чому люди заощаджують кошти. 3. Дефіцитні товари коштують багато. 4. Споживачі в різних країнах купляють різні товари і послуги. 5. Економісти вивчають обміни, особливо обміни за гроші. 6. Одні товари є у великій кількості в деяких країнах, але не в інших. 7. Вища освіта в Україні багато коштує. 8. Економісти вивчають споживчу поведінку, щоб зрозуміти, чому люди купляють певні товари. 9. Коли ви їсте обід, ви використовуєте певні ресурси, такі як робоча сила, електрика тощо. 10. Не все, що чогось варто, коштує грошей. Деякі речі є безкоштовними. 11. Керівники фірм вирішують, які товари виробляти і як їх виробляти. 12. Деякі товари і послуги є дефіцитними, тому що їх виробництво вимагає цінних ресурсів. 13. Природні копалини – невідновлюваний ресурс. 14. Людська праця є найважливішим ресурсом. 15. Деякі послуги є дефіцитними. 16. Споживачі вирішують, як витратити свої доходи. 17. Безкоштовних обідів не буває, хтось повинен заплатити за ваш обід. 18. Час – дефіцитний цінний ресурс. 19. В Європі багато малолітражок. 20. Урядовці часто обіцяють низькі податки. 21. Щодня ми купуємо споживчі товари, такі як їжа та одяг. 22. Компанії сплачують гроші за оренду землі, купують матеріали тощо. 23. Чисте повітря є дефіцитним в деяких містах. 24. Капітал поділяється на дві категорії: землю і відновлюваний капітал. 25. Дефіцитний товар – це не то саме, що рідкісний товар. 26. Відновлювані ресурси включають обладнання, будівлі тощо. 27. Дефіцитні товари коштують багато. 28. Споживачі купують товари і користуються (enjoy) послугами. 29. Примітивні економічні системи залежать від бартеру. 30. Товари не можуть бути безкоштовними для суспільства в цілому.

Ex. 6. Fill in the gaps with appropriate words below.

1. Production is the conversion of _____¹ into usable _____², which may be either goods or _____³. _____⁴ are tangible objects, like bread or books, whereas services are intangibles, like TV broadcasting, teaching etc. Manufactured assets, such as machines and buildings, are also the result of human _____⁵ activity – that is, some items are produced for investment purposes.

goods resources productive products services

2. The economic activity of production converts some _____¹, which we call _____², into new goods and services, which we refer to as _____³, as a flow over some period of time. The way in which this production occurs depends on available technologies. Production processes can also lead to undesirable outputs, such as waste products. We consider only useful outputs to be economic _____⁴ and _____⁵.

inputs goods resources services outputs

3. _____¹ include materials that become part of the produced good, supplies that are used up in the production process, and _____² time. For example, the food ingredients become part of the produced _____³. Other _____⁴ that will be used up in the process probably include the natural gas or electricity that provides heat and other _____⁵ such as paper towels. The chef's labour time is necessary for the dish to be prepared, and is used up by the process.

supplies good inputs labour recourses

4. The reliance of commercial _____¹ on manufactured and financial capital is very important for macroeconomics. Production by noncommercial organizations such as _____², nonprofit organizations, and governments, also begins with _____³ – including financial resources, if any of the _____⁴ are going to be bought on _____⁵. Generally, however, such production is intended for purposes other than making a financial profit.

markets households production inputs recourses

5. Distribution is the _____¹ of products and resources among people. When you hand over money in return for goods and _____² produced by other people, or

when you receive a wage for the work you have provided to an employer, you are engaging in _____.³ People are generally much richer if they specialize in the _____⁴ of some limited range of goods and services, and meet at least some of their other needs through exchange, than if they to _____⁵ everything they need themselves.

services production sharing produce exchange

6. Distribution also takes place through transfer. Transfers are _____¹ given with nothing specific expected in return. For example, wealth is transferred from one generation to the next by inheritance. _____² also takes place through transfers of _____³, _____⁴, or assets as well as transfers of money. Local public schools, for example, distribute education _____⁵ to child and teenage students in their districts, tuition-free. Parents in households transfer food and care to children.

services payments distribution goods services

7. Marketing includes all the business activities connected with the movement of goods and services from _____¹ to consumers. It is also called _____². On the one hand, marketing is made up of such activities as transporting, storing and selling _____³ and, on the other hand, a series of decisions you make during the process of moving goods from _____⁴ to users. Marketing operations include _____⁵ planning, buying, storage, pricing, promotion, selling, credit, traffic and marketing research.

goods producers manufacturers product distribution

8. Consumption refers to the process by which goods and _____¹ are, at last, put to final use by people. In some cases, such as eating a meal, _____² are literally "consumed" in the sense that they are used up and are no longer available for other uses. In other cases, such as enjoying art in a museum, the experience may be "consumed" without excluding others or _____³ material resources. The activity of _____⁴ is frequently contrasted, in macroeconomics, to the resource maintenance activity of investment. The two activities are linked by the activity of _____⁵, or refraining from consumption today in order to gain benefits in the future.

saving services using up goods consumption

9. 1776 marked the publication in England of the most influential books of our time, "The Wealth of Nations". Written by Adam Smith, it earned the author the title "The father of _____¹". Smith objected to the principal _____² beliefs of this day. In Smith's view, a nation's wealth was dependent upon _____³, not agriculture alone. How much it produced, he believed, depended upon how well it combined _____⁴ and the other factors of production. The more efficient the combination, the greater the _____⁵, and the greater the nation's wealth.

production economics labour output economic

10. Although Adam Smith had written "The Wealth of Nations" about the time of the American Revolution, by the 1930-s little had changed in the thinking of _____¹. Most agreed with Smith, that the best thing government could do to help the _____² would be to keep its hands off. They reasoned that as long as the economy was free to operate without interference, the forces of _____³ and _____⁴ would come into balance. Then with their total in equilibrium, everyone looking for work could find a job at the prevailing wage, and every firm could sell its _____⁵ at the market price.

products supply economists demand economy

Ex. 7. A. Read the text below about the stages of industry.

There are three stages in the process of making **saleable** products from **raw materials**:

1. Extractive industry

The raw materials are extracted from natural resources, for example the miner mines iron ore and the farmer grows wheat.

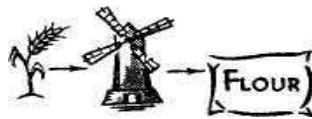
2. Processing industry

The raw materials are processed into a form suitable for further use, for example the iron is made into steel and the wheat is made into flour.

3. Manufacturing industry

The results of the processing stage are made into **semi-finished** and **finished goods**, for example the steel is made into knives and the flour is made into bread. Finished goods are goods which are complete in themselves, for example steel forks. Semi-finished goods must be assembled before they can be used, for

example wooden knife handles and steel knife blades; these are partly finished goods, used as inputs in the production of other goods including final goods.



Bread

EXTRACTIVE INDUSTRY

PROCESSING INDUSTRY

MANUFACTURING INDUSTRY

saleable

придатний для продажу

raw materials

сировина

extractive industry

добувна промисловість

processing industry

переробна промисловість

manufacturing industry

виробництво (як галузь)

semi-finished goods

напівфабрикати

finished goods

готовий товар; продукт

B. What kind of industry do I work in?

1. I'm a market gardener.
2. My company produces computers.
3. I work on an oil rig in the North Sea.
4. In my spare time, I spin wool and sell it to companies which make exclusive knitwear.
5. I'm a carpenter.
6. I'm a deep-sea fisherman.
7. We make jewellery.
8. We make leather.
9. I'm a cotton weaver.
10. My company makes steel girders for bridges.

C. Are these FINISHED or SEMI-FINISHED goods?

Umbrellas, table legs, computer chips, laptops, door handles, toys, bicycle saddles, filaments for light bulbs, carpets, car engines, vehicles.

Ex. 8. A. Read the text below about services.

Other people do not contribute directly to production, but are needed for example to transport the goods from the manufacturer to the customer, to insure the goods etc. These people **render services**. There are several types of service:

1. Public services:

People in public services are employed by the government, for example civil servants and teachers.

2. Private services:

Private services are rendered by skilled people with their own organisations, for example lawyers and doctors in private practices.

3. Consumer services:

Consumer services are services used by people in their everyday life, e.g. electricians and hairdressers.

4. Commercial services:

Commercial services are rendered by people who are needed for the efficient distribution of goods, for example exporters, bankers, agents.

to render services	надавати послуги
public services	громадські (державні) служби
private services	приватні послуги
consumer services	споживчі послуги
commercial services	комерційні послуги

B. What kind of service do I render?

1. I'm a teacher.
2. I'm a plumber.
3. I work for a shipping company.
4. I'm a customs officer.
5. I work in a warehouse.
6. I'm an insurance broker.
7. I'm a mechanic.
8. I own a wholesale company which sells clothing.
9. I'm a judge.
10. I'm an architect.

Ex. 9. A. Study some basic macroeconomics term below. In the internet, find examples of their use in sentences.

Basic Macroeconomics Terms

1. **GDP** (Gross Domestic Product): the market value of all final goods and services produced in a given time period within a country's borders



Nominal GDP

the value of all the final goods and services that an economy produced during a given year



Real GDP

the value of all the final goods and services that an economy produced during a given year, accounting for inflation

2. **GNP** (Gross National Product): the market value of all final goods and services produced in a given time period by a country's people wherever they are located
3. **Business cycle**: refers to the fluctuations of the economy between periods of expansion (growth) and contraction (recession)



4. **Expansion**: the part of the business cycle when GDP increases
5. **Peak**: is reached when growth hits its maximum rate
6. **Recession**: the part of the business cycle when GDP decreases. A recession happens when DGP falls for 2 consecutive quarters
7. **Trough**: is reached when the economy hits a low point and growth begins to recover
8. **Depression**: a serious recession that lasts two or more years
9. **Balance of trade (trade balance)**: the difference between exports and imports
10. **Trade deficit**: an imbalance that happens when imports exceed exports
11. **Trade surplus**: an imbalance that happens when exports exceed imports

12. **Cost of living**: the average cost of people's basic needs (food, housing, clothes)
13. **Income gap**: the difference between income and assets of people and groups in society
14. **CPI** (Consumer Price Index): shows the change in the cost of living
15. **Inflation**: the rate of increase in the price of goods and services
16. **Household debt**: the amount of money owed by consumers
17. **Purchasing power**: the number of goods and services we can buy with the unit of money
18. **Consumer spending**: the total money spent on durable and nondurable goods and services by individuals and households for personal use
19. **Disposable income**: the amount of money that an individual or household has to spend or save after paying taxes
20. **Stagnation**: a prolonged period of little or no growth in an economy

*B. In the following conversation, two friends (Juan and Peter) are talking about the situation with the economy. From the context, try to guess what the meaning of the words/phrases in **bold** are. Role-play the conversation.*

Juan: So, what's your opinion about the economy at the moment?

Peter: More positive than I was a couple of years ago when the economy was in recession and people were losing their jobs and businesses were closing down.

Juan: I know that a recession is bad, but what actually does it mean?

Peter: A recession is when the size of an economy decreases in two consecutive quarters of the year. For example, January to March and April to June.

Juan: But how do they know if an economy is either decreasing or increasing in size?

Peter: To see how well an economy is doing, economists look at the total value of products and services that are bought in the economy of a country during a specific period of time (e.g. a quarter or a full year). This value is called GDP. By comparing the amounts of GDP over a period of time, they know how well the economy is doing.

Juan: So, what's the difference between a recession and a depression then?

Peter: A depression is a very bad recession. When a recession continues for two or more years, it is called a depression. Like what happened in the 1930's.

Juan: What caused the economic depression in the 1930's?

Peter: Many factors. But the main one was the stock market **bubble**.

Juan: I don't understand what a bubble means.

Peter: A bubble is when the value of a particular type of product increases dramatically.

Juan: But isn't that a good thing for the economy?

Peter: Not really. The price of a product or service mainly depends on two things. Firstly, on the amount of **demand** there is for it, how many people want to buy or use it. And secondly, on the amount of supply of it, how much there is available to be bought or used. When there is more demand than supply, the price/value of a product or service increases. Normally, as the price of a product or service increases this encourages other companies to start selling the product or service. This increases the supply and as a consequence the price of the product falls. But with a bubble, this doesn't happen.

Juan: Why?

Peter: Normally, because there is a limited supply of the product (like land or stocks and shares in companies) or it takes a long time for new supplies to be produced (like housing or buildings). As result, the product can become very overvalued as demand continues to grow and supply doesn't. When the product becomes too **overvalued**, people stop buying it.

