ỦY BAN NHÂN DÂN TỈNH LÂM ĐỒNG

**TRƯỜNG CAO ĐẲNG ĐÀ LẠT**

**GIÁO TRÌNH**

**MÔN HỌC/MÔ ĐUN: ANH VĂN THƯƠNG MẠI**

**NGÀNH/NGHỀ: THƯƠNG MẠI ĐIỆN TỬ**

**TRÌNH ĐỘ: CAO ĐẲNG**

**(LƯU HÀNH NỘI BỘ)**

**Lâm Đồng, năm 2019**

**TUYÊN BỐ BẢN QUYỀN**

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Tiếng Anh chuyên ngành là một trong những môn học chuyên ngành được bố trí giảng dạy sau khi đã học xong các môn học chung, là một môn học bắt buộc, với vai trò là công cụ tạo điều kiện cho đất nước hoà nhập với cộng đồng quốc tế và khu vực, hoà nhập kinh tế thị trường thế giới, tiếp cận với những thông tin khoa học kỹ thuật và các nền văn hoá trên thế giới, đồng thời giới thiệu nền văn hoá Việt nam với thế giới, giúp sinh viên nâng cao chuyên môn thông qua đọc, dịch tài liệu chuyên ngành bằng tiếng Anh. Mục tiêu của giáo trình này là giúp sinh viên:

+ Sử dụng được những thuật ngữ chuyên ngành liên quan đến tài chính và kế toán.

+ Sử dụng một số cấu trúc ngữ pháp hay dùng trong tiếng Anh chuyên ngành như: thể bị động, mệnh đề quan hệ, câu mong ước, câu điều kiện, tính từ so sánh, liên từ, câu mục đích, giới từ…

+ Đọc hiểu và dịch được một số tài liệu liên quan đến chuyên ngành tài chính và kế toán từ tiếng Anh sang tiếng Việt.

Thời gian của môn học: 60 giờ (lý thuyết: 40 giờ; thực hành: 20 giờ)

Hy vọng giáo trình này giúp người học đạt được mục tiêu học tập của môn học.

Chúng tôi mong nhận được nhiều ý kiến đóng góp, nhận xét của người sử dụng giáo trình này.

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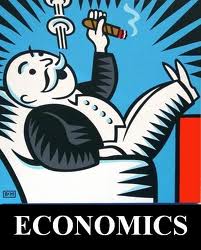
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# UNIT 1: MARKETING ECONOMY

## BUSINESS READING 1: ECONOMICS

Economics is a science. This science is based upon on the facts of our everyday lives. Economists study our everyday lives. They study the system that affects our lives. The economists try to describe the facts of the economy in which we live. He tries to explain how the system works. His method should be objective and scientific.

We need food, clothes and shelter. If we could get food, clothes and shelter without working, we probably would not work. But even when we have these essential things, we may want other things. If we had them, these other things (like radios, books, toys for the children) might make life more enjoyable. The science of economics is concerned with all our material needs and wants. It is not just concerned with basic needs like food, clothes and shelter.

**Comprehension:**

Answer these questions:

1. What is economics?



1. What is it based upon?



1. How many things do the economists study? What are they?



1. What do they try to do?



1. What do they try to explain?



1. What should the methods of the economists be like?



1. What might make life more enjoyable?



1. What is economics concerned with?



## BUSINESS READING 2: MARKETS

1. **Complete the text below with the words from the list:**

|  |
| --- |
| black stock flea free virtual |

Although many markets exist in the traditional sense, such as a (1)……...……. market, a place where vendors come to sell and trade their goods, there are various other types of them and various organizational structures to assist their functions.

A market can be organized as an auction, as a shopping center, as a complex institution such as a (2)…………… market – a market for the trading of company stock and derivatives of the same and as an informal discussion between two individuals.

In economics, a market that runs under laissez- faire policies is a (3)……… market. It is “free” in the sense that the government makes no attempt to intervene through taxes, subsidies, minimum wages, price ceilings, etc.

Markets of varying types can spontaneously arise whenever a party has interest in a good or service that some other party can provide. Hence, there can be a market for cigarettes in correctional facilities, another for chewing gum in a playground, and yet another for contracts for the future delivery of a commodity. There can be (4)………… markets, where a good is exchanged illegally and (5)………… markets, in which buyers and sellers do not physically interact. There can also be markets for goods under a command economy despite pressure to repress them.

1. **Fill in the blank with a suitable word from the box:**

|  |
| --- |
| attractive mass new home growing  niche export big luxury profitable |

1. A ………….. market is in the producer’s country.
2. Selling special interest holidays is a ………….. market; it is a small but often profitable market.
3. Coca-Cola is a ……………. market product; it sells to a large number of people.
4. An …………… market outside the producer’s country.
5. Rolex watches sell in a ………….. market; they are high quality and expensive goods.
6. A …………. market is at an early stage.
7. A …………. market is getting larger.
8. A …………. market allows companies to make money.
9. A …………. market is large.
10. An ………… market is good to enter.

## BUSINESS READING 3: WHOLESALING

Wholesaling is a part of the marketing system, which provides channels of distribution that are used to bring goods to the market. Most manufactured consumer goods are marketed through an indirect channel. This might be from the manufacturer to the wholesaler to the retailer to the consumer, or through more complicated channels. However, in general, wholesalers deal in products that are to be resold by retailers to consumers. A direct channel moves goods from the manufacturer or producer to the consumer.

****Wholesaling is mostly a field of small business, although there is a growing chain movement in the United States. About a quarter of wholesaling units account for one - third of total sales. Two - thirds of the wholesaling middlemen are merchant wholesalers who take title to the goods they deal in. There are also agent middlemen who negotiate purchases or sales or both, but they do not take title to the goods. They deal in. They sometimes take possession, though. These agents do not earn salaries. They receive a commission, which is a percentage of the value of the goods they sell.

Wholesalers simplify the process of distribution. For example, the average supermarket stocks 5,000 items in groceries alone; a retail druggist may have more than 6,000 items. Since the wholesaler handles a large assortment of items from numerous manufacturers, he greatly reduces the problem of both manufacturer and retailer. The storekeeper does not have to deal directly with thousands of different people. He may have a well-stocked store and deal with only a few wholesalers.

**Comprehension:**

**A. Complete the following guided notes:**

1. Definition of wholesaling.



1. Description of wholesaling as an indirect channel of distribution.



1. The different between a merchant wholesaler and an agent middleman.



1. The way wholesalers simplify the process of distribution.



**B. What does each of the underlined parts refer to?**

1. “Wholesaling is a part of the marketing system, ***which*** provides channels of distribution ***that*** are used to bring goods to the market.”



2. “Two- thirds of the wholesaling middlemen are merchant wholesalers ***who*** take title to the goods ***they*** deal in.”



**Vocabulary practice:**

From the words listed below, select a word to fit each of blank space in the sentences. Use each word only once.

|  |
| --- |
| wholesalers retailers consumer channels  stock take title commission resold |

1. A wholesaler usually deals with………………………..
2. Both direct and indirect…………………of distribution are used.
3. An ordinary supermarket may………………….thousands of items.
4. Agent middlemen do not ………………….. to the goods they deal in.
5. ……………………simplify the problems of manufacturers.
6. Wholesalers deal in products that are ………………. by sellers to consumers.
7. If you buy a product that you will not resell, then you are the ……………
8. Wholesaling middlemen do not earn salaries. They receive ……………….on the sales they make.

**Translate the reading passage into Vietnamese.**

# UNIT 2: MICROECONOMICS AND MACROECONOMICS

## BUSINESS READING 1: MICROECONOMICS AND MACROECONOMICS

Economics can be described as the social science **that** examines how people use limited resources to produce, distribute, and consume goods and services to satisfy their unlimited needs and desires. Although microeconomics and macroeconomics are not the only disciplines and paths of specialization to exist within the broader context of economics, these two related, tightly bound, but nonetheless disparate fields are likely the most prominent.

Microeconomics and macroeconomics do exactly what their names indicate. Microeconomics focuses on close-up snapshots of people, businesses, and non-profit organizations acting within [economies](http://inflationdata.com/articles/category/economy/) while macroeconomics zoom out to concentrate on the big picture of broader trends within those economies. Both fields use the same concepts. Furthermore, neither microeconomics nor macroeconomics is independent and thus separate from the other. Individual economic actions cannot be understood without the context of their economies while economies cannot be understood without understanding the individual actors that constitute them.

***What is Microeconomics?***

[](http://www.flickr.com/photos/30591976@N05/4258972351/)Those who have studied Latin know that the prefix “micro-“ means “small,” so it shouldn’t be surprising that microeconomics is the study of small economic units. The field of microeconomics is concerned with things like:

* Consumer decision making and utility maximization
* Firm production and profit maximization
* Individual market equilibrium
* Effects of government regulation on individual markets
* Externalities and other market side effects

***Microeconomics*** examines the actions of individual agents such as households and business firms. **It** is mainly interested in the decisions of individuals concerning using their own limited resources for their cost of living  and the impact of those decisions on the demand and supply of specific goods or services. Perhaps the most prominent example of microeconomics is the standard demand-supply model, which states that the price and quantity sold of a product is determined by the interaction of demand for that product and the willingness of producers to supply it. Much of microeconomics revolves around the decisions of the consumers and the producers in that relationship plus their impact on the product.

***What is Macroeconomics?***

In contrast to microeconomics, ***macroeconomics*** examines the economies that are made up of those individual economic agents. It is interested in examining economic phenomenon stretching to encompass entire national and international economies, particularly those influencing the output of these economies, their unemployment rates, and changes in the value of money. Common topics in macroeconomics include the business cycle, the impacts of international trade, and theories about the factors that contribute to economic growth in the long-run.

Macroeconomics answers questions such as:

* What causes the economy to grow over time?
* What causes short-run fluctuations in the economy?
* What influences the various economic indicators and how do those indicators affect economic performance?

***How do Micro and Macro Economics  interact?***

***Microeconomics*** and ***macroeconomics*** are inter-related because their fields of interest are bound together and cannot be separated. The decisions of individuals make up the economies studied in macroeconomics, even as broader trends in those economies strongly influence the decisions of those individuals. A microeconomist cannot possibly study the investment policies of businesses without understanding the impact of macroeconomic trends such as economic growth and taxation policies. Similarly, a macroeconomist cannot study the components of output in a nation’s economy without understanding the demand of individual households and firms.

In the end, both ***microeconomics*** and ***macroeconomics*** are examining the same things, albeit from very different perspectives. Microeconomics takes a bottoms-up approach while macroeconomics takes a top-down approach.

**Read the passage and then answer the questions:**

1. What do the underlined words refer to?

a. “…*the social science* ***that*** *examines how people use limited resources to produce*,…” (Paragraph 1)



b. *“****It*** *is mainly interested in the decisions of individuals…”* (Paragraph 4)



2. What does economics examine?



3. What is the function of microeconomics?



4. What is the field of microeconomics concerned with?



5. What does microeconomics examine?



6. What is microeconomics interested in?



7. What does macroeconomics examine?



8. What is macroeconomics interested in?



9. What does common topics in macroeconomics include?



10. Why are ***Microeconomics*** and ***macroeconomics*** inter-related?



## BUSINESS READING 2: WHAT'S THE DIFFERENCE BETWEEN MACROECONOMICS AND MICROECONOMICS?

Microeconomics is generally the study of individuals and business decisions; macroeconomics looks at higher up country and government decisions. Macroeconomics and microeconomics, and their wide array of underlying concepts, have been the subject of a great deal of writings. The field of study is vast; here is a brief summary of what each covers:

Microeconomics is the study of decisions that people and businesses make regarding the allocation of resources and prices of goods and services. This means also taking into account taxes and regulations created by governments. Microeconomics focuses on supply and demand and other forces that determine the price levels seen in the economy. For example, microeconomics would look at how a specific company could maximize it's production and capacity so it could lower prices and better compete in its industry. (Find out more about microeconomics in [Understanding Microeconomics](http://www.investopedia.com/articles/economics/08/understanding-microeconomics.asp)).

Macroeconomics, on the other hand, is the field of economics that studies the behavior of the economy as a whole and not just on specific companies, but entire industries and economies. This looks at economy-wide phenomena, such as Gross National Product (GDP) and how it is affected by changes in unemployment, national income, rate of growth, and price levels. For example, macroeconomics would look at how an increase/decrease in net exports would affect a nation's capital account or how GDP would be affected by unemployment rate. (To keep reading on this subject, see [Macroeconomic Analysis](http://www.investopedia.com/articles/02/120402.asp).)

While these two studies of economics appear to be different, they are actually interdependent and complement one another since there are many overlapping issues between the two fields. For example, increased inflation (macro effect) would cause the price of raw materials to increase for companies and in turn affect the end product's price charged to the public.

The bottom line is that microeconomics takes a bottoms-up approach to analyzing the economy while macroeconomics takes a top-down approach. Regardless, both micro- and macroeconomics provide fundamental tools for any finance professional and should be studied together in order to fully understand how companies operate and earn revenues and thus, how an entire economy is managed and sustained.

**A. Read the passage and then answer the questions:**

1. What is microeconomics?



2. What does microeconomics focus on?



3. What is macroeconomics?



4. What does macroeconomics look at?



**B. Translate into Vietnamese:** What is microeconomics and macroeconomics?

# UNIT 3: SUPPLY AND DEMAND

## BUSINESS READING 1: SUPPLY

Economists talk about the law of supply, in which the rise in prices tends to increase supply, while a fall in prices tends to reduce it. If prices rise for a particular commodity, the rise will of course encourage producers to make more. On the other hand, if prices fall either locally, or throughout the world, producers will reduce production. This can result in serious difficulties for many producers, and may cause them to go out of business completely. Over production of any commodity can also create difficulties because it can lead to a glut on the market, which may cause prices to fall sharply.

Supply of many commodities can generally be adjusted to suit market conditions, this means that changes in prices lead to changes in the quantity of a particular commodity which is made available to consumers. Household goods and furniture belong to this category. In such instances, supply is said to be “elastic” because it can be increased or decreased rapidly in response to market prices.

**A. Answer the questions, basing your answer on the text:**

1. What happens when the law of supply operates?



1. What does the rise in prices encourage?



1. What does the fall in prices cause?



1. What serious effect may the fall in prices have on some producers?



1. What can over-production lead to?



1. What happen when the supply of the commodity is adjusted to suit market conditions?



1. What kinds of goods belong to the category of commodities that can be adjusted easily?



1. What is meant by “elastic” supply?



**B. Say whether these statements true (T) or false (f), if they are false, say why:**

1. …… According to the law of supply, a rise in prices tends to reduce supply.
2. ….... If prices fall locally, production will be reduced throughout the world.
3. …… When there is a glut on the market, demand decreases and prices fall.
4. …… Changes in prices lead to a change the quantity of a commodity.
5. …… Supply is “elastic” because market prices rise and fall.

**C. Translate the reading passage into Vietnamese.**

## BUSINESS READING 2: DEMAND

Elasticity of supply, as a response to changes in price, is related to demand. Economists define “demand” as a consumer’s desire or want, together with his willingness to pay for what he wants. We can say that demand is indicated by our willingness to offer money for particular goods or services. Money has no value on itself, but serves as a means of exchange between commodities, which do have a value to us. So the demand for anything, at a given price is the amount which will be bought at that price. Demand always means demand at a price. The term has no significance unless the price is stated or implied.

Elasticity of demand is a measure of the change in the quantity of goods, in response to demand. The change in demand results from a change in price.

Demand is inelastic when a goods is regarded as basic necessity, but particularly elastic for non-essential commodities. Accordingly, we buy basic necessities even if the prices rise steeply, but we buy other things only when they are relatively cheap.

**A. Answer the questions, basing your answers on the text:**

1. What is elasticity of supply a response to?



1. What is the definition of “demand”?



1. How is demand indicated?



1. What is elasticity of demand?



1. When is demand inelasticity?



**B. Say whether these statements true (T) or false (f), if they are false, say why:**

1. ...... When people offer money for particular goods, they indicate that a demand exists.
2. ….. Money is usually valuable in itself.
3. ….. Demand for essential commodities is always elastic.

**C. Translate the reading passage into Vietnamese.**

# UNIT 4: MONEY AND ITS FUNCTIONS



## BUSINESS EXERCISE 1: FORMS OF MONEY

**Choose the correct alternative to complete each sentence:**

1. Money in notes and coins is called……………

a. cash b. capital c. reserves

2. The Dollar, the Mark and the Yen are all……………

a. currencies b. funds c. monies

3. Money borrowed from a bank is a……………

a. deposit b. income c. loan

4. Borrowed money that has to be paid back constitutes a ………….

a. debt b. fund c. subsidy

5. All the money received by a person or a company is known as……

a. aid b. income c. wages

6. The money earned for a week’s manual work is called………………

a. income b. salary c. wages

7. The money paid for a month’s (professional) work is a……………..

a. loan b. salary c. wages

8. Money placed in banks and other savings institutions constitutes………

a. capital b. deposits c. finance

9. Money paid by the government or a company to a retired person is a………..

a. pension b. rebate c. subsidy

10. The money that will ultimately be used to pay pensions is kept in a………...

a. budget b. deposit c. fund

11. The money needed to start a company is called……………….

a. aid b. capital c. debt

12. The money paid to lawyers, architects, private schools, etc. is called………..

a. fees b. instalments c. wages

13. Regular part payments of debts are called…………………..

a. deposits b. loans c. instalments

14. Part of payment that is officially given back (for example, from taxes) is called a...

a. gift b. instalment c. rebate

15. Estimated expenditure and income is written in a……………

a. budget b. reserve c. statement

16. A person’s money in a business is known as his or her……………..

a. deposit b. fund c. stake

17. Money given to producers to allow them to sell cheaply is called a ………..

a. loan b. rebate c. subsidy

18. Money given to developing countries by richer ones is known as…………..

a. aid b. debt c. subsidy

## BUSINESS EXERCISE 2: BORROWING AND LENDING

**Choose the correct alternative to complete each sentence:**

1. If you possess something, you can say that you ……………. it.

a. owe b. own c. owner

2. If you reimburse or repay someone, you ………………. money.

a. owe b. own c. yield

3. To let someone else have the use of your money for a certain period of time, after which it must be paid back, is to ………………

a. borrow b. lend c. credit

4. To make money that has to be repaid is, on the contrary, to …………..

a. borrow b. lend c. steal

5. An amount of money lent is a …………………….

a. debit b. debt c. loan

6. A person who has borrowed money is a …………..

a. creditor b. debtor c. owner

7. Another word for a lender is a/ an …………………

a. creditor b. debtor c. owner

8. The income received by someone who lends money is called …………….

a. dividends b. interest c. interests

9. The borrower has to pay back the loan itself, also known as the…………….

a. principal b. principle c. premium

10. The amount of money a lender receives for a loan or an investment, expressed as a percentage, is known as its return or …………

a. credit b. income c. yield

11. The following famous quotations are about credit, borrowing, and lending. Can you complete them?

a. In business, one way to obtain ………. is to create the impression one already has it.

b. Neither a ……… nor a ……… be

c. An acquaintance is someone we know well enough to ……….. from, but not well enough to ………..to.

## BUSINESS READING: THE MONEY SUPPLY

**A. Insert the words in the boxes in the following paragraphs:**

|  |
| --- |
| bonds commercial monetarist  prices tight velocity |

Following the (1)……….. argument that the average level of (2)………. and wages is determined by the amount of money in circulation, and its (3)………. of circulation, central banks now set money supply targets. By increasing or decreasing the money supply, the central bank indirectly influences interest rates, demand, output, growth, unemployment and prices. The central bank can reduce the reserves available to (4)……… banks by changing the reserve requirements. This reduces the amount of money that banks can create and makes money (5)……… or scarce. Alternatively, the central bank can engage in what are called open market operations, which involve selling short-term government (6)……… (such as three- month Treasury bills) to the commercial banks, or buying them back.

**B. Insert the words in the boxes in the following paragraphs:**

|  |
| --- |
| credit inflation output unemployment  interest rates the exchange rate aggregate demand |

When money is tight,

a. ………. rise, because commercial banks have to borrow at a higher rate on the inter-bank market.

b. ………. falls, because people and business borrow less at higher rates.

c. ………. falls, because people and business buy less, as they have less money.

d. ………. falls too, because with less consumption, firms produce less.

e. ………. rises, because companies are producing and selling less, and so require less labour.

f. .………. falls, because there is less money in circulation.

g. ………. will probably rise, if there is the same demand but less money, or if there is higher demand, as foreigners take advantage of the higher interest rates to invest in the currency. Increasing the money supply, by making more reserves available, has the opposite effects.

# UNIT 5: BANKS AND BUSINESS

## BUSINESS READING 1: BANKS AND BUSINESS

In the United States, commercial banks are classified into two main groups. First, there are national banks, which are chartered and supervised by the Federal Government. Secondly, there are state banks, which are chartered and supervised by the state in which they are operated. In either case, all commercial banks can make loans to borrowers.

Commercial banks in major cities throughout the world, such as Tokyo, Rio or Paris, cooperate with each other. In this way they can finance imports and exports between countries. When an importer buys merchandise from another country, he will usually pay for it in the currency of that country. He buys this currency from the foreign exchange department of his bank. In the same way, when an exporter receives foreign money from sales to other countries, he sells this currency to his bank. By this method, the currency of any country can usually be exchanged for that of any other. This system is called international exchange.

**Note- taking:**

**A. Complete the following guided notes:**

1. Two kinds of commercial banks in the United States:

a.

b

2. The operation of national banks is regulated by



3. The kind of currency an importer generally uses, when he buys goods from another country:



1. The definition of international exchange



**B. Comprehension:**

What does each of the underlined parts refer to?