Juan: So the price falls?

Peter: Yes. But normally with bubbles people start to panic and the price falls dramatically, causing people to lose lots of money. Often this can affect the whole economy and cause an **economic downturn**, where the **rate of growth** in GDP falls or the size of the economy decreases. If the economic downturn lasts and the size of the economy is contracting/decreasing in size, it can become a recession.

Juan: So what's the opposite of an economic downturn?

Peter: 'When the size of the economy is growing (GDP is increasing), the economy is in a period of economic expansion. If the level/rate of this expansion/growth is very high and lasts for a long time, it is normally called a **boom** (also called an economic boom). A boom is like the opposite of a recession.

Juan: I've heard people call economic expansion after a recession a different name, but I can't remember what.

Peter: After a recession has ended and the economy is growing again, it is often called a period of economic recovery.

Juan: So it seems that most countries have a period of boom followed by a recession, then followed by another boom?

Peter: Generally that happens. But sometimes countries have a very low rate of economic growth/expansion (less than 2% a year) so they never have a boom. If an economy has this, it is called **stagnation**.

Juan: But stagnation sounds like a good thing. At least the economy is growing?

Peter: Not really. A healthy economy should be expanding at more than 2% per year. Economic stagnation shows that something is wrong with the economy. For some reason, companies are not performing very well and not employing more people.

C. Do the quiz on macroeconomic terms.

1. The statistic that is used to measure how well an economy is performing, is called _____.

- A. GNP
- B. nominal GDP
- C. GDP
- D. real GDP

2. When the size of an economy is growing, it is called a period of _____.

- A. economic expansion
- B. economic recovery
- C. economic downturn
- D. bubble

3. When an economy decreases in size for 6 months or more, it is called a _____.

- A. bubble
- B. economic downturn
- C. boom
- D. recession

4. The amount of a product or service that is available to buy, is called the _____.

- A. supply
- B. demand
- C. boom
- D. bubble

5. When the size of an economy starts to decrease in size, it is called an _____.

- A. economic downturn
- B. economic expansion
- C. economic recovery
- D. depression

6. When an economy has a long period of very low economic growth, it is called a period of _____.

- A. depression
- B. economic downturn
- C. stagnation
- D. bubble

7. When the value of a type of product increases dramatically and it becomes very overvalued, it is called a _____.

- A. bubble
- B. depression
- C. boom
- D. stagnation

8. When the size of an economy starts to grow again after a period when it has been decreasing in size (e.g. a recession), it is called a period of _____.

- A. recession
- B. boom
- C. economic downturn
- D. economic recovery

9. When an economy decreases in size for 2 years or more, it is called a _____.

- A. economic downturn
- B. depression
- C. recession
- D. stagnation

10. The amount of people or consumers who want to buy a product or service, is called the _____.

- A. boom
- B. supply
- C. demand
- D. trough

11. When an economy has a long period of good economic expansion, it is called a _____.

- A. trough
- B. boom
- C. economic recovery
- D. bubble

UNIT 3. TYPES OF COMPANIES

Ex. 1. Read the text given below, pay attention to the words in bold type. Try to understand them without any help.

A company is a legal entity formed **to conduct business** or other activities. It operates as one single unit in the success of which all the members participate.

Millions of people **go into business** and **set up a company to get a maximum profit**. A major goal in the functioning of any company is **making a profit**. Profit, also known as an **economic surplus**, is the money that remains after all the expenses are paid. Creating an economic surplus is a primary goal of business activity. Unfortunately business is not always **brisk**, there are periods when business **drops off** and companies **sustain losses** or even **go out of business**.

Companies, or business organizations, belong to either the private or the public sector. The **private** sector consists of companies belonging to private individuals, and the **public sector** of companies owned by the government.

Most countries allow you to run a business in at least three different ways:

- as a sole trader (*Br. English*) or sole proprietorship (*Am. English*);
- as a company (*Br. English*) / corporation (*especially Am. English*);
- as a partnership.

A business run by a **sole trader (sole proprietor)** has just one owner, who is entirely responsible for all the company's business affairs.

An **incorporated company** may have limited **liability** so the liability of the members for the company debts is limited or unlimited liability that is the liability of the members is not limited in any way. A **joint-stock company** is a company in which the members pool their stock, trading on the basis of their joint stock. Its **shareholders** (owners) and **directors** (people chosen to run the company) only have limited liability. The shareholders each receive one **dividend** (part of the profit) per **share**.

There are two types of joint-stock companies: a public limited company and a private limited company. A **public limited company** must have a name ending with the initials 'Plc' and have a **share capital** and its shares can be sold in the **stock exchange**. Most public companies are converted from private companies. A **private limited company** is any registered company that is not a public company.

The shares of a private company may not be offered to the public for sale. The abbreviation 'Ltd' is used in the name of a private limited company.

A business run by a **partnership** has two or more owners. There are two types of partnership:

- **General** or **ordinary partnership**, where all partners have unlimited liability.
- **Limited** or **special partnership**, consisting of at least one **general partner** with unlimited liability and at least one **limited partner** whose liability is limited to the capital he has invested. The limited partners do not run the risk of losing their personal property if the company **goes bankrupt**, but neither do they have any say in how the business is run.

Firms in the **public sector** are owned by the government of the country.

Companies are involved in many activities, for example **buying, selling, marketing** and **production**, in a range of different industries, such as **information technology, telecommunications, film**, and **car manufacture**. Many well-known companies are **multinationals**. Multinational corporations (MNCs) are large companies that **operate** in several countries across the world. For example, Apple, Ford, Coca-Cola, and Microsoft. Their size and **turnover** can be greater than the total GDP of many developing economies.

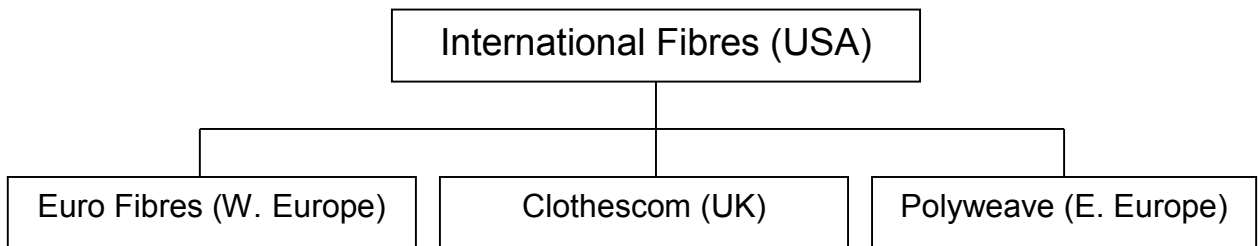
The structure of a multinational is complicated. There is a **parent** or **holding company** also known as an **umbrella corporation**. This company owns more than 50% of a **subsidiary**, and controls its business operations and investments. A subsidiary and parent company are legally separate entities.

1. What is a company?
2. What is profit?
3. What are the main three forms of business organizations?
4. Who owns a private sector company?
5. What do 'Plc' and 'Ltd' stand for?
6. Which type of company is formed by pooling the stock?
7. Can a private limited company sell its shares in the stock exchange?
8. What activities are companies involved in?
9. Explain the meaning of a multinational.
10. What is the difference between a multinational and a subsidiary?

Ex. 2. Complete the words to match the definitions given.

- | | |
|-----------------------------------------|-----------------------------|
| 1. a legal entity | c _ _ p _ _ _ |
| 2. total revenue minus total cost | _ _ o _ _ t |
| 3. not a public company | _ r _ _ _ _ e |
| 4. a company that owns other companies | _ o _ _ i _ _ |
| 5. a capital of a company | s _ _ _ _ c _ _ t _ _ |
| 6. it is limited or unlimited | _ i _ _ _ l _ _ y |
| 7. operating in a number of countries | _ u _ _ i _ a _ _ _ n _ _ |
| 8. person who owns shares | _ h _ _ _ h _ _ d _ _ |
| 9. to grow smaller or less; decline | d _ _ _ _ f _ |
| 10. a business owned by a single person | p _ o _ _ i _ t _ _ _ _ i _ |

Ex. 3. Look at this diagram of a company's structure.



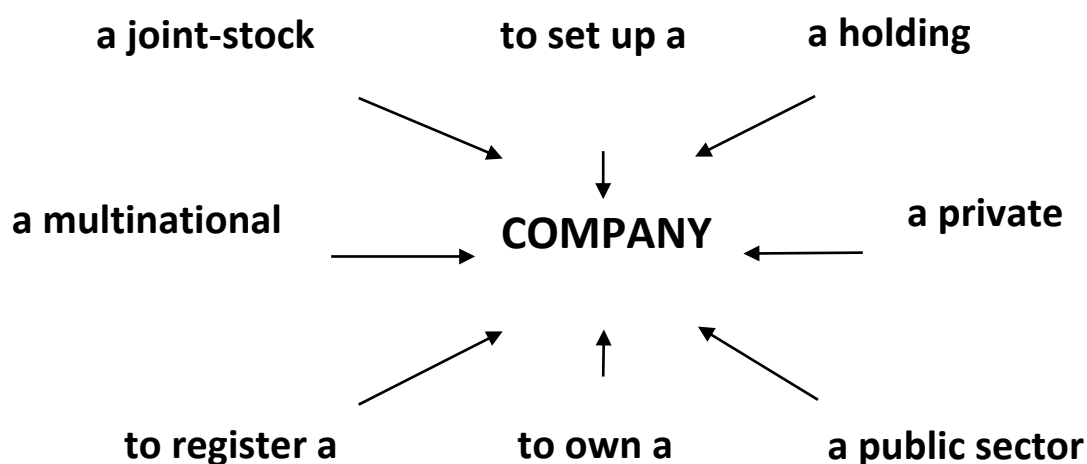
Are these statements about the company true (T) or false (F)?

1. International Fibres is a parent company.
2. Clothescome (UK) is a subsidiary company.
3. Polyweave (E. Europe) is a holding company.
4. International Fibres is not a multinational company.

Ex. 4. Match items in column **A** with their opposites in column **B**.

- | A | B |
|------------------------|--------------------------|
| 1. to go into business | a) to sustain losses |
| 2. holding company | b) earnings, gains |
| 3. to drop off | c) unlimited |
| 4. expenses | d) subsidiary |
| 5. limited | e) to go out of business |
| 6. public | f) to be brisk |
| 7. to get a profit | g) private |

Ex. 5. A. The words in the box frequently occur before "**COMPANY**"



B. Translate into Ukrainian these sentences.

1. A joint-stock company is a form of partnership, possessing the element of personal liability where each member remains financially responsible for the acts of the company.
2. If you want to set up a company as a sole trader, inform the government agencies of your intentions to go self-employed, and you can start trading right away.
3. **Private Company Services** is a practice made up of 2,000 individuals dedicated to turning life lessons, strong relationships and industry knowledge into value for private companies and their owners.
4. A holding company usually refers to a company which does not produce goods or services itself, rather its *only* purpose is owning shares of other companies.
5. Common examples of a public sector company can be seen in social services, city and urban development areas, and military services.
6. A New York man claims he owns 84 percent of the social-networking company **Facebook**. (*Digital Media, July 12, 2010*).
7. If you need to register the company quickly, we offer a Same Day Incorporation service, the registration fee for which is £50.00 and must be correctly received before 15.00 hrs.
8. **Parmalat SpA** is a multinational Italian dairy and food corporation with a global presence, having major operations in Europe, Latin America, North America, Australia, China and South Africa.

Ex. 6. Complete this table by adding the nouns or verb form of each word.

Verb	Noun	Noun (agent)
1		manufacturer
2 prepare		---
3 launch		---
4	expansion	---
5 operate		
6	competition	
7		producer
8	ownership	
9 distribute		
10		seller

Ex. 7. Use the correct form of verbs or nouns from the table to complete these sentences.

a) International Fibres is a multinational company. It is a _____¹ of fabrics and clothes. It _____² in three markets: Western Europe, the UK and Eastern Europe. The company is focusing on the _____³ of its Eastern European subsidiary, Polyweave (E. Europe). Eastern Europe is a difficult market, but the company's managers think it can _____⁴. Polyweave is trying to keep its production costs low and is busy making _____⁵ for the _____⁶ of its new range of clothes.

b) 1. Toyota Motor Corp. and Ford Motor Co. _____⁷ high-quality cars. 2. Every year Benetton _____⁸ a new range of clothes. Benetton is _____⁹ the number of shops they have in the UK. — Benetton expands the number of shops they have in the UK. 3. The processes that sustain Huawei's business model combine _____¹⁰ of hardware and software on a global scale and call for attending to the demands of Huawei's various markets at the greatest speed possible, in a context of _____¹¹ with similar rivals. 4. Pearson, the _____¹² of the Financial Times, confirmed it was considering the sale of French business newspaper Les Echos. 5. In August 2009, Harley-Davidson _____¹³ Harley-Davidson India. On September 24, 2020, Harley Davidson announced that it would discontinue _____¹⁴ and _____¹⁵ motorcycles there due to weak demand and sales. 6. Many banks today have to _____¹⁶ to attract new customers. 8. Because of the global economic crisis many medium-size businesses find themselves in a stiff _____¹⁴ with other companies.