1. “…which are chartered and supervised by the state **in which** they are operated” (Paragraph 1)



2. “In this way **they** can finance imports and exports between countries”

(Paragraph 2)



**C. Vocabulary practice:**

**1. Find the Vietnamese equivalents for the following terms of phases:**

1. foreign exchange department:



1. international exchange:



**2. From the words listed below, select a word to fit each of blank space in the sentences. Use each word only once.**

|  |
| --- |
| commercial foreign exchange imports  federal finance currency |

a. That company ……………..machinery from England and rugs from Iran.

b. National banks are supervised and chartered by the……………. government.

c. Cooperation between banks makes it possible to ……………*imports and exports.*

d. If you want to convert Japanese yen to Swiss francs, go to the ……………department.

e. The ……………of Mexico is the peso.

f. All ………………..banks can make loans to borrowers.

## BUSINESS READING 2: SOME TYPES OF BANK

** **

This exercise defines the most important kinds of bank. Complete the text using these words:

|  |
| --- |
| central banks supranational banks commercial banks  merchant banks investment banks universal banks |

(1)……………... supervise the banking system; fix the minimum interest rate; issue bank notes; control the money supply; influence exchange rates; and act as lender of last resort.

(2)…………….. are business that trade in money. They receive and hold deposits in current and saving accounts, pay money according to customers’ instructions, lend money, and offer investment advice, foreign exchange facilities, and so on.

In some European countries, there are (3)……………… which combine deposit and loan banking with share and bond dealing, investment advice, etc.

In Britain, (4)…………….. specialize in raising funds for industry on the various financial markets, financing international trade, issuing and underwriting securities, dealing with takeovers and mergers, issuing government bonds, and so on. They also offer stockbroking and portfolio management services to rich corporate and individual clients. (5)………… in the USA are similar, but they can only act as intermediaries offering advisory services, and do not offer loans themselves.

There are also (6)…………….. such as the World Bank or the European Bank for reconstruction and Development, which are generally concerned with economic development.

## BUSINESS READING 3: BANKING FACILITIES

Most banks in China are owned and run by the state. Banks engage in all kinds of Renminbi banking business. They manage international financial exchange, too. The function of banks is to raise, utilize (sử dụng), accumulate (tích lũy) and manage domestic funds or foreign exchange funds.

Banks perform many kinds of functions – opening savings accounts, drawing and cashing checks, granting mortgages. Now, on-line computer systems helps banks give even more speedy and accurate services to customers.

In a word, people’s life would be unimaginable without the services of banks.

**A. Translate the passage into Vietnamese.**

**B. Comprehension:**

a. Write some functions of the banks:



b. List some kinds of banks’ functions:



## BUSINESS READING 4

### Dialogue 1: Opening a new banking account

A*: Clerk*

B*: Customer*

A: Good morning. What can I do for you?

B: I want to open a new account, please.

A: What category of account are you interested in opening?

B: I’m not sure. Can you tell me something about your banking facilities?

A: Certainly. We usually accept deposits, draw and cash checks, grant mortgages and provide services for letters of credit or credit cards, etc.

B: I see. I think that what I need is a savings account.

A: a current account or a fix account?

B: a fix account, please. What interest rate do you pay on this type of account?

A: Annual interest rate is 1.2 percent.

B: Ok. I deposit ten thousand dollars.

A: Very well. Please fill out this form.

(A moment later)

B: Here you are. Please count the money.

A: That’s right. Here is your deposit slip. Hope to see you again.

B: Thanks.

### Dialogue 2: Drawing money against a traveler’s check

C: *Clerk*

T: *A tourist*

C: Good morning, may I help you?

T: Good morning, may I cash this 500 dollar traveler’s check?

C: Certainly, sir. May I see your passport, please?

T: Sure.

C: Would you please fill out a withdrawal form and sign your name here?

T: OK. (A moment later). Here you are.

C: Thank you. How would you like your money, sir?

T: In fifties, please.

C: Here are ten 50-dollar notes and your receipt. Please check it.

T: Thanks for your help.

C: You’re welcome.

## BUSINESS EXERCISE: ACTIVE AND PASSIVE.

Ex*:* Mrs Janes teaches English in our school.

* *English is taught by Mrs Janes in our school.*

1. Employers pay many manual workers weekly.



1. We deduct the cost of the call from your Pay card balance.



1. They spend a lot of money on advertising their products.



1. He usually gives the information about the products of the company to the customers.



1. The Federal Government charters and supervises the national banks.



1. They classify commercial banks into two main groups.



1. The foreign exchange department of the bank can exchange the currency of any country.



1. Peter Franks runs the Marketing Department.

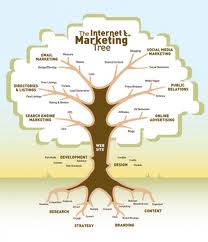


# UNIT 6: MARKETING, ANALYSIS OF MARKET OPPORTUNITIES

## BUSINESS READING 1: WHAT IS MARKETING ALL ABOUT?

Marketing, which is sometimes called distribution, includes all the business activities connected with the movement of goods and services from producers to consumers or users. Marketing is made up, on the one hand, of physical activities such as transporting, storing and selling goods, and on the other hand, a series of decisions undertaking any part of the process of moving goods from producer to user. Marketing operations include product planning, buying, storage, pricing, promotion, selling, credit, traffic and marketing research.

The ability to recognize early trends is as important in marketing as knowing the current state of affairs. Producers must know why customers buy, where and for what purpose. Through market research, the producer tries to predict what the customer will want and, through advertising, attempts to influence the customer to buy.

Marketing operations take up more than half of the customer’s dollar. Every improvement in marketing technique has led to wider distribution of goods in ever-increasing volumes. The trend in the U.S has been too high mass consumption, and what has been described as “conspicuous consumption”. The construction of shopping centers has made goods easily available to consumers by providing a wide range of merchandise and plenty of parking facilities.

**Comprehension:**

**A. Complete the following guided notes:**

1. Two types of activities associated with marketing.

Specific activities under the heading of marketing.

1. The ability producers should have in order to meet consumers’ needs.

1. The reason why mass consumption has been made possible in the U.S

**B. What does each of the underlined parts refer to?**

1. “Marketing, ***which*** is sometimes called distribution…” (Paragraph 1)

1. “***The trend*** in the U.S has been too high mass consumption….” (Paragraph 2)

**Vocabulary practice:**

**A. Find the Vietnamese equivalents for the following terms of phases:**

1. ever-increasing volumes:

2. mass consumption:

3. a wide range of merchandise:

4. plenty of parking facilities:

**B. From the words listed below, select a word to fit each of blank space in the sentences. Use each word only once.**

|  |
| --- |
| trend promote predict distribution  market research marketing advertising shopping centers |

1. Our market research indicates a new ……………. among people in large cities.

2. ……………must be completed before product development is started.

3. The producer tries to ……………consumer trends and then tries to influence them.

4. Another name for marketing is……………………..

5.The consumer may be influenced into buying a product through .…………………

6. High mass consumption in the U.S has been made possible by……………..

7. ………….operations include product planning and pricing among other things.

8. In order to sell a new product, they have to consider how they want to…………..it.

## BUSINESS READING 2: MARKET RESEARCH

**A. Read the following passage and choose the best answer (a, b, c, or d) for each blank.**

1. a. back b. follow c. keep **d. lead**
2. a. option b. alternative c. end d. opening
3. a. for b. from c. at d. with
4. a. reject b. omit c. deny d. remove
5. a. quality b. goodness c. well- being d. virtue
6. a. association b. common c. addition d. connection
7. a. work b. manage c. deal d. operate
8. a. deciding b. thinking c. proving d. considering
9. a. attempt b. venture c. choice d. try
10. a. mode b. means c. way d. progress
11. a. shows b. produces c. results d. appears

**MARKET RESEARCH**

****

Market research has become more and more important in recent years. In some organizations, in fact, managers will not initiate any activities without market research to (0) ..…**d**….them up.

The first thing to be said about market research is that it is not an (1)………to management decision- marking. No form of market research, no matter how deep, complicated and detailed, can ever be seen as a substitute for creative decision- marking by professional managers (2)…………its very best, all it can do is (3)…………. some doubt and clarify the nature of problem. It may even be seen as a tool which can improve the (4) ……….. of decisions but it is not in itself a decision-making mechanism.

Market research, in (5)………….. with a number of other approaches in marketing, suffers from the frequent complaint that it is not really accurate. Market research results can never be completely accurate because they (6)………. with a dynamic, ever-changing marketplace. It is vital that this is understood by everyone with an imagination when (7)……….…market research results and when making any (8)……..….. to apply them in the marketplace.

Lastly, it should always be remembered that market research is not an end in itself but simply a (9)………… by which some degree of risk can be removed from marketplace activity. If no activity (10)………… from the research, then the entire exercise has been completely pointless.

**B. Writing:**

**1. Rewrite each of the sentences starting with the words given and using one of the modal verbs (may, might, can’t, could):**

1. The Swedish company will possibly buy our company.

⇨The Swedish company

1. It’s possible for the firm to build the car at this plant.

⇨The firm

1. The workers are allowed to use the canteen.

⇨The workers

1. We are considering enlarging the present site.

⇨We

1. They are not able to launch this product this time.

⇨They

**2. Write sentences using the prompts with must or mustn’t:**

1. James needs these documents urgently. (fax them to him immediately)

You

1. Oh no, we all seem not to agree. (discuss the matter any further)

We

1. Our health care products are selling very well. ( make sure we keep our market share)

We

1. Our manager has got a very important meeting with the staff this afternoon. ( be late)

He

1. A supervisor in a supermarket hears a check-out operator being rude to a customer.

“You ……………………………….……..”\_ He advices the operator.

1. A clerk in a store is explaining to a customer that refunds can not be given without a receipt.

“You …………………………………..…”\_ She explains to the customer.

# UNIT 7: PRICING

## BUSINESS READING 1: IS PRICE ALL THAT MATTER?

“Price cutting”, it has been said, “is a technique for slitting someone else’s throat and bleeding to death yourself”.

The view that a competitor’s price must always be matched in order not to loose market share is an unduly pessimistic one, based on the false assumption that the customer is only interested in price.

Sulphuric acid, for instance, is a bulk commodity that can be described as price sensitive. The large buyer is likely to be involved in running a continuous process. The acid can not be stored in large quantity, except at prohibitive expense, because it is corrosive, and so if the supply is interrupted for any length of time, the customer has to stop production. For this reason he “multisources”- that is, buys from several suppliers. Even so, supplies are far from guaranteed because at peak business periods they will all be stretched. So the wise customer chooses suppliers primarily for reliability, not price.

The example demonstrates an important principle: “The cost to my customer is not necessarily the price I charge”. The customer’s costs include the risk of interrupted supply, poor quality, ordering difficulties, and so forth. The buyer’s decision, in other word, relates to many more factors than price alone.

It follows that knowledge of precisely which factors it is that customers regard as of greatest important, will enable the marketer to concentrate attention on these points, and steer the buying decision away from price.

**Exercise 1:**

In each paragraph or pair of paragraphs, the author has a particular purpose. Match the paragraph numbers with the purpose from the box below.

**Paragraphs Purpose**

1&2

3

4

5

|  |  |
| --- | --- |
| **Purposes** | |
| Stating a principle. | Giving an example. |
| Preparing for the next topic | Making a claim. |

**Exercise 2**:

1. What is the author’s claim?

a. price is not the only issue for buyers

b. a competitor’s price must always be matched

c. price wars increase profits

d. price wars cutting is his necessary

2. Name one substance where a buyer will look for supply reliability. Why is supply so important?



3. Buyer will consider a number of factors.

a. State three that are mentioned in the passage.

b. Can you suggest any others?

4. Look at the section heading listed below. Which would one follow paragraph 5?

a. When should price cutting be considered?

b. Completing on value, not price.

c. Knowing what the customer values.

d. When the competition’s price is not known.

5. The first sentences of this next section have been jumped up. What should the order be?

a. For example, the same-day developing and printing service for film would have a very high value to short-stay tourists who wished to see how successful his photography had been while he still had the chance to retake the pictures.

b. This is because the products that seem entirely identical to their producer may not rank equally in the eye of the purchase.

c. That same person at home would place a totally different value on such a service.

d. What the customer regards as important is sometimes far from obvious, and can only reliably uncovered through detailed market research.

## BUSINESS READING 2: SETTING THE PRICE

How are prices set? Through most of history, prices were set by buyers and sellers negotiating with each other. Seller would ask for higher price than they expected to receive, and buyer would offer less than they expected to pay. Through bargaining, they would arrive at an acceptable price.

Setting one for all buyers is a relatively modern idea. It was given impetus by the development of large scale retailing at the end of the nineteenth century. F. W. Woolworth Tiffany and Co., John Wanamaker, J. L. Hudson and others advertised a “strictly one – price policy because they carried so many items and supervised so many employees.

Through most of history, price has operated as the major determinant of buyer choice. This is still true in poorer nations, among poorer groups, and with commodity – type products. However, non-price factors have become relatively more important in buyer-choice behavior in recent decades. Yet price still remains one of the most important elements determining company market share and profitability.

Companies handle pricing in a variety of ways. In small companies, prices are often set by top management rather than by the marketing or sales department. In large companies, pricing is typically handled by divisional and product-line manager. Even here, top manager sets the general pricing objectives and policies and often approves the price proposed by lower level of management. In industries where pricing is a key factor (aerospace, railroad, oil companies), companies will often establish a pricing department to set price or assist others in determining appropriate prices. This department reports either to the marketing department or top management. Others who exert an influence on pricing include sales managers, production managers, finance managers, and accountants.

**Exercise 1**

1. The “***one-policy***” means:

1. all item are the same price.
2. all purchasers pay the same price.
3. all employees earn the same wage.
4. Why did the one-price policy come into existence?

1. What is the major difference between price and other 3 Ps?

***(Note: 4ps = place, price, promotion and product.)***

**Exercise 2:**

1. Historically, which of the 4 Ps has been most important?

1. Why should prices be reviewed?

1. What is the meaning of “***yet***” (line 12)?
2. for a while.
3. even now.
4. but.

4. Find words in the text with the opposite meaning to those listed below.

|  |  |  |
| --- | --- | --- |
| buyers  ancient  small-scale  employers | opposite  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | line number  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |

**Exercise 3**: **CALCULATIONS**

Work out these calculations, like this:

*5 x 4 : Five multiplied by four equals twenty.*

a. 6 ÷ 2 f. 12 + 5

b. 8 + 9 g. 23 – 2

c. 30 – 6 h. 99 ÷ 9

d. 20 ÷ 2 i. 20 x 4

e. 7 x 3 j. 40 + 11

**Exercises 4: RISE AND FALL**

**-** Remember that rise and fall are irregular verbs: *rise- rose- risen; fall-fell-fallen*.

- Remember to distinguish between *fall-fell-fallen*, and *feel- felt- felt*.

- As well as the verb *rise*, English also has the verbs *raise* and *arise.*

*- Rise* is an irregular, intransitive verb: *rise- rose- risen*. Things can rise, but you cannot rise something.

*- Raise* is a regular, transitive verb: *raise-raised- raised*. People raise things. As well as to increase- to cause to *rise- raise* has lots of other meanings, including to collect capital, to bring up children, etc.

*- Arise* is an irregular, intransitive verb: arise- arose- arisen. It means to happen or occur, or to come into existence. *Problems* arose soon after the new chairman took office.

**Exercises :**

Complete the following sentences with the appropriate form of *rise, raise* or *arise*:

1. A cash-flow crisis has ……………………
2. Last year we issued bonus shares and……………………$2 million.
3. Prices have already……………………4% since January, and I think they’re going to……………………at the same rate until the end of the year.
4. Retail prices……………………by 7% last year.
5. She ……………………her children all on her own while working part-time.
6. The Federal Reserve will probably……………………interest rates by 0.5%.
7. The problem……………………from the lack of quality control.
8. We didn’t expect those difficulties to……………………with the new product.

# UNIT 8: FINANCE

## BUSINESS READING 1: FINANCIAL STATEMENTS

**A. Practice reading with your partner:**

****

How many categories does a financial statement include? - It includes three basic categories: the balance sheet, the income statement and the statement of cash flow.

They are ready-made data. The data have been measured, collected, summarized and classified.

- The financial statement:

**ABC CORPORATION**

**Statement of Cash Flows**

**For the Year ended December 31, 2012**

|  |
| --- |
| Net cash flows from operating activities $ 50,000  (Tiền luân chuyển thuần trong hoạt động kinh doanh)  Net cash flows used in investing activities $ (115,000)  (Tiền luân chuyển thuần trong hoạt động đầu tư)  Net cash flows provided by financing activities $ 100,000  (Tiền luân chuyển thuần được cung cấp bởi hoạt động tài chính)  Increase in cash balance $ 35,000  (Số dư tiền mặt tăng)  Beginning cash balance $ 20,000  (Số dư đầu kỳ)  Ending cash balance $ 55,000  (Số dư cuối kỳ) |

- A balance sheet lists the company’s assets, liabilities and owner’s equity. The heading contains three items: the name of the company, the name of the financial statement and the date of the balance sheet. The body consists of three parts: assets, liabilities and owner’s equity. It must follow the equation as follows:

Assets = Liabilities + Owner’s equity

(Tài sản = Công nợ + Vốn của chủ sở hữu)

**Example:**

|  |
| --- |
| **ABC CORPORATION**  **Balance Sheet**  July 30th, 2012  **Assets**  Cash $ 7,000  Account $ 5,400  Land $ 40,000  Total assets $ 52,400  **Liabilities and Owner’s equity**  Liabilities:  Account payable $ 800  Loan payable $ 40,000  Total liabilities $ 40,800  Owner’s equity:  Joanna, capital $ 11,600  **Total Liabilities and Owner’s equity $ 52, 400** |

- The income statement reports the profitability of a business organization. It is related to revenues and expenses. If the company’s revenues of a period exceed its expenses of the same period, net income results. But if expenses exceed revenues, then the company has a net loss. So the income statement is important for a company’s owners, creditors and other interested parties.

**Example 1:**

|  |
| --- |
| **ABC COMPANY**  **Income Statement For the Month Ended December 31st, 2012**  Revenues:  Service revenues $ 5,700  Expenses:  Wages $ 2,600  Rent $ 400  Gas and oil $ 600  Total expenses $ 3,600  Net income $ 2,100 |

**Example 2:**

|  |
| --- |
| **ABC COMPANY**  **Income Statement For the Month Ended December 31st, 2012**  Revenues:  Delivery service revenues $ 13,200  Expenses:  Advertising $50  Gas and oil $680  Salaries $3,780  Utilities $150  Insurance $200  Rent $400  Supplies $500  Depreciation- delivery trucks $750  Total expenses $6,510  Net income $6,690 |

## BUSINESS READING 2: CORPORATE FINANCE

Corporations need financing for the purchase of assets and the payment of expenses. The corporations can issue share in exchange for money and property (sometimes referred to as equity funding). The holders of the shares together form the ownership of the company. Each share is presented by the stock certificate. This is negotiable, which means that it can be bought and sold. The value of the share is determined not only by the net assets divided by the total number of shares outstanding, but also by any particular rights it gives shareholders. The greater the success of the company, the more value the shares usually have.

A corporation can also get capital funds by borrowing. This is called debt funding. When corporation borrows money, they give notes or bonds, which are also negotiable. However, interest has to be paid out whether business is profitable or not.

Management must consider both the outflow and inflow of capital funds in running the corporation. The purchase of inventory and supplies, or payment of salaries, results in an outflow. The sale of goods and services results in an inflow. In the long run, the inflow is much greater than the outflow to result in a profit. In addition, a company must deduct its costs, expenses and losses on bad debts, interest on borrowed capital and other items in order to determine whether its financial management has been profitable. The amount of risk involved is an important factor in determining fund raising and whether a particular corporation is a good investment.

**Exercise 1:**

**Answer the following questions based on the text:**

1. Why do all corporate enterprises need financing?



1. What is meant by the term “equity funding”?



1. How is the value of a share or certificate usually determined?



1. What is debt funding?



1. What are some activities that produce an inflow of capital? An outflow of capital?



1. What happens in a business if the inflow of capital is not greater than the outflow?



**Exercise 2:**

From the list below, select a word to fit each blank space in the sentences. Use each word only ONCE.

|  |
| --- |
| equity interest negotiable inventory capital risk inflow funding |

1. The current assets of a company usually include cash and \_\_\_\_\_\_\_\_\_\_\_\_.
2. \_\_\_\_\_\_\_\_\_\_\_\_ funding means financing by the owners of the company.
3. They need \_\_\_\_\_\_\_\_\_\_\_\_ in order to purchase supplies.
4. Of course you can sell your shares of stock: they are \_\_\_\_\_\_\_\_\_\_\_\_.
5. They want to make a profit, so we must be careful about investing in a company that has much \_\_\_\_\_\_\_\_\_\_\_.
6. Financing by borrowing funds is called debts \_\_\_\_\_\_\_\_\_\_\_\_.
7. Where did they borrow the money and how much\_\_\_\_\_\_\_\_\_\_\_ will they pay?
8. In the long run, the \_\_\_\_\_\_\_\_\_\_ must be greater than the outflow to result in a profit.

**Exercise 3: Translate the reading passage into Vietnamese.**

## LANGUAGE FOCUS

**A. The passive form:**

- The passive is formed by using the verb ***be*** and the ***past participle***.

- If it is important to say who performs an action, we can use the active or we can use the passive and the word ***by***.

Ex: Active: *Mr Franks* ***runs*** *the Marketing Department.*

Passive: *The Marketing Department* ***is run******by*** *Mr Franks.*

**Exercise : Rewrite these sentences in the passive form:**

Example: We **advertised** the job last week.