Ex. 8. Translate into English. Use a dictionary if necessary.

1. Є різні типи компаній: компанії з обмеженою відповідальністю, компанії з необмеженою відповідальністю, приватні та акціонерні.
2. Наша компанія має понад 2 000 акціонерів.
3. Зареєстрована компанія є юридичною особою.
4. Мільйони людей займаються виробництвом, купівлею, продажем або постачанням товарів і послуг.
5. У США компанія з обмеженою відповідальністю називається корпорація.
6. Наша фірма займається купівлею та продажем жіночого одягу.
7. Компанія "Nike" виробляє спортивний одяг.
8. McDonald's – це найбільша у світі компанія, яка забезпечує високоякісне харчування і має понад 19 000 ресторанів у 100 країнах.
9. У нас є дві дочірні фірми у Голландії та Німеччині.
10. Компанія Paramount займається виробництвом кінопродукції.
11. Скільки дочірніх компаній ви маєте?
12. Coca-Cola є міжнародною корпорацією.
13. У яких країнах поширена сфера діяльності вашої компанії?
14. Я працюю на акціонерне товариство.
15. Сьогодні інформаційні технології є однією з найсучасніших галузей виробництва.
16. На жаль, бізнес не завжди йде жваво.
17. Прибуток – це гроші, які залишаються після сплати всіх витрат.
18. Приватні підприємці несуть необмежену відповідальність.
19. Компанія вклала багато грошей у свою зарубіжну дочірню компанію.
20. Усі дочірні компанії на 100% є власністю цієї міжнародної корпорації.
21. Вирощування тютюну є державною монополією, і в 1905 році врожай приніс (*yielded*) уряду прибуток у розмірі близько 3,500,000 фунтів стерлінгів.
22. Багато малих підприємств скаржаться, що не більше можуть зазнавати збитків.
23. Як і індивідуальні підприємці, партнери несуть особисту відповідальність за виплату будь-яких боргів, які можуть виникнути в магазині.
24. Деякі компанії виходять із бізнесу, тому що частку ринку захоплюють конкуренти.
25. Минулого місяця банк заявив, що виплатить свої перші дивіденди після кризи.

Ex. 9. A. Read the text below.

The private sector

1. Sole traders

This type of organisation has certain advantages and disadvantages:

+	-
The sole trader doesn't have to consult anyone else when making decisions.	A sole trader has to bear 100% of the risks incurred by his company. For this reason, he may have more difficulties raising capital.
The profits do not have to be shared with anyone else.	A sole trader has unlimited liability for his company, which means that if he goes bankrupt, he may lose both his company and his personal property.

2. Partnerships

When entering into a partnership, an agreement is drawn up defining the rights, responsibilities and liabilities of each partner, such as how the profits are to be distributed and what part each partner is to play in managing the company. The partners may be **active**, meaning that they are actively involved in the company's business; or **sleeping**, which means they invest money in the company and receive a share of the profits, but do not concern themselves with the company's business affairs.

PARTNERSHIP



Active partner

active partner

sleeping partner



Sleeping partner

активный участник

пассивный участник

3. Joint-stock companies

(a) **Public limited company (Plc)**

The capital for this type of company is raised from members of the public. For this reason, a plc can be listed on the stock exchange, although it doesn't have to be. Before it can start doing business, a plc needs to have a minimum amount of share capital (in England for example it needs to issue at least £50,000 worth of shares).

(b) **Private limited company (Ltd)**

There are many more private limited companies than public limited companies. The shares of a private limited company are held by specially chosen persons or companies, which means it can't be listed on the stock exchange. However, unlike public limited companies, private limited companies don't need a minimum amount of share capital – it's theoretically possible for a private limited company to have just one share held by one person.

The public sector

Firms in the public sector are owned by the government, one example being the post office. However, in certain countries, notably in Britain, there is a trend towards privatisation or selling certain government-owned organisations such as the railway and telephone companies back to the private sector. This has both positive and negative aspects:

+	-
As firms active in these privatised industries may find themselves in competition with other firms, it is in their interest to make the services provided more efficient, which benefits the customer.	As firms in the private sector are mainly interested in making a profit, privatisation may make certain services more expensive for the customer.
The money raised can be used to reduce taxes.	Necessary services may not be provided because they aren't profitable.

Companies in the public sector have certain similarities to public limited companies. However, there are a few important differences:

- While public limited companies are owned by the public, public sector companies are owned by the government.

- The chairman of a plc is chosen by the shareholders, whereas the chairman of a public sector company is chosen by the government.

- A plc obtains capital by selling shares, a public sector company by selling stocks.

- The profits earned by a plc go to the shareholders, the profits earned by a public sector company go back to the government.

Where the main objective of a plc is to make the largest possible profit, public sector companies are created primarily to provide the public with essential services.

B. What kind of business organisation might each of these be — a sole trader, a partnership, a public or private limited company or a public sector company?

1. A small corner shop.
2. A firm of solicitors.
3. The British Broadcasting Corporation (BBC) in Britain.
4. A large commercial bank.
5. Times Publishing House.

C. Discuss the questions.

1. If you were to start a small business such as a shop, would you prefer to do business as a sole trader, or would you go into partnership? Why?
2. Using your own words, explain the two types of a joint-stock company. What do you think are the advantages and disadvantages of each? Mention some examples of joint-stock companies in your country.
3. Give some examples of public sector organizations in your country. What effect do you think privatisation would have on these organisations and on the services they provide?

UNIT 4. RETAILING

Ex. 1. Read the text, paying attention to the words in bold type, and answer the questions after it.

Retailing is the sale or **provision** of goods and services to the **ultimate consumer**. A **retailer** is the final business and the most expensive link in the chain of distribution. Retailers buy goods in large quantities from **manufacturers** either directly or through **wholesalers** who buy products from manufacturers.

Wholesalers and retailers may perform many of the same functions. But wholesalers **satisfy** retailers' **needs**, while retailers satisfy **end-users'** needs.

The pricing technique in retail is **cost plus**. Being **middlemen**, retailers make their **income** by **charging** the customer 25 to 100 per cent more than **purchasing price**. In other words, they make their profit from the **margin**. The retailer may use different pricing methods, charging above, with or below its **competitors'** prices.

Retailers perform many necessary functions:

- first, they offer a **range** of goods and services at convenient locations; this **enables** customers to choose from a wide selection of brands, designs, sizes, colors, and prices in one location;
- second, they can offer **money-back guarantee** and **after-sale service** for the **merchandise** they sell;
- third, the retailer helps to **promote** the product through advertising or sales people and reach the suppliers' **target market**. A target market is a group of individuals who will probably buy the product;
- fourth, the retailer can extend **interest-free credit** if consumers decide to make a **hire purchase** (term of payment offered by retailers on expensive products such as cars, large electrical items etc.), which means they have a product now and pay it later. The customer makes a **down payment** of about 10-20% of the price and takes the good away. Afterwards he pays the **balance** (the remaining amount) **in monthly instalments**;
- fifth, retailers **keep inventory** so that products will be available when consumers want them; thus retailers provide a **benefit** to consumers.

Consumers can purchase goods from a retailer in **retail outlets**:

- **supermarkets**;
- **department stores**;
- **boutiques**;
- **warehouse stores**;

- **discount houses/stores;**
- **mail-order houses;**
- **single line retailers / specialist retailer** etc.

Today, many customers are shopping from home: shopping by the Internet, **TV shopping channels** or mail-order catalogues are becoming very popular. Internet channels allow retailers to offer a great assortment of products and provide more information to customers. Moreover, the Internet allows retailers to collect information about consumer shopping habits, and enter new markets.

1. What is retailing?
2. Who do retailers buy goods from?
3. What are at least two types of retailing without the use of a retail outlet?
4. In what way does a retailer serve a customer?
5. In what way does a retailer serve a manufacturer?
6. What do you know about the pricing technique in retail?
7. Is it for the customer's benefit to buy goods on hire purchase?
8. Have you ever bought anything on hire purchase?
9. What is balance?
10. Whose needs do wholesalers satisfy? Retailers?
11. What is a target market?
12. What makes it possible for customers to buy things they want any time?
13. How do retailers benefit from selling online?

Ex. 2. Complete the words to match the definitions given.

- | | |
|----------------------------------------------------------------------|---------------------|
| 1. a person who buys goods or services | c _ _ _ u _ _ _ |
| 2. selling to the public | _ _ t _ _ l _ _ _ |
| 3. a place where goods are sold to the public | _ u _ _ e _ |
| 4. a person or organization that buys and sells in large quantities | w _ _ _ e _ _ l _ _ |
| 5. a payment made into account | _ r _ _ _ t |
| 6. a complete list of items such as property, goods in stock | i _ _ _ n _ _ _ y |
| 7. the money that somebody makes on something | _ a _ _ i _ |
| 8. to make possible | e _ _ _ l _ |
| 9. a portion of debt paid at specified intervals over a fixed period | i _ s _ _ l _ _ _ _ |
| 10. the remaining amount you have to pay | _ a _ _ _ c _ |

Ex. 3. Match words / collocations (1-7) with their synonyms (a-g).

- | | |
|--------------------|-----------------------|
| 1. goods | a) gross profit |
| 2. margin | b) producer |
| 3. shopping habits | c) merchandise |
| 4. manufacturer | d) store |
| 5. outlet | e) possible consumers |
| 6. range | f) buying habits |
| 7. target market | g) assortment |

Ex. 4. Complete the sentences.

1. Retailing is selling _____ and _____ to the _____ consumer.
2. Retailers buy goods directly from the _____ or from a _____.
3. They make their _____ from the _____.
4. Many customers are shopping by _____, _____ or mail-order houses.
5. Many retail establishments concentrate on a single line of _____.
6. The retailer _____ many necessary functions.
7. They help to _____ the product through advertising or sales people
8. The retailer can offer _____ - _____ and _____ - _____.

Ex. 5. Fill in the gaps with one of the words from the box.

retailers	customers	services	provide
-----------	-----------	----------	---------

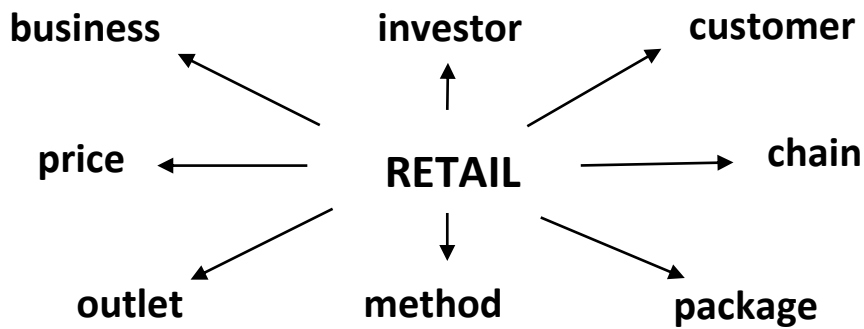
_____ ¹ also differ in the _____ ² they offer _____ ³. For example, the bicycle shop offers assistance in selecting the appropriate bicycle, adjusting bicycles to fit the individual, and repairing bicycles. Toys "R" Us and Wal-Mart don't _____ ⁴ any of these _____ ⁵.

_____ ⁶ expect _____ ⁷ to _____ ⁸ some _____ ⁹ — accepting personal checks, providing parking, and displaying merchandise. Some _____ ¹⁰ charge _____ ¹¹ for other _____ ¹², such as home delivery and gift wrapping. _____ ¹³ that cater to service-oriented consumers offer _____ ¹⁴ most of these _____ ¹⁵ at no charge. Nordstrom is considered one of America's most outstanding service-oriented _____ ¹⁶.

Stocking a broad variety and deep assortment like the Toys "R" Us offering in bicycles is appealing to _____ ¹⁷ but costly for _____ ¹⁸. When _____ ¹⁹ offer many SKUs*, inventory investment increases. Similarly, _____ ²⁰ attract _____ ²¹ to _____ ²², but they are also costly.

* **SKU=stock-keeping unit – облікова одиниця товару**

Ex. 6. A. The words in the box frequently occur after “**RETAIL**”



B. Which of the word-combinations can be translated as:

1. роздрібна ціна;
2. роздрібна торгівля; роздрібне підприємство;
3. мережа роздрібних магазинів (однієї фірми);
4. роздрібний магазин;
5. дрібний інвестор; роздрібний інвестор;
6. метод роздрібного продажу;
7. дрібне розфасування;
8. роздрібний торговець, що є покупцем продукції підприємства-виробника/роздрібний ?

C. Translate into Ukrainian these sentences.

1. The retail business provides an exciting way of life for more than 24 million people who are occupied in this sector of the U.S. economy.
2. Retail investors invest small amounts of money for themselves; they are the polar opposite of institutional investors, which are the large firms who invest on behalf of clients.
3. Retail chain ideas create new store concepts that can succeed in more than one location.
4. More than 4,100 retail customers of every size use SAP* solutions to use new sales channels, improve shopping experiences, and keep a tight control over costs.
*(SAP – Structural Adjustment Programme)
5. The suggested retail price is not mandatory although manufacturers may hope that retail outlets maintain a price within the range of the suggested retail price.
6. Some innovations in retail methods changed the way Americans have been shopping during this time period.

7. It's a good idea to use eco-friendly materials for retail package as they can further be recycled.

Ex. 7. *The consumer often buys a product or service from a retail outlet. Match the types of retail outlet with the correct definitions.*

RETAIL OUTLET	DEFINITION
1. supermarket	a) a very large supermarket often located on the edge of a town or city
2. hypermarket	b) one of a group of shops owned by the same company
3. shopping center/mall	c) a small sometimes movable booth from which cigarettes, newspapers, light refreshments, etc., are sold
4. warehouse store	d) a shop which only sells one type of product, usually of high quality
5. department store	e) a large self-service shop selling food and drink and also small household items
6. specialist retailer/ single line retailer	f) a shop, especially a small one selling fashionable clothes and other items
7. chain store	g) a covered area with shops, supermarkets and restaurants
8. boutique	h) a type of store that sells goods piled on shelves at low prices
9. kiosk	i) a store with extended opening hours and in a convenient location, stocking a limited range of household goods and groceries
10. convenience store	j) a large shop with many departments or sections – each department sells a different type of goods

Ex. 8. Match the following terms with their definitions:

- | | |
|------------------|---------------------------------------------------------------------------------------------|
| 1. retailer | a) a good, service, or idea to satisfy the consumer's needs |
| 2. wholesaler | b) advertising, publicity |
| 3. need | c) the deposit paid on an item purchased on hire-purchase, mortgage, etc. |
| 4. product | d) the process of physically satisfying the demand for goods and services |
| 5. price | e) a group of people to whom a particular good or service is marketed |
| 6. promotion | f) a system by which one pays for a thing in regular instalments while having the use of it |
| 7. distribution | g) a middleman who sells to other middleman, usually to retailers |
| 8. target market | h) a middleman who sells to consumers |
| 9. hire purchase | i) the sum in money or goods asked for or given in exchange for the product |
| 10. down payment | j) the fact or an instance of feeling the lack of something |

Ex. 9. Choose the correct word to complete each sentence.

- We offer a _____ to customers who buy in bulk.
a) outlet; b) discount; c) guarantee
- We ask customers who are not satisfied to _____ goods within seven days.
a) discount; b) purchase; c) return
- In order to get a full refund, customers must return goods in the original _____.
a) packaging; b) method; c) margin
- Goods are kept in our _____ in large quantities.
a) storage; b) warehouse; c) store
- If you decide to buy some goods on credit, you will have to pay in weekly _____.
a) payment; b) benefit; c) instalments.

Ex. 10. Translate into English.

- Роздрібна торгівля – це продаж товарів та послуг кінцевому споживачеві.
- Вона виконує багато важливих функцій та є найдорожчою ланкою в мережі

збуту. 3. По-перше, роздрібні торговці створюють зручні для покупця торгові точки. 4. По-друге, нерідко надають гарантії та обслуговують товар. 5. По-третє, допомагають просунути товар на ринок. 6. Є різні види торгових точок: супермаркети, універмаги, магазини із зниженими цінами тощо. 7. Ви також можете придбати товар через Інтернет, телевізійні канали продажу товарів та компанії, що торгують за каталогом. 8. Роздрібні торговці є посередниками між виробником або гуртовим торговцем та покупцем. 9. Вони одержують прибуток на різниці між закупочною ціною та ціною, за якою вони товар продають.

Ex. 11. Skim the article and find out why some retailers are worried.

Worry for retailers as web shopping clicks into place

by Elizabeth Rigby

For traditional stores, online shopping has become a cause for concern in a difficult retail environment. The Internet is accounting for more spending than ever. In addition, it also makes it easier for consumers to compare prices across a far bigger selection of items than a trip to the **high street**.

'The way the Internet **encourages** people to shop is about to have a big **impact** on the market,' says Nick Gladding of **Verdict Research**, a **consultancy**. Internet retailers have been able to offer **cut-throat prices** because they do not have to bear the cost of running a physical shop. Price-comparison web-sites such as Kelkoo, where a shopper can compare prices on

Retailers selling electrical goods have been particularly hit by the Internet, as items such as televisions and DVD players become more **common** purchases. This creates a **dilemma** for retailers who sell products both online and in shops.

Some **bricks and mortar** retailers are adopting a model of **dual pricing** in order to keep their position online while maintaining margins in their shops. Mr Gladding says dual pricing will become harder to practise as consumers become better at surfing the Internet. 'In the longer run, prices must come together,' he says.

To be successful in operating in the online and offline world, retailers should probably try to integrate the two as much as possible. Some businesses, for

any product online to Prada perfume to get the best deal, make the market even more competitive. 'It is a lot more competitive online because you are always just one click away from a **rival**,' says a CEO.

example, have set up their operation to allow customers to shop online, over the telephone or in stores.

Financial Times

Vocabulary notes:

click into place – ставати зрозумілим; ставати на своє місце

high street – головна (центральна) вулиця (*центральна вулиця міста, на якій сконцентровано торговельні та розважальні заклади*)

encourage – підбадьорювати; заохочувати; підбивати (*зробити щось*)

impact - вплив, дія

Verdict Research – Британська компанія, що проводить дослідження з усіх питань роздрібної торгівлі

consultancy – консалтингова компанія

cut-throat prices – ціни, встановлені з метою ліквідації конкурентів

rival – конкурент

common - загальний, загальноприйнятий, поширений

dilemma - дилема; скрутний стан

bricks and mortar = a physical business premises rather than an internet presence – будівля; фізичне приміщення для ведення комерційної діяльності

dual pricing – подвійна система цін (*продаж певного товару за різними цінами на різних ринках*)

Ex. 12. Answer these questions about the article.

1. Give two reasons why online shopping makes the market extremely competitive.
2. Why are retailers who sell products both online and in shops in a difficult position?
3. Why is the practice of dual pricing only a short-term solution, according to Mr Gladding?
4. How can retailers make the best of both the online and offline world?

Ex. 13. Other methods of selling are **direct** and do not use retail outlets. Match a definition to each example of direct sales.

DIRECT SALES	DEFINITION
1. mail order	a) customers can buy from the manufacturer's warehouse
2. door-to-door sales	b) a company sends goods by post from its warehouse
3. TV sales	c) customers see product adverts on the screen and place their orders by phone/fax/the Internet
4. The Internet (e-commerce)	d) an agent for the company sells the product or service to the customer at home
5. cash-and-carry	e) electronic shopping from companies' websites

Ex. 14. A. Read the text below.

Clicks-and-mortar

My name's John, and I own a chain of sports shops. Last year, I started an **e-commerce** operation, selling goods over the internet. We've done well. Visitors don't have trouble finding what they want, adding items to their **shopping cart** and paying for them securely by credit card. Last year we had two million unique users (different individual visitors) who generated 35 million **hits** or **page views**. E-commerce or e-tailing has even acted as a form of advertising and increased levels of business in our traditional **bricks-and-mortar** shops! Pure Internet commerce operations are very difficult. To succeed, I think you need a combination of **traditional retailing** and e-commerce: **clicks-and-mortar**. In our case, this has also helped us solve **the last mile problem**, the **physical delivery** of goods to Internet customers we just deliver from our local stores!

B. Find expressions with the following meanings.

1. traditional shops (two possibilities)
2. selling on the Internet (two possibilities)
3. where you put your items before you purchase them
4. physical delivery of goods to Internet customers
5. how many times a web page is viewed

UNIT 5. ENTREPRENEURSHIP

*Ex. 1. Read the text below carefully paying attention to the words **in bold**.*

Entrepreneur is a person who owns and operates a business.

The word *entrepreneur* originates from the French word, *entreprendre*, which means "to **undertake**." In a business context, it means to start a business.

People generally start a business for different reasons. Sometimes it is because they are good at their chosen profession and they feel that they can **make a better living** working for themselves, sometimes it is a lifestyle change and sometimes it is simply a lifelong dream.

Speaking about entrepreneurship, Professor K. Vesper of the University of Washington says that "Business continue to be launched by people who didn't make it the first time around. A **driving force** in entrepreneurship is **addictiveness**. Once people have a taste of freedom in a business of their own, they like it. They don't want to go back to working for someone else."

Running a business requires many skills that take time to develop. Entrepreneurs need **inspiration**, motivation and **sensibility**. An entrepreneur is usually:

- a positive thinker and a decision maker;
- has an enthusiastic vision, the driving force of an enterprise;
- exhibits extreme optimism in the decision-making processes;
- is **prone to overconfidence** and **overgeneralizations**.

The essence of entrepreneurship is taking risk. Many small businesses **fail** within the first five years. The two main reasons are:

- a **lack of initial capital** and
- a lack of marketing ability.

There are four types of entrepreneurs: 1) the innovator; 2) the calculating inventor; 3) the over-optimistic promoter, and 4) the organization builder. These types are not related to the personality but to the type of opportunity the entrepreneur faces.

Successful entrepreneurs often follow one or more of the following paths:

- unexpected opportunities;
- changing market conditions;

- improving a product or process;
- providing an alternative product or service;
- identifying population trends.

The American magazine *Venture* attempted to dissect entrepreneurs and to see what makes them tick. They surveyed 2,740 people. Here what they have in common:

- 1) typically they were firstborn children who had a positive relationship with their father;
- 2) they held jobs before they were 15 and started their business by the time they reached 20;
- 3) they borrowed money to launch their first business and made themselves personally liable;
- 4) most of them are college graduates, start work early in the day (82% start work before 9 a.m.);
- 5) 20% described themselves as successful.

Entrepreneurs can be also described as **mercurial**, that is, prone to **insights**, **brainstorms**, **deceptions**, **ingeniousness** and **resourcefulness**; **cunning**, **opportunistic**, creative, and **unsentimental**.

Vocabulary notes:

to undertake – починати, братися; зобов'язуватися

make a better living – більше заробляти на життя

driving force – рушійна сила

addictiveness – звикання

inspiration – натхнення; стимулювання

sensibility – чутливість; сприйнятливність

to be prone (to) – бути схильним

overconfidence – самовпевненість; самонадіяність

overgeneralizations – надмірне узагальнення

fail – зазнати невдачі

a lack of initial capital – брак початкового капіталу

mercurial – моторний; рухливий; діяльний

insights – прозорливість; проникливість; інтуїція; розуміння, усвідомлення

brainstorms – несподівана блискуча ідея

deception – ілюзія; обман, облуда

ingeniousness – винахідливість; майстерність; дотепність

resourcefulness – винахідливість

cunning – вправний; здібний, спритний; хитрий, підступний

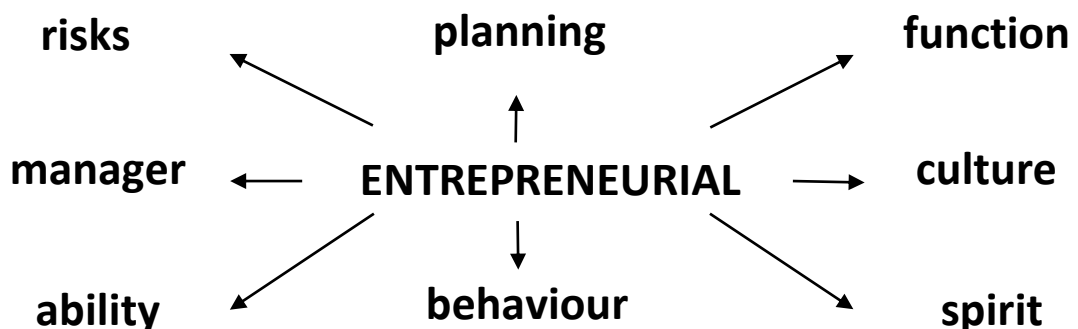
opportunistic – безпринципний

unsentimental – несентиментальний

Ex. 2. For the words in column **A** match their opposites in column **B**.