*The job* ***was advertised*** *last week.*

1. We enclose payment together with our order.



1. We invest a lot of money in research and development.



1. The clerk finally found the notes under the filing cabinets.



1. The government will ban cigarette advertising on television.



1. According to the recent report the group is making similar investments in other parts of the world.



1. We received seven applications.



1. The manager interviewed three people today.



1. He has written notes about each of them.



1. He is considering the applicants at the moment.



1. He will make a decision soon.



**B. Conditional sentences:**

**1/ The first conditional:**

- When we talk about future events that are reasonable likely and their results, we can use an if- sentence. The if-clause states the condition, and the other clause states the result:

**IF + PRESENT TENSE WILL + BARE INFINITIVE**

***If*** *the government* ***rises*** *taxes,* *consumer spending* ***will fall***

- The if-clause can come in the first part of the sentence or the second:

***If*** *the government* ***rises*** *taxes,* *consumer spending* ***will fall.***

*Consumer spending* ***will fall if*** *the government* ***rises*** *taxes.*

**Exercise: Put the verbs in brackets into the correct tense:**

1. If sales …………. (go) well this year, we …………….. (increase) our profits.
2. If sales …………. (not/ go) well this year, we ……………..(try to) reduce our profits.
3. If you ………….. (ring) 0800 726354, they ………………(give) you some information.
4. We ………… (feel) very disappointed if we …………….(not/ get) promotion this year.
5. They …………… (not/ be) able to compete if …………… we (not/ modernize) our production plant.

**2/** **The second conditional:**

- The second conditional is formed by using if + past tense and would + infinitive:

**IF + PAST TENSE WOULD + BARE INFINITIVE**

***If*** *I* ***knew*** *her number, I* ***would send*** *her a fax.*

- The if-clause can come in the first part of the sentence or the second:

***If*** *I* ***knew*** *her number, I* ***would send*** *her a fax.*

*I* ***would send*** *her a fax* ***If*** *I* ***knew*** *her number.*

- We can use the second conditional to refer to an action or state we imagine:

***If*** *these machines* ***were not*** *so expensive, we* ***would buy*** *them.*

***If*** *I* ***were*** *you, I* ***would think*** *very carefully before investing.*

**Exercise 1: Put the verbs in brackets into the correct tense:**

1. If our labour costs …………. (be) lower, we ……………. (produce) cheaper goods.
2. If I ……….. (have) as much money as Bill Gates of Microsoft, I ………… (retire).
3. If I ……….. (be) you, I …………… (have) another look through those figures.
4. We ………… (expand) much more rapidly if we …………. (have) the finance.
5. There ………… (be) no poverty if everyone …………… (contribute) 10% of their salaries to charity.

**Exercise 2: Rewrite the following sentences with if and the second conditional:**

Example:

1. The reason we don’t use them is that they are so expensive.

But *If they were not so expensive, we would use them.*

But *we would use them If they were not so expensive.*

1. The reason I can’t contact her is that I haven’t got her address.

But

1. The reason he works so hard is that he enjoys his job.

But

1. The reason we are the market leaders is that we spend so much on R&D.

But

1. The reason I won’t give you an answer is that I haven’t got the authority.

But

# UNIT 9: FUNDING THE BUSINESS

## BUSINESS READING 1: 5 WAYS OF FUNDING A BUSINESS

**HOW TO GET YOUR PIECE OF THE PIE**

****No shocker here: One of the biggest challenges for entrepreneurs and small business owners is finding the funds necessary to launch – and eventually grow – their businesses.  If you’re reading this, you’re likely looking right now.

There have never been more funding choices to consider for prospective entrepreneurs.

As a social entrepreneur for more than four decades as well as an angel investor and venture capitalist, I’ve experienced the highs and lows of business funding myself and have learned the [hard way](http://www.forbes.com/sites/alanhall/2012/09/29/five-startup-failures-my-5-lessons-learned/) what investors are looking for before committing to fund.

Through the years, I’ve developed–and subsequently honed–some simple tips to help guide other entrepreneurs through the fundraising process across all phases of the business life cycle.  Consider ***them*** as a guide while looking to fund your business in the following five ways:

**1. Boostrapping**

In the idea/experimental stage, use your own financial resources, such as money from a savings account or careful use of personal credit cards. Wise deployment of these precious dollars is critical.

**2. Friends and Family**

If you don’t have your own savings or credit cards – or you do, but your growing business needs additional funding – all is not lost.  Consider inviting family and friends to invest in the company with the understanding that their money may not be returned.  In most cases, these friends and family are investing in you, not your business. Both parties should think of this investment as a grant with no strings attached. If the enterprise succeeds, a reward to these risk-takers would be a nice gesture.

**3. Crowdfunding**

Let’s take the “friends and family” investment discussion up a notch or two. If you haven’t heard about crowdfunding, you must not be serious about funding your business – or you’ve been living under a rock over the past six months. Or both. Crowdfunding – allowed under the JOBS Act launching January 1 – allows for a wider pool of small investors with fewer restrictions and is ideal in the early stages of a business, especially if you don’t qualify for a bank loan, aren’t ready for angel or venture capital funding (as outlined later in this article), or don’t have the friends or family willing – or able – to provide the “no-strings-attached grant.”

**4. Angel Investors**

As your business reaches the next level of growth and you see steady revenue on the horizon, begin to approach sophisticated “angel” investors if you need more funding. This affluent individual – or a group of individuals who pool their research and resources – provides capital for a business start-up usually in exchange for convertible debt or ownership equity.

These angel groups can be found in most communities – and on the Internet, with a description of their purpose and objectives. After doing their due diligence, these groups will determine if your business meets their requirements, and if so, will schedule a meeting to gather more data. Investments can range from $50,000 to $500,000 or more. At this stage of the business, angels become very real and serious investors and owners with high expectations looking for solid results.

**5. Bank Loan/ Venture Capital**

In the later stages of a growing business, the now-incorporated business might need a bank loan for various needs, including operating capital and long-term growth. To secure this loan, financial institutions will require several years of financial information on both the business and the entrepreneur.  They will want collateral to secure and guarantee a loan.  To facilitate the process, engage with the financial institution at the earliest stages of the enterprise–not necessarily for a loan at first, of course, but for a merchant account, credit cards and a checking account. Over time, the bank will become familiar with the company and the entrepreneur will be in a better position to seek additional banking products – including loans – when needed.

If you keep these five means of funding in mind and develop a business plan that demonstrates the value of investing in your company, you’ll significantly increase the odds of securing the capital you need, whatever stage of business you are in.

**Read the text and answer these questions:**

1. What is one of the biggest challenges for entrepreneurs and small business owners to launch and grow their businesses?



2. What does the writer work as?



3. What does the underlined word refer to?

“Consider ***them*** as a guide while looking to fund your business in the following five ways”



4. Name the five ways of funding your business:



5. Who are the **Angel Investors?**



**6.** They are affluent individuals – or a group of individuals



7. What do they usually do?



8. Where can you find the angel groups?



9. How much can the angel groups invest you?



10. What might the now-incorporated business need for various needs?



11. Will the bank become close with the company?



## LANGUAGE FOCUS: COMPARATIVE ADJECTIVES

1. Do as the sample:

*P: An overdraft is usually cheaper than a loan.*

*R: Oh, so a loan is cheaper.*

*P: No, a loan isn’t as cheap!*

a. The first invoice was higher than the second.

1. PDT’s goods are more expensive than GLM’s.

c. BOS’s delivery is quicker than PDT’s.

d. BOS’s prices are lower than GTG’s.

e. Smiths’ cloth is better than Jones’.

2. Identify the underlined part that should be corrected:

1. Quality is much important than price, as far as our customers are concerned.

A B C D

1. Many more cars are made in Germany as any other country.

A B C D

1. Our product is far more attractive and fashionable to theirs.

A B C D

1. You should read the Financial Times because it is accurater and better.

A B C D

1. Most of the competing brands are less widely available as our product.

A B C D

# UNIT 10: TAXATION

** **

## TYPES OF TAX

**Exercise 1:** There are some types of tax in the boxes below, but some letters are missing. Can you complete the words?

1. inc\_\_m\_\_

2. s\_\_l\_\_s

4. c\_\_rp\_\_r\_\_te

6. v\_\_l \_\_ \_\_d\_\_d

5. pr\_\_p\_\_rty

3. inh\_\_rit\_\_nc\_\_

7. \_\_xc\_\_s\_\_

- Which taxes in the boxes above are you familiar with? Briefly explain each one.

- What do foreign companies and individuals need to know about the taxation system in your country?

## DEFINITIONS OF TAX

**Exercise 2:** Match these expressions with ***tax*** to their definitions.

1. tax avoidance a. someone who lives in another country for tax reasons

2. tax bracket b. to introduce a new tax on something

3. tax evasion c. tax make the tax go up

4. tax exempt d. when you don’t have to pay tax on certain income

5. tax exile e. to cancel a tax

6. to abolish tax f. tells you what amount of tax to pay based on income

7. to impose tax g. trying not to pay tax (legal)

8. to increase tax h. trying to pay tax (illegal)

**Exercise 3:** Choose the correct words to complete each sentence:

1. The tax on wages and salaries (and business profits in the US) is called………… . In Britain the tax on business profits is called corporation tax.
2. direct tax b. income tax c. wealth tax
3. A tax that is levied at a higher rare on higher incomes is called a...…………tax.
4. Progressive b. regressive c. value-added
5. Property taxes, sales taxes, customs duties on imports, and exercise duties on tobacco, alcoholic drink, petrol, etc. are……………taxes.
6. Direct b. indirect c. value-added
7. Most sales taxes are slightly ……….…because poorer people need to spend a larger proportion of their income on consumption than the rich.
8. Progressive b. regressive c. repressive
9. A sales tax collected at each stage of production, excluding the already-taxed costs form previous stages, is called a………………
10. Sales tax b. value-added tax c. added-value tax
11. Profits made from the sale of assets are liable to a ……………tax.
12. Capital gains b. capital transfer c. wealth
13. Gifts and inheritances are usually liable to……………tax.
14. Capital gains b. capital transfer c. wealth
15. Reducing the amount of tax you pay to a legal minimum is called…………..
16. Fiscal policy b. tax avoidance c. tax evasion
17. Making false declarations is called……………and is obviously illegal.
18. Creative accounting b. tax avoidance c. tax evasion
19. Bringing forward capital expenditure (on new factories, machines, and so on) so that at the end of the year all the profits have been used up is known as making a……………
20. Mistake b. tax haven c. tax loss
21. Multination companies often set up their head offices in low-tax countries such as Liechtenstein, Monaco, the Cayman Islands, and the Bahamas, known as…………….
22. Tax havens b. tax heavens c. tax shelters
23. Criminal multinationals such as the Mafia tend to pass money through a series of companies in very complicated transactions in order to disguise its origin from tax inspectors and the police; this is known as……………money.
24. Cleaning b. laundering c. washing

## WORLD PARTNERSHIPS-TAX

**Exercise 4:** Now use the correct form of these verbs in the following sentences:

|  |
| --- |
| avoid be liable deduct evade  levy lower pay raise |

1. If you inherit a lot of money, you ……………for capital transfer tax.
2. In some countries, employers have to……………tax from your pay and……………it direct to the tax authorities, so employees have no possibility of……………income tax.
3. Some people hire expensive accountants to tell them how to……………taxes- legally, of course!
4. The government always tries to……..………taxes in the year before elections.
5. The government has a huge deficit and is going to have to……………either the rate of VAT or income tax.
6. The government………………special taxes on petrol, alcohol and tobacco.