A	B
1. driving force	a) discouragement
2. inspiration	b) succeed
3. sensibility	c) listless; low-witted
4. overconfidence	d) obstacle
5. fail	e) indifference
6. lack	f) honesty
7. mercurial	g) diffidence
8. cunning	h) sufficiency
9. deception	i) of principle
10. opportunistic	j) artless

Ex. 3. A. The words in the box often occur after "**ENTREPRENEURIAL**"



B. Make sure you understand these word-combinations. Translate into Ukrainian the sentences below.

1. **Entrepreneurial planning**, E-planning for short, is based on the notion that the people involved in the planning process know what their strengths and weaknesses are and where they stand in the marketplace.
2. Our model suggests that capital shocks are important **entrepreneurial risks**.
3. An **entrepreneurial manager** clearly needs to be an inspirational leader – and also able to relentlessly pursue his or her idea until it reaches fruition.
4. Also, one of the reasons why the **entrepreneurial ability** is such a scarce resource is because the entrepreneur assumes ALL of the risk.
5. The work of McClelland in the early to mid-1960s suggested that the key to **entrepreneurial behavior** lie in achievement motivation.
6. The **entrepreneurial spirit** is often difficult to define.
7. Changing the **entrepreneurial culture** means changing the image of a place with both internal and external populations.
8. By now, the **entrepreneurial functions** play a role on the market/industry level and the personal level (entrepreneurial traits) as well.

Ex. 4. Below are the abstracts from the interviews with people who decided to start their own business. They explain the reasons for becoming entrepreneurs and give some useful pieces of advice to those starting out a business.

Gary J. Salt Lake City, Utah USA

All my life I'd dreamed of becoming an entrepreneur, but I didn't know enough about the business to really get started. So I spent 10 years slaving away in a factory, standing on my feet 40+ hours a week, and watching my dreams fade away. Startupbank.com changed everything! It showed me exactly what I needed to know to take on my dream. It inspired me to take that first step. Now I have a small business of my own, and I'm thrilled.

Eddy Chavey

Independent Web Designer

When I was going to start a business I knew that I needed some more equipment. And I knew I needed a financial cushion because you don't work well if you are under a lot of financial pressure. So I stayed at my job for six additional months, just knowing I was going to take the money from that six months and

create this financial cushion: to buy a computer and the stuff I needed for a successful business. And it turned out to be the best six months I ever had at that job – knowing I was going to leave it. Keeping an eye on where my money was going and just kind of seeing this finishing line. I would totally recommend tightening your belt and don't quit your job.

Ezequiel Padilla

Jugos Tropicales Mexican Food

I'm the owner of Jugos Tropicales Fast Food Mexican Restaurant in Compton, California. I started my business ten years ago. I had many years of experience and had my savings. I thought I knew everything. But I didn't have the most important thing: a business plan. So, there I was working on a daily basis with nowhere to go until I learned from the My Own Business seminar all the basic tools I needed to reach success. I would like to give you some important tips before you start.

- Create your business plan.
- It is very important to find a good location. Make sure you have plenty of parking.
- Make sure you read and agree to all the terms and conditions of the lease contract before you sign it.
- Learn the basics of accounting and know your product.
- When you are ready to open your business, be honest and treat your employees and customers as you would like to be treated. Remember that a satisfied customer will help increase your clientele.
- Always be ready for the unexpected.

Overlooking these details might cost you a lot of money, and you might go out of business. We don't want that.

One last thing, when your business is doing well, consider buying the property if it is possible. Real estate is always a good investment. If you follow these simple steps, I'm sure you will be a successful businessperson like me.

Ex. 5. Find in the text the English equivalents for:

Працювати як раб; надихнути; фінансовий резерв; фінансові труднощі; виявлятися; пильно стежити за; затягнути пасок; заощадження; досягти успіху;

порада; переконатися; угода про оренду; бухоблік; клієнтура; непередбачений; недогледіти / не звертати уваги; нерухоме майно; капіталовкладення.

Ex. 6. Find in the text the synonyms for:

1) to work hard; 2) reserve capital; 3) financial squeeze; 4) to economize; 5) succeed; 6) a piece of advice; 7) accountancy; 8) customer base; 9) to ignore; 10) to go bankrupt.

Ex. 7. Read the text below carefully paying attention to the words **in bold**.

Female Entrepreneurs: Kyiv's Better Half

When asked what it's like to be an entrepreneur who is both foreigner and female in Ukraine, **Claudia Mejia** smiles.

"It is usually a surprise for local authorities and our customers, especially Ukrainian ones", says the Colombian. But in her mind, this is an advantage rather than a setback.

"Friendliness, **persistence**, and a talent for combining planning with improvisation are what helped me succeed here," says Mejia, who wasn't stopped even by the country's "**confusing** and often out-of-date law regulations."

Mejia came to Ukraine in 1999. Just two years later, Mejia launched her own catering business, spurred by the **lack** of such service in Kyiv. The **endeavor** soon turned a profit. Today Mejia's company's customers include Procter & Gamble, Bosch, the Artem Business Center etc.

"Institutional catering is very different from simply running restaurants or even from pure event catering, since the same clients are served every day, sometimes for years," Mejia says. The biggest challenge in her business is to have a wide variety of **revolving menus**, very high standards and **acceptable costs** to keep customers happy, she said.

"We served 14 lunches on our first day in 2001, and today, **on average**, we get more than 500 orders daily," she says. In 2004, she says the company served more than 100,000 meals in Kyiv alone.

The four sides of Mejia's business are large cafeterias with daily meal service cooked on- or off-site depending on the customer's wishes; snack bars with both fixed and revolving menus; the **Meals-on-Wheels** daily lunch delivery; and special services for corporate events and **gala receptions**.

Mejia said she is hoping to expand her business to other big cities in Ukraine such as Kharkiv or Dnipropetrovsk.

Not the only one

Women are becoming increasingly involved in business in Kyiv. Many of them are actively involved in the city's **ex-pat community**.

Viola Kim, the Uzbek owner of Viola's Bierstube, says that the business environment in Kyiv, especially regarding customer service, is becoming increasingly unisex. According to her, women in the city have grown more confident and **assertive** when it comes to starting up their own businesses.

Her business started in 1998 when she, together with her ex-husband Eric Aigner, launched a restaurant and clubbing business known as Eric's Family. Their establishments, which include 111 and Art Club 44, became instantly successful, largely due to their **adherence** to Western standards of service and thus high popularity with ex-pats.

Now Kim is the sole owner of Viola's Bierstube, one sixth of the Family. "My work for me is a huge part of my life, and I devote most of my time to it," she says.

Kim's initial **occupation** - teaching high school math - did not allow her to fully use her energy and her passion for communication. But today, she says, she is happy and hopeful to stay in business.

Apart from developing her own business, Kim also assists her female friends in realizing their entrepreneurial ambitions.

Every first Wednesday of the month, Bierstube hosts a women's club, where 80 working women from 25 to 40 years of age meet to share their problems and their successes in professional life.

"I like to promote young women-entrepreneurs, and these meetings help me do that," explains Kim, who said that during such gatherings they traditionally tell each other about new projects or start-ups.

"I think there is very favorable ground in Kyiv right now for women who want to try out their business ideas," she says "All you need is a desire to do it and a willing to learn constantly."

Coming Home

For **Oksana Devoe**, 31, the business learning curve has been rather unusual. Educated as a journalist, Devoe now manages her family's **clay mining** business.

"I did not have any experience in this area at all when my brother came up to me and said 'Hey, there's an opportunity to acquire an **open-pit clay mine** in Mykolaiv oblast. Do you want to go for it?'"

"I spent two months looking for a client who would buy our clay. And I only agreed after I found one," said Devoe, who together with her husband Michael Devoe, had to move from Germany back to her native Ukraine to take care of the start-up.

Devoe says her position as the director of a business is not an easy one, especially considering her new responsibilities as the mother of a three-month-old baby.

"When our export contract arrived, I was in the **maternity ward**, and as director, I had to sign it right there," she recalls.

Besides knowledge of clay mining specifics and geology, her position also requires **proficiency** in **book-keeping** and jurisprudence. The learning continues on a daily basis, she says.

And even though the business is not quite profitable yet, Devoe is not going to give up.

"Clay mining is a risky business - you may not always get what you want - but I think it **is worth** it," she says. "It is also a man's business, you know. But that's what makes it so exciting: it is a challenge for me to prove I can do better than men."

(Kyiv Post)

Vocabulary notes:

persistence – наполегливість, витривалість

confusing - заплутаний

lack – нестача, відсутність
endeavor – спроба
revolving menu – змінне меню
acceptable costs – прийнятні ціни
on average – в середньому
Meals-on-Wheels – доставка гарячої їжі літнім людям та інвалідам
gala reception – урочистий прийом
ex-pat community – громада емігрантів
assertive – самовпевнений
adherence – суворе додержання
occupation – справа
clay mining – видобування глини
open-pit clay mine – глиняний кар'єр
maternity ward – родильна палата
proficiency – вміння, досвідченість, вправність, майстерність
book-keeping – бухгалтерський облік
to be worth – бути вартим

*Ex. 8. From the offered words choose the synonym for the word **in bold**.*

1. One of the biggest challenge in institutional catering is to have very high standards and **acceptable** costs to keep customers happy.

- | | |
|--------------|-------------|
| a) accepting | c) taking |
| b) agreeable | d) received |

2. Friendliness, **persistence**, and a talent for combining planning with improvisation are needed to succeed in catering business.

- | | |
|----------------|---------------|
| a) firmness | c) perfection |
| b) performance | d) confidence |

3. Successful entrepreneurs won't be stopped even by the country's **confusing** and often out-of-date law regulations.

- | | |
|---------------|---------------|
| a) conducting | c) perplexing |
| b) mixing | d) permanent |

4. Women are becoming **increasingly** involved in business in Kyiv.
- | | |
|---------------------|------------------|
| a) more or less | c) gradually |
| b) little by little | d) more and more |
5. Women in Kyiv have grown more confident and **assertive** when it comes to starting up their own businesses.
- | | |
|---------------|----------------|
| a) asserted | c) smart |
| b) aggressive | d) intelligent |
6. 111 and Art Club 44 became instantly successful, largely due to their **adherence to** Western standards of service.
- | | |
|-----------------|------------------|
| a) following up | c) preference to |
| b) advantage of | d) sticking to |
7. I like to **promote** young women-entrepreneurs, and these meetings help me do that.
- | | |
|--------------|-----------|
| a) advertise | c) change |
| b) support | d) play |
8. Devoe now **manages** her family's clay mining business.
- | | |
|---------------|---------|
| a) copes with | c) runs |
| b) achieves | d) wins |
9. There was an opportunity to **acquire** an open-pit clay mine in Mykolaiv oblast.
- | | |
|-----------|----------|
| a) get | c) learn |
| b) change | d) adopt |
10. This position requires **proficiency** in book-keeping and jurisprudence.
- | | |
|--------------|---------------|
| a) progress | c) ability |
| b) knowledge | d) experience |

Ex. 9. Below are the adjectives which can be used to characterise the three Ukrainian female entrepreneurs. In the table, tick ✓ the most relevant words for each woman. Explain your choice. See the example.

Adjective	Claudia Mejia	Viola Kim	Oksana Devoe	Your argument
friendly	✓	✓		1. Claudia Mejia was able to deal with local authorities. 2. Viola Kim helps other women in starting business.
persistent				
talented				
inventive				
creative				
confident				
adherent				
ambitious				
skillful				
energetic				
responsible				
proficient				
assertive				

Ex. 10. Work in small groups of 3-4. Discuss the specific features of entrepreneurship.

1. Is it difficult for a woman to establish and run a business? Why?
2. Why do some female entrepreneurs decide to start a business?
3. Why to your mind is it difficult to run institutional catering?
4. What should an entrepreneur consider when launching a restaurant?
5. Why do some female entrepreneurs find mining business attractive?
6. What should local authorities / government in Ukraine do so that more women could become entrepreneurs?
7. Are men more assertive in running business than women? If so, can it make women go out of business?
8. What conditions are important for people starting new business? Choose the three most important from the list:
 - low taxes (tax incentives);
 - skilled staff;

- low interest rates;
- cheap rents;
- stable economy;
- training courses;
- a strong currency;
- government grants.