**Exercise 5:** Use words from the box to fill in the gaps.

|  |
| --- |
| abolish bracelet breaks exempt  exile increase property return |

1. The government needs more money, so it is planning to \_\_\_\_\_\_\_\_\_\_\_taxes.
2. He earns a lot of money- he must be in the highest tax\_\_\_\_\_\_\_\_\_\_\_.
3. She lives there because she has to- she’s a tax\_\_\_\_\_\_\_\_\_\_\_.
4. They’re planning to\_\_\_\_\_\_\_\_\_\_\_ the tax on large company cars, and replace it with a tax on all company cars.
5. She is a student, so she is tax\_\_\_\_\_\_\_\_\_\_\_.
6. The government is planning to introduce new tax\_\_\_\_\_\_\_\_\_\_\_ for IT companies.
7. Don’t buy a house this year- the\_\_\_\_\_\_\_\_\_\_\_ taxes are being abolished next March.
8. A tax\_\_\_\_\_\_\_\_\_\_\_ is the same as a tax declaration- it’s a list of income and tax deductible expenditure for the tax authority.

## MUCH/ MANY

**Exercise 6:** Two colleagues are discussing the opening of a new office in Madrid. Fill in the blanks with the words from the box:

|  |
| --- |
| much many a lot of a little a few |

A: How are things in Madrid?

B: We’re nearly ready. We didn’t have (1) much trouble finding a suitable office. There seem to be (2)…………….. empty places at the moment.

A: How (3)……………. work will you need to do on the building?

B: Nothing really. We only need to do (4)…………… painting, decorating, and it will be fine.

A: How (5)…………… people are going to be working there?

B: About twenty. We have filled most of the jobs, so it will only take (6)……………. weeks to find the other people we need. We have not appointed a sales manager yet, but there has been (7)…………… interest in the job, so we will get someone soon.

A: How (8)…………… time do you think you will spend there?

B: At the beginning, I will have to spend (9)……………. time over there, so I have rented an apartment. However, I am hoping that it will only go on for (10)…………. months, and then the office will be able to look after itself.

# UNIT 11: INSURANCE

** **

## BUSINESS READING 1: INSURANCE

Number the following words with their underlined equivalents in the text:

|  |
| --- |
| affluent catastrophes claims  commission gilts huge  indemnify insurance brokers policy  retires sums underwritten |

Insurance is designed to provide a sum of money to compensate for any damage suffered as the result of a risk that has been insured against in a specific insurance (1) contract, such as fire, accident, theft, loss, damage, injury or death. Thousands of people pay premiums to insurance companies, whish use the money to (2) compensate people who suffer loss or damage, etc. Some people also use insurance policies as a way of saving. Life insurance policies, for example, usually pay a certain sum on a specific date- for example, when a person (3) stops working at the age of 60 or 65 or whenever, or earlier if the person dies.

Insurance companies, like pension funds, are large institutional investors that place great (4) amounts of money various securities: shares, bonds, (5) British government bonds, etc.

Insurance companies generally employ heir own agents who sell insurance to customers, but there are also (6) other middlemen who work with several companies, selling insurance in return for a (7) percentage of the premium.

If a particular insurance company considers that the risk it has (8) assumed responsibility for is too big, it might share the business with other companies, by way of the insurance. Lloyds of London underwrites a great many risks which are spread among lots of syndicates, made up of groups of (9) wealthy people known as “names”. In return for earning a percentage of the insurance premiums, the names have unlimited liability for losses. After a series of (10) demands for payment following lots of (11) natural disasters (shipwrecks, earthquakes, hurricanes, and so on) in the late 1980s, many Lloyds syndicates had to make (12) enormous pay-outs, and many names were bankrupted.

## BUSINESS READING 2: TWO PEOPLE ARE DISCUSSING A TV PROGRAMME ABOUT INSURANCE

**1. Part 1:** **Read the dialogue and answer the questions:**

Shella: There was an amazing programme on TV the other day. It was all about insurance.

Malcolm: Insurance, that sounds boring.

Shella: No, it was great. The best bit was about this insurance broker who organized cover for people making TV commercials.

Malcolm: What, ads?

Shella: Yeah. Well I don’t know if you remember, but there was one for mobile phones which had reindeer in it, you know, for pulling Father Christmas’s sledge.

Malcolm: Oh right, yeah, it was great.

Shella: Anyway, the people making the ad took out insurance cover just in case there was a problem with one of the reindeer. Luckily for the insurer there wasn’t, so they didn’t have to pay out.

**Questions:**

1. Which area of insurance had the insurance broker specialized in?



1. Did the company insure Father Christmas, reindeer, or mobile phone?

* ………………………………………………………………………..

1. Did they have to pay out?



**2. Part 2: Read the dialogue and complete these notes:**

Malcolm: So how much does it cost then, you know, to insure yourself?

Shella: Well, it depends on the risk. Someone else was firming an advertisement off the Virgin Islands. They wanted to insure against bad weather. The premium was about a third of the cost of the day’s film budget.

Malcolm: A third! Wow, that seems high! But, how do you decide what’s bad weather? I mean, bad weather’s a matter of opinion, isn’t it?

Shella: Mm, I think in this case they needed to have sun, but not too much wind. So, if the wind was too strong, say above force six, they wouldn’t be able to film the ad.

Malcolm: It can’t be easy to work out the risks through, can it? How can you know what the weather’s going to be like?

Shella: Well, apparently you can look it up in a book which has records of the world’s weather. They work out the risk and premium from that and write all the conditions into the policy.

The advertisement was being filmed off the **………....** islands. The premium was the equivalent of **…………...** of the daily budget. The film-makers wanted to insure against **…………**. They needed enough **…..…....** but not too much **………..**.

## BUSINESS READING 3: THE PROCESS TO INSURE HIS/ HER CAR

The jumbled text below describes the process that a car owner has to go through to insure his/ her car. Put the sentences in the right order (1- 7):

\_\_\_\_\_ If the car owner accepts the quotation, the company issues a policy which states the terms of the cover provided.

\_\_\_\_\_ If he/ she is adequately covered and the claim is valid, the insurance company is liable to pay the claim is full.

\_\_\_\_\_ For example, third party cover will just pay for damage or injury to other people. Fully comprehensive cover, on the other hand, will cover damage to the policyholder’s own vehicle.

\_\_\_\_\_ Once the car owner has chosen the type of cover, he/ she will be given a quotation for the premium that has to be paid.

\_\_\_\_\_ However, if the company decides the car is worth less than the insured value, they will try to settle the claim for less.

\_\_\_\_\_ This means that, if the policyholder then has an accident, he/ she can make a claim.

***1***  First of all, he/ she contacts an insurance company. The insurance company will ask for personal and vehicle details and the kind of cover the car owner wants.

# UNIT 12: MANAGEMENT OF WORKING CAPITAL

## BUSINESS READING 1: WORKING CAPITAL MANAGEMENT NOTES

** **

Working capital management is the part of financial management. In working capital management, management of cash, management of inventory, management of debtor and creditor will include.  Following are its main notes. By studying these working capital management notes, you will become perfect in managing your company's working capital. To study these notes are very necessary for any student who is studying business because without management of working capital, we can not operate our business with profitability.

**- Definition of Working Capital:**

" Working capital is an excess of current assets over current liabilities. In other words, the amount of current assets, which is more than current liabilities, is known as Working Capital. If current liabilities are nil then, working capital will equal to current assets. Working capital shows strength of business in short period of time. If a company have some amount in the form of working capital, it means Company have liquid assets, with this money company can face every crises position in market. "

**- Formula of Calculating Working Capital*:***

**Working Capital = Current Assets - Current Liabilities**

**Current Assets**

Current assets are those assets, which can be converted into cash within one year or less than one year . In current assets, we includes cash, bank, debtors, bill receivables, prepaid expenses, outstanding incomes.

**Current Liabilities**

Current Liabilities are those liabilities, which can be paid to respective parties within one year or less than one year at their maturity. In current liabilities, we includes creditors, outstanding bills, bank overdraft, bills payable and short term loans, outstanding expenses, advance incomes.

**Comprehension questions:**

1. What does Working capital management include?



1. In what way will you become perfect in managing your company's working capital?



3. Why is it very necessary for students who are studying business to study working capital management notes?



4. How is working capital defined?



5. What happens if current liabilities are nil?



6. How long does working capital show strength of business?



7. What are current assets?



8. What do we include in current assets?



9. What are current liabilities?



10. What do we include in current liabilities?



## BUSINESS READING 2: MARKET CAPITALISM

****Competitive market capitalism contains two major decision-making units whose actions are coordinated through market exchange. The first is the business firm, which buys resources from households and transforms resource inputs into outputs of products and services that it sells to households. The second is the household, which owns and sells resources to firms and purchases outputs from them.

The two kinds of market relations as well as the two basic units of economic decision market are interdependent. The demand for resource inputs is derived from the demand for final products because firms product to sell (at a profit) to consumers. Resource inputs, in turn, are required to create outputs. Consumers are able and willing to purchase products because they have incomes. Consumers obtain income through the sale or loan of their resources to firms, who in turn organize and coordinate factors of production to produce outputs from these inputs.

Competitive market capitalism is based on some basic assumptions. One assumption is that both firms and households desire to maximize their economic well-being through market exchange. Business firms are assumed to pursue profit maximization and households try to maximize utility or satisfaction. Both try to buy at the lowest possible price (for a given quality of goods) and to sell at the highest possible price. The other major assumption is that markets are competitive, which means there are many buyers and sellers, products are substitutable, buyers and sellers have a lot of knowledge of the market and resources are able to move freely between uses.

**Comprehension questions:**

1. What are the two major decision-making units which market capitalism contains?



1. How are the actions of business firms and households coordinated?



1. From whom does the business firm buy resources and sell outputs?



1. What does the demand for resource inputs depend on?



1. What do firms do with the resources they buy from households?



1. How can consumers get money to buy products sold by firms?



1. What do both households and business firms do through market exchange?



1. What does it mean that “markets are competitive”



# UNIT 13: THE FOREIGN EXCHANGE MARKET

** **

## BUSINESS READING 1: HOW DO EXCHANGE RATES FUNCTION?

**Read the passage and answer the questions:**

If every country in the world used the same currency, world trade would be made much easier. Unfortunately, that is not the case.

Currencies, like other commodities, have a certain value. The only difference between currency and other goods is that each currency’s value is stated in terms of other currencies. These exchange rates change every day and are constantly updated in banks and foreign exchange offices around the world.

The world’s foreign exchange markets keep track of the value of all of the major currencies. As some increase in value, others decline. Foreign exchange is a constantly changing, twenty – four – hour – a day market with trading going on in hundreds of financial centers around the world.

The exchange rate is slightly different if the customer is buying or selling any one particular currency. This spread of the gap between the buy and sell rates ensures that banks and exchange offices make a small profit every time one currency is changed into another.

How do the foreign exchange markets decide how much a currency is worth? Like other markets, the foreign exchange market is subject to the laws of supply and demand. If enough traders want to buy US dollars, its value will go up, i.e. it will take more of other currencies to buy dollars. Economic and political events can also influence foreign exchange price. During periods of economic chaos, traders and investors sometimes try to buy hard currencies like the U.S. dollars which is expected to keep its value in times of trouble.

***Comprehension questions:***

1. According to the article, what would make world trade easier?



1. How is the value of a particular currency stated?



1. What must constantly be done because exchange rates change every day?



1. Who keeps track of the value of major currencies?



1. What does the term “spread” mean?



1. Why is there a spread?



1. What can affect exchange rates?



1. What do traders try to do during wars or high inflation?



## BUSINESS READING 2: EXCHANGE RATES

**Exercises 1:**

Match the questions on the left with the responses on the right:

|  |  |
| --- | --- |
| 1. Is it true that there was a time when you could go to a bank in America and demand gold in exchange for your dollars? | 1. Because in reality, they are often determined by the massive amount of currency speculation that goes on. Currencies appreciate or depreciate for reasons that often have little to do with the countries’ economic performance or international trade. |
| 1. Who was he? | 1. “In God We Trust”. Not “Gold”! |
| 1. So they could never change? | 1. Not who, what. Or where. It was an international conference held in New Hampshire in 1944. It fixed the value of the US dollar at 1/35 of an ounce of gold, and “pegged” or fixed most other major currencies against the dollar. |
| 1. But it’s all different now? | 1. Oh sure, they can try to intervene on currency markets by buying or selling billions of dollars, or pounds, or whatever. But the speculators have much more money than governments. |
| 1. No, what? | 1. Only if they were officially devalued or revalued by the government of the central bank. |
| 1. So how does it work now? | 1. We have floating exchange rates, the rates should reflect purchasing power parity- the cost of a given selection of goods and services in different countries. |
| 1. Why “theoretically”? | 1. Well, in theory, yes. That was the result of Bretton Woods. |
| 1. So there’s nothing governments can do? | 1. Yes. The Bretton Woods system collapsed in the early 1970s because of inflation. There were too many dollars and not enough gold, so President Nixon ended gold convertibility. You know what it says on dollar bills now? |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 1 | *g*. | 2 |  | 3 |  | 4 |  | 5 |  | 6 |  | 7 |  | 8 |  |

**Exercises 2:**

Add appropriate words to these sentences:

1. Another verb for fixing exchange rates against something else is to …………them.
2. Increasing the value of an otherwise fixed exchange rate is called …………..
3. Gold …………ended in the early 1970s.
4. The current system is one of ……………exchange rates.
5. A currency can appreciate if lots of ……………buy it.
6. In fact we have managed floating exchange rates, because governments and ……..……banks sometimes intervene on currency markets.

## BUSINESS READING 3: FOREIGN EXCHANGE

**Dialogue:**

*At Transworld, Anne Bell and Sandra Parr are talking about holidays.*

SP: Are those holiday brochures?

AB: Yes.

SP: What are you doing?

AB: Putting them in the wastepaper bin. I can’t afford to go to the continent now.

SP: Why not?

AB: Look at this morning’s paper. ‘Pound weak’

SP: How does the pound make a difference to your holiday?

AB: Well, if the pound’s weak, you can’t buy as much foreign currency. So things abroad are more expensive for the British.

SP: Oh I see. But inflation’s making prices go up in Britain too.

AB: Yes, but there’s inflation everywhere. This is different.

SP: Mmm. If the pound’s weak though, more foreigners will buy British goods because they’re cheaper. And that means the economy will improve.

AB: And if the economy improves, the pound will be strong again.

SP: That’s right. Get the brochures out of the bin! We constant planning next year’s holiday.

**Read the dialogue and give short answers to these questions:**

1. Where did Anne put the brochures?

* ...................................................................................................................

1. Which ‘continent’ do you think Anne wanted to go to?

* ...................................................................................................................

1. If your currency is weak, can you buy more or less foreign currency?

* .................................................................................................................

1. If your currency is strong, will more or fewer foreigners buy your country’s goods?

* .................................................................................................................

1. If there is inflation, do prices go up or down?

* ................................................................................................................

1. Does *improve* mean (a) get better or (b) get worse?

* ................................................................................................................

## DOING EXERCISES: COMBINE 2 SENTENCES BY USING SO THAT AND WHILE

Combine 2 sentences by using ***so that*** *and* ***while:***

1. We should increase discount to shops up to 20% in order to encourage them.

* ………………………………………………………………………….

2. I was walking home from work. It began to rain.



3. We should find a new MD and offer him high salary (for him) to be loyal to our company.



4. They have to set up a website for sales besides using traditional techniques to market themselves better.



5. The light went out. Our manager was talking about the marketing strategies.



6. He’s leaving early. He won’t miss the plane.



7. I think you ought to plan in advance so as to control the campaign.



8. I was waiting for you on this corner. I saw my boss with his secretary.



# UNIT 14: THE STOCK EXCHANGE

** **

## BUSINESS READING 1: THE STOCK EXCHANGE

The act of issuing shares (GB) or stocks (US) –i.e. offering them for sale to the public- for the first time, is known as floating a company or making a floatation. Companies generally use a bank to underwrite the issue. In return for a fee, the bank guarantees to purchase the security issue at an agreed price on a certain day, although it hopes to sell it to the public. Newer and smaller companies trade on “over-the-counter” markets, such as Unlisted Securities Market in London. Successful companies can apply to have their shares trade on the major stock exchanges, but in order to be quoted (GB) or listed (US) there, they have to fulfill a large number or requirements. One of these it and a statement of the company’s financial position.

Buying a share gives its holder part of the ownership of a company. Shares generally entitle their owners to vote at companies’ General Meetings, to elect company directors, and to receive a proportion of distributed profits in the form of a dividend (or to receive part of the company’s residual value if it goes into bankruptcy). Shareholders can sell their shares at any time on the secondary market, but the market price of a share- the price quoted at any given time on the stock exchange, which reflects how well or badly the company is doing- may differ radically from its nominal, face, or par value.

At the London Stock Exchange, share transactions do not have to be settled until the account day or settlement day at the end of a two-day accounting period. This allows speculators to buy shares hoping to resell them at a higher price before they actually pay for them, or to sell shares, hoping to buy them back at a lower price.

If a company wishes to raise more money for expansion it can issue new shares. These are frequently offer to existing shareholders at less than their market price: this is knows as a rights issue. Companies may also turn part of their profit into capital by issuing new shares to shareholders instead of paying dividends. This is known as a bonus issue or scrip issue or capitalization issue in Britain, and as a stock dividend or stock split in the US. American corporations are also permitted to reduce the amount of their capital by buying back their own shares, which are then known as treasury stock; in Britain this is generally not allowed, in order to protect companies’ creditors. If a company sells shares at above their par value, this amount if recorded in financial statements as share premium (GB) or paid-in-surplus (US).

The Financial Times-Stock Exchange (FT-SE) 100 Share Index (known as the “Footsie”) records the average value of the 100 leading British shares, and is updated every minute during trading. The most important US index is the Dow Jones Industrial Average.

**Exercises 1:**

Read the following text and then decide whether the statements following are TRUE or FALSE:

1. \_\_\_\_ A company can only be floated once.
2. \_\_\_\_ Banks underwrite share issues when they want to buy the shares.
3. \_\_\_\_ It is easier for a company to be quoted on an unlisted securities market than on a major stock exchange.
4. \_\_\_\_ Unlisted companies do not publish annual reports.
5. \_\_\_\_ The market price of a share is never the same as its nominal value.
6. \_\_\_\_ On the London Stock Exchange it is possible to make a profit without ever paying anyone any money.
7. \_\_\_\_ If a company issues new shares, it has to offer them to existing shareholders at a reduced price.
8. \_\_\_\_ A script issue can be an alternative to paying a dividend
9. \_\_\_\_ American corporations with large amounts of cash can spend it by buying their own shares.
10. \_\_\_\_ Companies do not have to sell their shares at their nominal value.

**Exercises 2:**

**Add appropriate words from the text to these sentences:**

1. Offering shares to the public for the first time is called ………….a company.
2. A company offering shares usually uses a merchant bank to………….the issue.
3. The major British companies are ………….on the London Stock Exchange.
4. In London, share transactions have to be …………….every two weeks.
5. The value written on a share is its………………
6. The value listed in the newspapers is its……………

## BUSINESS READING 2: STOCKS AND SHARES

**Complete the sentences using these words:**

|  |
| --- |
| bears bulls insiders market-makers shareholders stags stockbrokers |

1. People who buy stocks and share are called …………..in Britain, and stockholder in the USA (although most of the shares of all leading companies are help by institutional investors such as pension funds and insurance companies).
2. People who buy securities expecting their price to rise so they can resell them before the next settlement day are known as …………….
3. People who sell shares hoping to buy them back at a lower price before the next settlement day are called …………….
4. People who buy new share issues, hoping to resell them at a profit (if the issue is over-subscribed) are known as …………….
5. Shareholders place their orders with, and sometimes seek advice from ………… , who are members of the Stock Exchange, but they can work anywhere with a telephone and a computer screen connected to the Stock Exchange.
6. Brokers in turn but shares from and sell them to ……………… , who are wholesalers in stocks and shares, and who guarantee to make a market at all times with brokers.
7. …………… are people who occupy a position of trust within an organization and possess information not known to the public; buying or selling shares when in possession of such information that affects their price is illegal.

## BUSINESS READING 3: TAKEOVERS

****

Complete the text with the words in the box:

|  |
| --- |
| buy grow increase launch persuade sell |

A company that wants to (1)…………… or diversify can (2) …………… a raid-in other words, simply (3) …………… a large quantity of another company’s shares on the stock exchange. A “dawn raid” consists of buying shares through several brokers early in the morning, before the market has time to notice the rising price, and before speculators join in. This will immediately (4) …………… the share price, and may (5) …………a sufficient number of other shareholders to (6) ………… for the raider to take control of the company.

## BUSINESS READING 4: BUSINESS NEWS HEADLINES

**Practice reading with your partner:**

This is Rosa is Rosalind Fogging with Business News Headlines.

Newfoundland has Balance of Payments surplus of 2.15m. This is mainly because of our invisible exports.

Interest rates are going up by 2%. This is bad news for savers, but good news for borrowers.

The Stock Exchange closed on the last day of the month at 254.3 after a poor month’s trading

A representative of a leading credit card company said that credit card companies in this country lose millions a year from lost and stolen credit cards.

Internal Airways have announced fare cuts of up to 10%. IA expects many more business people to use their service, particularly now they fly between ten major cities.

The pound is up 46 cents against the dollar compared to last month unfortunately this means we cannot expect as many tourists to visit the country this summer.

That is the end of Business News Headlines. We’ll be back again at 6 o’clock this evening.

## DOING EXERCISES: COMBINE 2 SENTENCES BY USING SO THAT

Combine 2 sentences by using ***so that****:*

1. The company is going to introduce such new machines as computers, word-processors and faxes. Their productivity of office can increase.