Ex. 11. Using the information from **ex. 7** and from **ex. 8** make a list of the most common reasons people become entrepreneurs as well as the most useful (to your mind) recommendations. Then discuss your ideas with the whole group.

WHO?	WHY STARTED BUSINESS?	HOW SUCCEEDED?
Claudia Mejia		
Viola Kim		
Oksana Devoe		
Gary J.		
Eddy Chavey		
Ezequiel Padilla		

UNIT 6. STARTING A NEW BUSINESS

*Ex. 1. A. Read the text paying attention to the words **in bold**.*

Starting a new business is both exciting and stressful, so you should prepare yourself for the many **milestones**, stresses, failures, mistakes, and successes that will come your way. Be ready for feedback, constructive criticism, and be open to new ideas and the rapid changing of industry. Make use of modern technology, apps, social media, and the digital world.

It is a hard road that can be the most rewarding, and remember that a mistake is not a failure, the only true failure is to give up entirely, and giving up is never an option because success is right around the corner.

Most small-business and entrepreneurship experts strongly recommend that **prospective** owners or entrepreneurs to develop a business plan before starting a business.

A business plan is a document that details the nature of business, the product or service, the customers, the competition, the production and marketing methods, the management, the financing, and other significant aspects of the proposed business venture.

It is essential to consider all possibilities and **evaluate** pros and cons of your own **prosperous** business:

PROS	CONS
Not too much competition in the area	Not much profit
Doesn't need much money to start	Seasonal fluctuation
Possibility of diversifying	Not an essential service

Before making a detailed plan of your prosperous business, ask yourself questions like this:

- What products or services will I offer?
- What kind of customers am I going to serve?
- How many potential customers are there in the area?
- How will I attract customers?

- How much control do I want to keep in the business?
- Do I prefer to work as a sole trader, as a partnership or for a limited company?

Once you have decided on business scheme which your market research suggests to be successful, you should **estimate** the costs and find resources to set up your business. The main resources of fund raising are: personal savings and savings of your family, friends' assistance, money from **venture capitalists**, loan from banks and other financial institutions.

A business plan, first, helps you carefully think through every aspect of your business: the risks involved, financing requirements, and intended markets.

Second, a business plan helps you obtain financing. For example, the U.S. Small Business Administration (SBA) requires that a business plan **accompany** applications for the agency's small-business loan program. Most private investors will not even consider financing a venture without seeing a well-thought-out business plan. To obtain significant funding from banks you will also have to submit a business plan.

Finally, business plans often help you establish **credibility** with others, which is required for the organization's success. For example, suppliers may be more willing to extend a line of credit when the business plan appears **sound**. Major customers may be more **inclined** to place orders when there are **convincing** arguments that the new venture or small business will be able to deliver the necessary products or services.

What to Avoid in Your Business Plan

- Place some reasonable limits on long-term, future **projection** (long-term means over one year.) Better to **stick with** short-term objectives and modify the plan as your business progresses. Too often, **long-range planning** becomes meaningless because the reality of your business can be different from your initial **concept**.
- Avoid optimism. In fact, to **offset** optimism, be extremely conservative in **predicting capital requirements, timelines**, sales and profits. Few business plans correctly **anticipate** how much money and time will be required.
- Do not ignore clarifying in detail what your strategies will be in the event of business **adversities**.
- Use simple language in explaining the issues. Make it easy to read and understand.

- Do not depend entirely on the uniqueness of your business or even a patented invention.

Vocabulary notes:

prospective - майбутній

evaluate - оцінювати

prosperous – процвітаючий

estimate – попередньо підраховувати

venture capitalist – підприємець, що йде на ризик

accompany – супроводжувати

credibility - авторитет

sound - надійний

be inclined to – схилитися до

convincing – переконливий

projection – проектування

stick with – дотримуватися

long-range planning – перспективне планування

concept – поняття, ідея; загальне уявлення

offset – протистояти

predict - провіщати, передрікати

capital requirement – потреба в капіталі; необхідний обсяг капіталу

timeline – часові рамки; графік

anticipate - передбачати, передчувати, чекати, сподіватися

adversity - несприятливі обставини, неприємності

B. Decide whether these statements are true (T) or false (F).

1. A business plan is a document needed for advertising the company's product.
2. You don't have to take into consideration the competitors in your business plan.
3. A prospective entrepreneur must decide on products or services to be offered to customers before making a business plan.
4. Very often entrepreneurs have sufficient amount of financial cushion to start up a business.

5. Venture capitalists risk losing their investment.
6. A detailed business plan is of no use in raising money.
7. Major customers are often uncertain about placing orders when there is a well-developed business plan.
8. You must always stick with long-range planning.
9. When developing a business plan one should always be overconfident.
10. You will definitely succeed if you have a patented invention.

Ex. 2. From the offered words choose the synonym for the word **in bold**.

1. Most small-business and entrepreneurship experts strongly recommend that **prospective** owners or entrepreneurs to develop a business plan before starting a business.

- | | |
|---------------|----------------|
| a) prosperous | c) potential |
| b) productive | d) progressive |

2. It is essential to consider all possibilities and evaluate pros and cons of your own **prosperous** business.

- | | |
|--------------|-----------|
| a) thriving | c) poor |
| b) prolonged | d) proper |

3. You should **estimate** the costs and find resources to set up your business.

- | | |
|--------------|--------------|
| a) establish | c) calculate |
| b) spend | d) ask for |

4. A business plan must **accompany** applications for the agency's small-business loan program.

- | | |
|----------------|--------------|
| a) travel with | c) move with |
| b) agree with | d) go with |

5. Most private investors will not even **consider** financing a venture without seeing a well-thought-out business plan.

- | | |
|----------------|---------------|
| a) think | c) believe in |
| b) think about | d) reckon |

6. Business plans often help you establish **credibility** with others, which is required for the organization's success.

- a) trustworthiness
- b) probability
- c) confidence
- d) credit analysis

7. Better to **stick with** short-term objectives and modify the plan as your business progresses.

- a) continue
- b) follow
- c) last
- d) hang on

8. In fact, to offset optimism, be extremely conservative in **predicting** capital requirements, timelines, sales and profits.

- a) preparing
- b) meeting
- c) forecasting
- d) presaging

9. Do not ignore clarifying in detail what your strategies will be in the event of business **adversities**.

- a) advertising
- b) advertisement
- c) sufferings
- d) hardship

10. Don't depend **entirely** on the uniqueness of your business or even a patented invention

- a) incidentally
- b) eternally
- c) inevitably
- d) solely

Ex. 3. *Render the following text in English.*

ПГХ "Смак" – це підприємство громадського харчування, що задовольняє місцевий попит на певний вид продукції та послуг.

Цільовий ринок споживачів ресторану та бару можна охарактеризувати таким чином:

- за віком: від 18 років і старші;
- за рівнем доходів: від 8000 грн. на місяць і вище;
- за фахом: бізнесмени, студенти, державні службовці;

➤ за потребами: послуги громадського харчування, організація якісного відпочинку.

Одним з основних факторів, що впливають на роботу ресторану та бару, є їх місце розташування. Позитивним є їх місцезнаходження в багатонаселеному районі міста; наявність під'їзних шляхів і стоянки автомобілів. На невеликій відстані знаходяться вищі навчальні заклади (ВДТУ, технікуми, коледж) та 3 школи, де навчається близько 8000 студентів.

У районі функціонування ресторану та бару розташовано декілька адміністративних будівель, де близько 100 приватних організацій орендують приміщення. На них працюють близько 700 працівників. Їхній рівень доходу становить понад 8000 грн. на місяць. Це основний сегмент потенційних споживачів ресторану та бару. Цільовий сегменту споживачів ресторану та бару включає приблизно третину студентів вищих навчальних закладів (близько 2000). Населення найближчих районів становить 16 тис. осіб, серед яких 11% входять до цільового сегмента споживачів ресторану та бару, 28% відчують потребу в організації відпочинку. Таким чином, загальний потенціал цільового ринку ресторану та бару "Смак" налічує близько 3283 осіб.

The vocabulary you may need:

Catering enterprise; to satisfy consumer demand (need); affect; populous / densely populated / thickly populated; driveway; to rent; premises; the main segment; target segment; recreation; area.

Ex. 4. The following points are based on experts' observations of successful business operators. While reading, fill in the blanks with:

a) appropriate words from the box:

a) reliability	c) innovative	e) inefficiency	g) ethical
b) popping	d) negativity	f) marketing	h) competitors

b) and the empty boxes with the prepositions below:

out × 2	in × 3	of × 3	on × 3	for × 2	off × 1
to × 2	into × 1	with × 2	about × 2	down × 1	

Ten Important Tips For Running a Successful Business

1. Surround yourself with positive people and keep _____¹ 1) of your life. If you don't like what you are doing then start planning to change the business you are 2). It is amazing how much money you can make when you love what you do.
2. If you promise to do something, then make sure that you do it. One of the biggest downfalls 3) small businesses is a lack 4) _____.² You must do a job 5) time and 6) budget.
3. Be organised. Take the time to organise those records, balance the cheque book and clear the desk or tidy the workshop. Working 7) a cluttered environment invites mistakes and _____.³ A good way to stay organized is to make a to-do list every day, and as you complete each task, cross it 8) your list.
4. Keep an eye on your competition. One of the biggest challenges of the business world is facing your _____⁴ 9) open arms. Competition often breeds the best results.
5. Provide the best customer service you can. There are plenty of businesses that forget the importance 10) great customer service. Customer service is a building block of any successful business, and providing it means doing all you can to make your customers feel loved and valued.
6. Keep an eye 11) the market for new trends and adjust accordingly. It is important to keep up 12) date on the market for the latest trends and to keep in time with them. Sometimes something as simple as _____⁵ online to check what other companies in your market are doing can be the easiest way to check for new market trends.
7. Try to appeal to your target market. Think of the people who are likely to buy your product, ask what they want, try to get 13) their mindset, and create your _____⁶ strategy around that. Good marketing creates a relationship 14) your target audience, as well as brands and other marketers.

8. Be open new and _____⁷ ideas. If you find yourself saying, 'that's the way we have always done it and that's the way we are going to keep doing it', perhaps you are not as flexible and open as you could be. Encourage innovative and open thinking.

9. Be completely honest and _____⁸ every dealing that you have. It is important that you are able to walk the street with your head held high.

10. Take time to relax and recharge your batteries. You don't get a medal if you work non-stop ten years. It's not money, it's taking time you.

Ex. 5. A. Read the text.

Setting up your own business

Here are some ideas about how you should start:

Know your market

So you know what you want to sell – the most important thing is that it should be something that people want to buy. Start by thinking about who your target customers are. Are they people who live locally? Are they a particular group of people?

Now look at your competitors. What is different about what you will be doing and how will you persuade people to come to you instead of going to someone who is already established?

How will you reach the customers?

Will you promote your product by phoning people, or visiting local traders, or advertising in magazines or online? Will your delivery system be direct or through shops?

How will your business work?

Now think about what your business needs to succeed. Do you need to look for premises or can you work from home? Do you need to invest in manufacturing equipment to start with?

Is the business something that you can do on your own, or if you get more work will you be looking to recruit staff? If so, what skills would they need?

Whether you're a sole operator or are looking to recruit a team, effective management is essential.

The law regulates how companies are run and you need to set aside the time to see that this is done properly, in relation to issues like accounting, insurance and tax.

The money!

As you are working out the prices for your products, you need to make sure you build in all your costs. Remember you will probably need help from an accountant at least once a year, so build that in too, and do a forecast of how much money you think will flow in and out of the business.

Look at what you expect to happen over the next three years — and work out what you need to do to break even, as well as the turnover that you hope to achieve to give you a profit. If you think you will need to find some funding to help get the business off the ground, how much will you need and who will you approach to get it?

Your business plan

Now write it all up and call it a business plan.

B. Complete the sentences below. Choose **ONE WORD ONLY** from the text for each answer.

Step 1:

Decide who you are going to sell to and compare yourself with the _____¹ you are going to have.

Step 2:

Consider how you will market your product and your method of _____².

Step 3:

Decide if you will have to find _____³ to work in, or buy equipment.

Step 4:

Think whether you will need to take on staff as your business grows.

Step 5:

Make sure you deal with the accounts and other essentials in accordance with the _____⁴.

Step 6:

Calculate all the _____⁵ involved in your business when deciding how much to charge.

Step 7:

Calculate the turnover you are aiming for in order to make a profit in the first three years.

Step 8:

Consider if you require any _____⁶ to start your business, and where to find it.

Ex. 6. A. Read the four texts concerned with family business.

Text A

The continued growth of family businesses

Family businesses today are a very important part of the economy as they account for 65% of all private enterprises and for 40% of all private sector employment. But how successful are they?

It is claimed that family businesses are more effective than other businesses because they are more concerned with the long-term future of the company as they want to transfer the business to the next generation. They also would like to extend the family’s reputation locally, nationally, or even internationally. There is usually little disagreement as to the financial benefits each family member should take from the business.

However, there are drawbacks to family enterprises too. The head of the family business may want to give relatives a chance when there are other people outside the family who are better qualified to do the job. It is also rare for more than one family member to have the required skills to drive the business in an increasingly competitive environment.

Text B

We asked members of the public if they would like to work in a family business.	
Frederic	I think it would be really nice. We would all have to take responsibility to create something we could be proud of as a family.

Ling	I wouldn't really like it because I think it would be pretty boring. I want to meet lots of different people in a large and dynamic workplace.
Cathy	We could never get away from work. Some people say they couldn't work with families, but I couldn't work without them.
Adam	@ Ling I used to work in a big company and it is not as stimulating as you might think. Colleagues you thought were friends aren't always!
Sanjit	I want to be an international lawyer so to achieve this is not so easy with a family business. Besides, I would rather have my own independence and be able to pursue my own career path.

Text C

Wednesday, 26th June

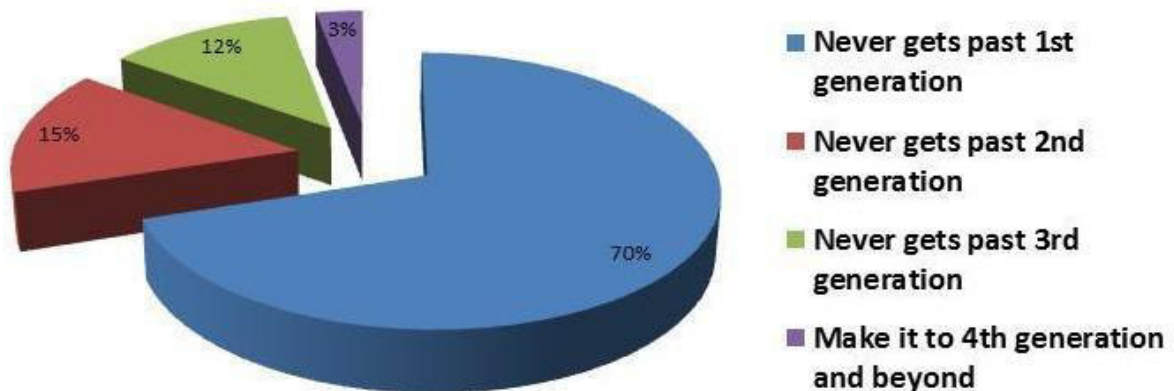
I am so excited! Tomorrow Mum and I will go and see our first customers. I can't believe it is only 6 weeks ago since I suggested to Mum the idea of starting up our own wedding planning business. All because my friend Sandy wanted to organise a different sort of wedding and she couldn't find anyone to help her to do it. And we helped her realise her special day. She was so happy with the venue, food, flowers, everything!

It is essential we do a really good job with these first few customers so we can build up a good reputation. Dad told us having your own business isn't as easy as we might think. He said it's far more time consuming than we could imagine, but the sense of satisfaction can be amazing.

I should sleep now as it's already 1am. I've just realised I spent 3 hours researching stuff for tomorrow!

Text D

Longevity of Family Businesses



B. Which text

1. talks about the prospects for a new business she is starting?	
2. analyses the long-term success of family businesses?	
3. expresses personal feelings about working in family firms?	
4. outlines some of benefits and weaknesses of a family business?	
5. compares the economic importance of family businesses with other businesses?	

C. Choose the 5 statements from A-H below that are TRUE according to the information given in the texts. Write the letters of the TRUE statements in the boxes provided (in any order).

- A. Family businesses employ more people than other types of businesses.
- B. Family relatives are often not as qualified as outsiders to work in family businesses.
- C. Adam thinks Ling should be careful of colleagues she chooses to be friends.
- D. Sanjit thinks he can achieve his ambitions within a family business structure.
- E. The diary writer doesn't believe that she would have had the idea for a business if her friend Sandy hadn't had a problem.
- F. The diary writer was surprised how quickly the time had gone.
- G. The majority of family businesses are passed onto a second generation.
- H. There is a steady decline of the success of family businesses with each passing generation.

True Statement	
6.	
7.	
8.	
9.	
10.	

D. The Summary Notes below contain information from the texts. Find a suitable word or a phrase **in the texts** to complete the missing information in gaps 11-15. Write your answers in the spaces provided and you can use **up to 3 words**.

Notes on aspects of Family Businesses

Advantages of Family Businesses:

- Very important for the economy
- Family members have the _____¹¹ of the company at heart.
- Everyone wants to build on the family's reputation.
- Usually little disagreement among family members.
- Great _____¹² to build up your own business.

Drawbacks of Family Businesses:









- May employ family members when "outsiders" might be _____¹³.
- Often only one family member who is the real driving force behind the company
- Can have few opportunities to meet a wide variety of work colleagues
- Less independence if you want to follow your _____¹⁴.

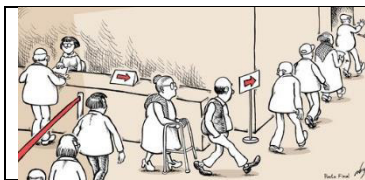




A great challenge for future generations:

- The _____¹⁵ of a family business is not high as 70% of family businesses do not make it past the first generation.

UNIT 7. BUSINESS IDIOMS

Ex. 1. A. Study the meanings of the following idioms.

	<ul style="list-style-type: none"> • keep our heads above water = avoid financial failure while having money problems
	<ul style="list-style-type: none"> • shadow economy = economic transactions that are deemed illegal, either because the goods or services traded are unlawful in nature, or because transactions fail to comply with governmental reporting requirements
	<ul style="list-style-type: none"> • dry up = gradually become unproductive
	<ul style="list-style-type: none"> • the sky's the limit = there are no limits and anything is possible
	<ul style="list-style-type: none"> • rat race = any exhausting and usually competitive activity or routine
	<ul style="list-style-type: none"> • selling point = a feature of a product for sale that makes it attractive to customers
	<ul style="list-style-type: none"> • red tape = excessive bureaucracy or adherence to official rules and formalities
	<ul style="list-style-type: none"> • a fat cat = any wealthy person, esp. one who has become rich quickly through questionable dealings; an important, influential, or famous person

	<ul style="list-style-type: none"> • a flood = an overwhelming quantity of things or people happening or appearing at the same time
	<ul style="list-style-type: none"> • learn the ropes = learn how to do a job or activity
	<ul style="list-style-type: none"> • by the book = according to the rules or the law
	<ul style="list-style-type: none"> • buoyant = involving or engaged in much successful trade or activity
	<ul style="list-style-type: none"> • predatory pricing = a strategy of selling a good or service at a very low price so as to drive one's competitors out of business

B. The idioms in **bold** are in the wrong sentences. Replace them with the correct idioms.

1. The new product's **red tape** is portability: it will fit into the palm of a hand.
2. He took our work seriously and did things **buoyant**.
3. The government said this was a form of **selling point** that ultimately harmed consumers.
4. Companies operating in the **red tape** are not registered and thus not liable for taxes.
5. **Learn the ropes** with the price of this stock.
6. It won't make a huge profit but it should help us **dry up**.
7. She decided to drop out of the **shadow economy** because she couldn't stand working 60 hours a week.
8. The main source of income is expected to **keep our heads above water** completely this summer.
9. Bonuses in the financial sector are **by the book** this year, so tips in London bars and restaurants are also substantially up.

10. There has been **the sky's the limit** of new engineering graduates in the last two years.
11. He had to **predatory pricing** himself – no one showed him how to make a sales call.
12. The company director is described as **a flood**, who enjoys his luxury lifestyle but doesn't care about his employees.
13. Charitable funds are similar to foundations, but without the **rat race**.

Ex. 2. *Try to guess the missing numbers from the following proverbs and other idioms.*

1. On the _____ hand I don't want to give a speech at the conference, but on the other hand it will look good on my CV.
2. Luckily, the piano arrived at its destination all in _____ piece.
3. We found out all the ideas we had for the new product's name were already registered trademarks of our competitors, so we had to go back to square _____.
4. _____ heads are better than one when you are brainstorming original solutions to a problem.
5. When we fly to our LA branch we can kill _____ birds with one stone and visit some of our local dealers.
6. I really tried to take part in the dance routine at the company's end of year cabaret show, but I have _____ left feet.
7. When they heard that he had made the biggest trade of the year, the other traders gathered round his desk to give him high-_____s and congratulate him.
8. _____ times out of ten, if you have a problem on the computer it is something small that can be easily fixed.
9. We had both done an equal amount of work, so it seemed fair to divide the money _____ - _____.
10. The inventor of the Walkman was one in _____ and Sony have never really managed to replace him.
11. I've been feeling like a _____ dollars since our company took us away to that spa resort.

Ex. 3. Which of the idioms in **ex. 2** have the following meanings?

- a) Something that is extremely rare or unique, like finding a diamond in your garden
- b) Slap somebody else's hand above your heads. The number comes from the number of fingers you use.
- c) Half each.
- d) You can do two things with one action.
- e) I can't dance and/ or I am clumsy in other ways, as if my there is something wrong with my body.
- f) Feeling great, like someone who has just won the top prize in a television quiz show.
- g) Usually or almost always, expressed as a fraction.
- h) This phrase is used for weighing up two options, as if you were weighing two bars of gold on your hands.
- i) This means starting again from nothing ("starting from scratch"), as if you have to start a board game like Monopoly all over again.

Ex. 4. Study the phrasal verbs that refer to jobs and careers. Translate the sentences into Ukrainian.

carry out

If you carry out a task, you do it.

*They have to **carry out** a number of administrative duties.*

*The team **carried** a survey **out** and its findings were interesting.*

fit in

If you fit in, you are happy and accepted in a group of people because you are similar to the other people in it.

*You have to learn how the company works in order to **fit in**.*

*We're looking for someone who will **fit in** with our team.*

get out of

- If you get something good, especially pleasure or satisfaction, out of something that you do or experience, you enjoy it or find it useful.

*I **get** a lot of satisfaction **out of** my job.*

- If you get out of doing something, you avoid doing it.

*If there was work to be done around the house, Alec would always **get out of** it. He'll do anything to get out of going to visit his grandparents.*



You can also use **wriggle out of**.

lay off

If workers are laid off or if their employer lays them off, they are told that they have to leave their jobs for a period of time or permanently, because there is no work for them to do.

*City workers are being **laid off** at the rate of 100 a week.*

*Her employer **laid** her **off** eight months later.*

*Factories are warning that they may have to **lay off** workers.*

make up

If people or things make up something, they form it. If something is made up of people or things, they form it.

*Women now **make up** two-fifths of the work force.*

*The EU's budget has to be agreed by the member states that **make it up**.*

*Nearly half the Congress is **made up** of lawyers.*

move into

If people move into a particular activity or area of business, they start to be involved in it.

*She later **moved into** the field of education.*

move out of

If people move out of a particular activity or area of business, research, etc., they stop being involved in it.

*People are **moving out of** the public sector and into the private sector.*

set up

If you set something up, you make the necessary arrangements for it to start.

*The software billionaire **set up** a development agency to work in Africa.*

*She **set** a meeting **up** for me with the Managing Director.*

settle in

If you settle in or you are settled in, you become used to a new place or new job.

*How is he **settling in** to his new job?*

*My colleagues were very helpful while I was getting **settled in**.*

shut down

- If someone shuts down a factory or business or if it shuts down, it closes and stops working.

*They **shut down** the water plants and told residents to buy bottled water.*

*The company would be forced to **shut** the whole factory **down**.*

*More than 50 businesses in the town have **shut down** this year.*



You can also use **close down**.

- If a machine or an engine shuts down or if it is shut down, it stops working for a short time.

*His computer overheated and **shut down**.*

*There was supposed to be an emergency mechanism for **shutting down** the system.*



You can also use **shut off**.

stay on

If you stay on, you remain in a place or continue to attend it regularly. [Br]
*After his contract finished, he agreed to **stay on** for another three months.*

stay down

If you step down, you leave an important job or position.
*The CEO **stepped down** last month because of illness.*



You can also use **step aside** and **stand down**.

stick out

- If something or someone sticks out, they are very obvious or noticeable, especially because of being very different from things or people around them.
*He wore a dark grey suit that would not **stick out** in any workplace.*



You can also use **stand out**.

- If you stick something out, you continue in a difficult or unpleasant situation, rather than leaving it.
*Sometimes I wonder if I can **stick this job out** much longer.*

take time off

If you take time off, you spend it doing something different from your normal activities or job.
*I won't be here tomorrow as I'm **taking the day off**.*
*Your contract entitles you to **take off twenty days a year**.*

take on

- If you take on a job, task, or responsibility, you accept it and try to do what is required.
*People who are self-employed often **take on** too much work.*
*It's a big responsibility and it's nice of him to **take it on**.*

- If someone takes you on, they employ you.

They **took me on** because I am numerate.

In the current climate, employers are **taking on** fewer people.

walk out

If workers walk out, they suddenly stop working and leave the place where they work as a protest.

Up to 60,000 staff will **walk out** next month in support of a 40 per cent pay rise.

Ex. 5. Decide if the following sentences are true (T) or false (F).

1. If workers are laid off, they are told they must leave their jobs.
2. If you take time off, you remain in your place of work.
3. If you step down, you leave an important job.
4. If someone takes you on, you are hired.
5. If you fit in, you are happy and accepted by a group of people.
6. If you settle in, you need to learn the ropes.

Ex. 6. Match sentence halves 1-6 with A -F to make complete sentences.

1. Cathy decided to <i>stay on</i> at the company.	A. my own business one day.
2. I'm really keen to <i>set up</i>	B. after her work experience ended.
3. It's a very friendly office and I	C. I've just had two weeks holiday this year.
4. The head office has decided	D. should <i>step down</i> after the scandal about his expenses claims.
5. We all think the manager	E. found it easy to <i>settle in</i> .
6. I can't <i>take off another day</i> –	F. to <i>shut down</i> three branches of the business.

Ex. 7. Complete the sentences with the phrasal verbs in the box.

shut ... down	got ... out of	walked out	made up of
stick ... out	stay on	moving into	step down

1. He wasn't sure whether to _____ at school or leave and get a job.
2. Zack hated his job, but he decided to _____ it _____ until he found something better.
3. Angelique was thinking of leaving the accounts team and _____ marketing.
4. The seminar was extremely dull – I _____ very little _____ it .
5. The business isn't doing well. In fact, we may have to _____ it _____.
6. Our team is _____ five men and five women.
7. Peter offered to _____ from his position.
8. Hundreds of workers _____ in the dispute.

Ex. 8. Replace the underlined verbs with a phrasal verb from the box with the same meaning.

get out of	shut down	shut down	step down
stick out	make up	carry out	set up

1. We arranged a meeting between both departments for the next day.
2. Most of the work I do is of a technical nature.
3. I don't want to give this presentation, but I can't wriggle out of it.
4. I'm sorry to say that our production manager has decided to stand down.
5. International orders form over 50 per cent of our business.
6. Please remember to shut off your computer before you leave.
7. I like to wear bright colours to work so that I stand out.
8. Unfortunately we had to close down three of our stores last year.

Ex. 9. Complete the job adverts with the particles in the box.

OUT	IN	UP	ON	OUT OF	INTO
------------	-----------	-----------	-----------	---------------	-------------

1. SET _____ YOUR OWN BUSINESS!
2. CAN YOU FIT _____ WITH OUR WAY OF THINKING?
3. TAKE _____ A BIGGER CHALLENGE!
4. MOVE _____ WEB-BASED MEDIA
5. GET MORE _____ YOUR CAREER
6. HELP US BY CARRYING _____ WORK SURVEYS

Ex. 10. Correct the phrasal verbs in these sentences.

1. Do you have everything you need in order to *carry off* the task?
2. We regret to announce that we have to *lay down* some members of staff.
3. We're *taking* in three new employees this month.
4. She's not happy in her work, but she's decided to *stick it up* until she finds something else.
5. She used to work in the public sector but she's *moved up* the private sector now.
6. Are you the kind of person who will be able to *fit on* with our way of doing things?

Ex. 11. Match questions 1-6 with the correct replies A-F.

1. How is your new job going?	A. Because the business was doing really badly.
2. Why did they have to <i>lay off</i> so many workers?	B. Good idea. I really need a rest.
3. What made you decide to <i>move out</i> of teaching?	C. I wanted to try something new.
4. Do you mind <i>staying on</i> after work to help me with this?	D. It's going great. I'm really <i>settling in</i> now
5. Why don't you take some <i>time off</i> ?	E. No, not at all. I'm happy to help if I can.
6. Do you think that you <i>fit in</i> at your work?	F. Yes I do – I get on well with all my colleagues.

Ex. 12. Study the phrasal verbs that refer to business. Translate the sentences into Ukrainian.

bring out

When a person or company brings out a new product, they produce it and sell it.

*The company is planning to **bring out** a new range of financial products later this year.*

*The singer has now **brought** a second album **out**.*

build on

- If an activity, organization, system or belief is built on something, it is developed from that thing.

*The relationship between a bank and its customer is **built on** trust.*



You can also use **build upon** and **base on**.

- If you build on the success of something, you take advantage of it to make further progress.

*We must try to **build on** the success of these industries.*

*They are **building on** existing skills and traditions.*

buy out

If you buy somebody or something out, you pay part of a company, business, etc. from someone else, usually in order to get control of it.

*He hopes that a big firm will **buy** him **out** and he can retire a millionaire.*

come out of

If one thing comes out of something else, the first thing results from the second.

*If all you focus on is negative thinking, then nothing good can **come out of** it.*

hand over

- If you hand something over, you give it to someone so that they have or own it.

*He **handed** the phone **over** to me.*

People have **handed over** large sums of money for work that was never done.

- If you hand over to someone or hand something over, you give another person responsibility for dealing with something.

*The manager **handed over** to his deputy.*

*He recently **handed over** control of the company **over** to his son.*

keep down

If someone or something keeps the number, size, or amount of something down, they stop it increasing and keep it at a low level.

*They employ fewer staff to **keep costs down**.*

*We need to **keep down** production costs.*

look into

If you look into something, you find out and examine the facts about a problem or situation.

*They hired a financial adviser to **look into** the firm's accounts.*

make up for

To make up for something means to replace something that has been lost or damaged or to provide something instead of it.

*There would have to be major cuts to **make up for** the loss of revenue.*

pull out

- If you pull out, you decide not to continue with an activity or agreement.

*They **pulled out** of the deal at the last minute.*



You can also use **back out**.

- If you pull someone out, you decide not to continue with an activity or agreement.

*The singer's new manager **pulled her out** of the book deal.*

send off

If you send something off, you send it somewhere by post, email, or text message.

*I **sent off** letters of enquiry to all the big firms.*

*It's a good idea to re-read your emails before you **send them off**.*

send out

If you send something out, you send copies of something to a lot of people.

*The company **sent out** questionnaires to 34,000 doctors.*

*We **send** regular newsletters **out** to our customers.*

start up

If you start something up, or if you start up, you start a new business or project; if a business starts up, it begins.

*She wanted to **start up** her own business.*

*There are a lot of additional costs when you are **starting up**.*



You can also use **set up**.

take off

If something takes off, it becomes very successful or popular.

*If the product **takes off**, you could make your money back within a year.*

*The initial demand was low but we think it will really **take off** in the near future.*

take over

To take over a business means to gain control of it by buying it or buying a majority of its shares.

*The I.P.C. was **taken over** by the Read Paper Group.*

*He's made a great success of the restaurant since he **took it over**.*



You can also use **buy out**.

team up

If two or more people or organizations team up, they join together in order to do something.

*That year, NBC **teamed up** with Microsoft to launch the news channel MSNBC.*

try out

If you try out something or try something out, you test it or use it for the first time in order to find out how useful or effective it is.

*The company is **trying out** a new idea to help working parents.*

*First they **tried it out** on a small group of people.*

turn around

If something such as a plan, project, or business that is failing turns around or if you turn it around, it starts to become successful or profitable.

*The project is not going well, but I'm confident I can **turn it around**.*

*He believes he can **turn around** last year's losses and make a profit.*



You can also use **turn round** [Br].

Ex. 13. Match the verbs with the particles to make phrasal verbs.

out	off	up	over	on	down
------------	------------	-----------	-------------	-----------	-------------

1. base / build _____
2. bring / buy / pull / send / try _____
3. send / take ___set / start / team _____
4. set / start / team _____
5. keep _____
6. hand / take _____

Ex. 14. Match phrasal verbs 1-8 with definition A-H.

- | | |
|--------------------------------------------------------------------------------------|------------------------------------------------------|
| 1. This is a bad situation. Nothing good can <i>come out of</i> it. | A. find out the facts about something |
| 2. The manager said she would <i>look into</i> the matter and then contact us. | B. produce and sell something |
| 3. The extra sales we made this month will <i>make up for</i> our losses last month. | C. provide something as a replacement |
| 4. The new director has really <i>turned</i> the company <i>around</i> . | D. result from something |
| 5. Next year the company plans to <i>bring out</i> a new version of the phone. | E. start a new business or project |
| 6. We want to <i>build on</i> our strong brand identity. | F. make something become successful or profitable |
| 7. We didn't have much money when we first <i>started up</i> . | G. stop something increasing and keep at a low level |
| 8. Costs should be <i>kept down</i> at a reasonable level. | H. take advantage of something to make progress |

Ex. 15. Complete the sentences. Choose the correct particles.

1. The manager would like us to team *together / out / up* to do the next task.
2. The sales in Korea will make *down / up / out* for the loss of sales in Europe.
3. His first business idea really took *off / away / up* and he now runs a very successful company.
4. I wish they'd would bring *around / off / out* a product that could charge all electronic devices with one single charger!
5. Remember to send the package *over / up / off* by airmail, in order to get it there on time.
6. We're downsizing in order to keep costs *out / down / off*.

Ex. 16. Complete the news headlines with the particles in the box.

UP	UP	OVER	OVER	OFF	AROUND
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1. D&Z SET TO TAKE _____ SMALLER COMPANY.
2. GERBER TO TEAM _____ WITH HUANG.
3. NEW PRODUCT LINE TAKES _____.
4. DANIELS TO HAND _____ CONTROL OF BUSINESS.
5. MORE BUSINESSES TO START _____.
6. CONSULTANT TURNS COMPANY _____.

Ex. 17. Replace the underlined verbs with a phrasal verb from the box with the meaning.

turn...around	taken over	starting up	pull out	look into	built on
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1. Our business is built upon creative thinking.
2. Kostwize has said it might back out of negotiations with Zentron.
3. Beverley has always dreamed of setting up her own production company.
4. The firm could be bought out as early as next month.
5. We'll need to turn things round if we want to survive in this market.
6. Management will investigate the causes of these incidents.

Ex. 18. Make these sentences sound less formal. Replace the underlined verbs with the phrasal verbs in the box.

trying out	to pull out of	taken over	turn around	look into it	send out
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1. If anyone can make a success of a business, it will be him.
2. How often do you post promotional material?
3. The company decided not to go ahead with investing in Europe.
4. I don't know the answer just yet, but I'll do some research and find out.
5. Many employees were made redundant after the Orion's competitors had taken control of the firm.
6. We're testing a new service on some volunteers at the moment.

Ex. 19. Read Jonathan's comments about his business. Underline all the phrasal verbs, then answer the questions.

I started up my own business three years ago. At first things really took off - I was making lots of money and the customers were happy with my products. I tried hard to build my relationship with suppliers on trust. However, because of economic downturn the company's profit began to decline, so I decided to hand the company over to the crisis manager. We'll need to keep our costs down for the business to survive another year. I really hope the economy turns around soon.

1. When did Jonathan start his business?
2. Was it successful in the first year?
3. What did Jonathan try to take advantage of?
4. Why did the business owner decide to give control of the company to another person?
5. What must he keep at a low level?
6. What does he hope will improve?

Ex. 20. Complete the sentences with the correct form of the phrasal verbs in the box.

team up come out off make up for hand over send out try out

1. We lost a lot of money, but hopefully we'll _____ it next year.
2. She asked her assistant to _____ the email to everyone in the company.
3. The company is _____ the new product on a small test group at the moment.
4. It was a difficult year, but I have _____ it a better and stronger person.
5. Never _____ money in advance to a trader you know nothing about.
6. The company has _____ with a Korean electronics firm to produce the MP3 players.

Навчальне видання

Іщук Наталія Юріївна

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