1. The company agrees to change its ethical policy in order to attract more customer.



1. We are buying new software in order not to (have to) do so much paperwork.



1. We need to reduce costs in order not to go over budget.



1. They are bringing in a more experienced manager in order not to lose more time and money.



1. We can broaden our market. We should focus our sales on not only businesspeople but also on business students.



1. They need to relocate their head office to attract more customers.



1. I should give you a presentation. You can make final decision.



1. We should call for investment to solve our financial difficulties.



1. To increase our profit, our company should expand our sales into European markets.



# UNIT 15: ACCOUNTING, THE BALANCE SHEET

****

## BUSINESS READING 1: WHAT IS ACCOUNTING?

Accounting contains elements of both science and art. The important thing is that it is not merely a collection of arithmetical techniques, but a set of complex processes depending on and prepared for people. Then human aspect, which many people, especially accountants, forget, arises because:

1. Most of accounting reports of any significance depend, to a greater or lesser extent, on people’s opinions and estimates

2. Accounting reports are prepared in order to help people make decisions.

3. Accounting reports are based on activities, which have been carried out by people.

But what specifically is accounting? It is very difficult to find a pithy definition that is all inclusive but we can say that accounting is concerned with: the provision of information in financial terms that will help in decisions, concerning resource allocation, and the preparation of reports in financial terms describing the effects of past resource allocation decisions.

Accounting is needed in any society requiring resource allocation and its usefulness is not confined to “capitalist” or “mixed” economies.

Accounting is also concerned with reporting on the effects of past decisions. But one should consider whether this is done for its own sake or whether it is done in order to provide information which it is hoped will prove helpful in current and future decisions.

So the main purpose of accounting is to provide and report financial information to interested users. For example, investors need financial data in order to compare prospective investment.

We can summarize accounting functions in brief and illustrate them with the following figure:

|  |
| --- |
| **Accounting Functions** |

|  |  |  |
| --- | --- | --- |
| 1. Observe, identify and measure activities | 2. Record, classify and summarize measurements | 3. Report activities and interpret financial statements |

It makes business operations more and more rapid and efficient using computerized accounting system.

Accounting elements are referred to as assets, equities, liabilities , revenues, expenses and profit, etc.

Asset

Equities

**Accounting Elements** Liabilities

Revenues

Expenses

Profit/ Loss

**Exercise 1: Read the text and answer the questions:**

1. How many reasons does the author give to support the idea that accounting involves a human element?

* ………………………………………………………………………….

2. Which of the following reasons does the author give as showing human influence on accounting?

a. Accounting summaries describe human action.

1. Accounting systems are artificial creations.
2. Accounting is affected negatively by human judgment.
3. Accountancy is based on the subjective ideas of individuals.

3. In the definition of accounting given in the text, which of the following are set to be its two main functions?

a. Providing general information to aid immediate decision-making.

b. Providing financial information to help with the future division of resources.

1. Providing financial information that will ensure that decisions made are correct.
2. Providing financial information to show the results of past use of resources.

4. According to the author, is management decision-making part of accountant’s job?

* …………………………………………………………………………

5. What is the main purpose of accounting?

6. List some accounting elements?

7. Discuss with your partner about the accounting functions.

**Exercise 2: Translate the text into Vietnamese.**

## BUSINESS READING 2: THE BALANCE SHEET

The balance sheet shows the financial situation of the company on a particular date, generally the last day of its financial year. It lists the company’s assets, its liabilities and shareholders’ funds. A business’s asset consists of its cash investments and property (buildings, machines and so on), and debtors- amounts of money owned by customers for goods or services purchased on credit (Assets are the properties owned by an organization or a person. They may include things such as cash, land, supplies, business equipment, buildings ****and intangible assets)

Liabilities consist of all the money that a company will have to pay to someone else, such as taxes, debts, interest and mortgage payments, as well as money owned to suppliers for purchases made on credit, which are grouped together on the balance sheet as creditors.

The owner’s equity is the net assets of a company or a person.

The basic accounting equation is that *Assets = Liabilities + Owner’s Equity.*

The basic accounting equation must be in balance.

An alternative term for shareholders’ Equity is Net Assets. This includes share capital (money received from the issue of shares), sometimes share premium (money realized by selling shares at above their nominal value), and the company’s reserves, including the year’s retained profits.

**1/ Answer the questions:**

1. What does the balance sheet do?

* ………………………………………………………………………….

1. What do assets mean?



1. How do you think about Liabilities?



1. What is owner’s equity called?



**2/ Practice exercise:**

*The Longman Company was organized at the end of March. It invested $200,000 and borrowed $50,000 from a bank. Now it has $250,000 of assets. In order words, the bank’s equity is $50,000. It can be described as “the company’s liabilities” because the company owes the bank $50,000.*

Write the basic accounting equation of Longman company.

## BUSINESS EXERCISE

**Exercise 1: Match these words with their meanings.**

1 debt a an agreement between two or more parties, often written

2 lease b the opposite of assets

3 gearing c buying or selling something

4 liabilities d someone who owns parts of a company

5 contract e money that is owed

6 transaction f an agreement where the owner of something allows someone else to use it for a specific time for a sum of money

7 shareholder g the proportion of own capital to borrowed funds when buying an asset or financing a company

**Exercise 2: Use *liabilities, liability, debt*, or *debts* to complete the sentences below.**

1. He’ll have paid his \_\_\_\_\_\_\_\_\_\_\_ off by next year.

2. Look at the assets and\_\_\_\_\_\_\_\_\_\_\_ on the balance sheet if you want to know how to company’s doing.

3. Many developing countries are burdened by heavy \_\_\_\_\_\_\_\_\_\_\_.

4. We need to look at the long-term\_\_\_\_\_\_\_\_\_\_\_ before we think about any major new purchases.

5. The partnership has limited\_\_\_\_\_\_\_\_\_\_\_ status.

6. Current\_\_\_\_\_\_\_\_\_\_\_ are those which are paid off within a year.

7. The company’s in \_\_\_\_\_\_\_\_\_\_\_to the tune of 10 million.

**Exercise 3**: **Match up these six accounting principles with the definitions below:**

1. The separate-entity or accounting entity assumption.
2. The continuity or going- concern assumption.
3. The unit-of-measure assumption.
4. The time-period or accounting period assumption.
5. The historical cost principle.
6. The revenue or realization principle.
7. All transactions and other items to be accounted for must be in a single, supposedly stable monetary unit.
8. An enterprise is an accounting unit separate from its owners, creditors, etc.
9. Financial data must be reported for particular (short) periods, which makes accrual and deferral necessary.
10. Revenue is realized at the moment when goods are sold (or change hands) or when services are rendered.
11. The business will continue indefinitely into the future.
12. The initial price paid for the acquisition of assets is the one that is recorded in accounts.

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 1 | ***b*** | 2 |  | 3 |  | 4 |  | 5 |  | 6 |  |

**Exercise 4**: **Match up these five accounting principles with the definitions below:**

1. The matching principle.
2. The objectivity principle.
3. The consistency principle.
4. The full-disclosure principle.
5. The principle of conservatism (or prudence)
6. All data recorded should be verifiable and free from bias.
7. Financial reporting must include all significant information.
8. The revenues generated in an accounting period are identified with related costs whenever they were incurred.
9. The same methods (of inventory valuation, depreciation, etc.) must be used from one period to the next.
10. Where alternative accounting methods are possible, one understates rather than overstates profits.

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 1 | ***c*** | 2 |  | 3 |  | 4 |  | 5 |  |

# UNIT 16: THE ROLE OF AUDITORS

## AN AUDITOR …

****

What does an auditor do? Look at the following activities and decide which ones are normally done internally or externally.

1. spends time getting to know the business as well as the environment and the industry in which it operates **🗌**

2. analyses the internal business and financial systems used to make and record transactions **🗌**

3. gathers evidence on the financial control systems and the figures in the financial statements **🗌**

4. gives advice on the business methods and transactions of the company **🗌**

5. examines financial statements to determine whether they conform to generally accepted accounting principles. **🗌**

6. prepares the financial statements in accordance with the generally accepted accounting principles of the country where the enterprise operates **🗌**

7. examines the management report and determines whether it conforms to the financial statements **🗌**

8. guarantees the correctness of the figures presented in the accounts **🗌**

9. provides consulting services **🗌**

10. presents a written report to the management of the company describing whether the accounting records, financial statements and management reports conform to legal requirements **🗌**

11. maintains confidentiality and independence **🗌**

**Exercise**

**Find the sentence on the right which is closest in meaning to the sentence of the left.**

|  |  |
| --- | --- |
| 1. We have to keep up with the competition.  2. You can't really justify spending so much money on office equipment.  3. This plan is designed to keep us in business.  4. This was a sizeable investment on our part.  5. These figures are too material for us to ignore.  6. I suggest you consider this again.  7. I’m sure you’ll find it’s reasonable. | a. We can ignore the competition.  b. We can't ignore the competition.  a. You can't defend your actions.  b. You can defend your actions.  a. This is a plan to start a business.  b. This is a plan to get business.  a. We spent very little money on this.  b. We spent a lot of money on this.  a. The figures are very high.  b. The figures are very low.  a. Have another think about it.  b. Forget it  a. You think this is fair.  b. I think this is fair. |

## BUSINESS READING: AUDITING

**Exercise 1:**

Number the following words or expressions with their underlined equivalents in the text:

|  |
| --- |
| accuracy (1) external  Annual General Meeting implemented  board of directors ratified  checking shareholders (GB) or stockholders (US)  deficiencies standard operating procedures  determine subsidiaries  deviations a synonym  directives transnational corporations |

The traditional definition of auditing is a review and an evaluation of financial records by a second set of accountants. An internal audit is a control by a company’s own accountants, checking for completeness, (1) exactness and reliability. Among other things, internal auditors are looking for (2) departures from (3) a firm’s established methods for recording business transactions. In most countries, the law requires all firms to have their accounts audited by an outside company. An (4) independent audit is thus a review of financial statements and accounting records by an accountant not belonging to the firm. The auditors have to (5) judge whether the accounts give what in Britain is known as a “true and fair view” and in the US as a “fair presentation” of the company’s [corporation’s] financial position. Auditors are appointed by a company’s (6) most senior executives and advisors, whose choice has to be (7) approved by the (8) owners of the company’s equity at the (9) company’s yearly assembly. Auditors write an official audit report. They may also address a “management letter” to the directors, outlining (10) inadequacies and recommending improved operating procedures. This leads to the more recent use of the word “audit” as (11) an equivalent term for “control”: (12) multinational companies, for example, might undertake inventory, marketing and technical audits. Auditing in this sense means (13) verifying that general management (14) instructions are being (15) executed in branches, (16) companies which they control, etc.

**Exercise 2:** Add appropriate words to these phrases:

1. Auditors …………………companies’ accounts.
2. Accounts have to ………………… a fair presentation.
3. Auditors write a …………………
4. It’s the directors who …………………the auditors.
5. Auditors sometimes …………………better accounting procedures.
6. Using external auditors is a …………………requirement.

## PRACTICE EXERCISES: MUST/ HAVE TO/ SHOULD

**Choose the correct word or phrase in italics to complete each sentence:**

1. You *must/ have to/ should* save a file before you turn the computer off, or you’ll lose it.

2. Drivers wishing to hire a car *must/ have to/ should* be over 21 and have a full driving licence.

3. You *must/ have to/ should* prepare carefully what you are going to present before your boss.

4. This income tax form *must/ have to/ should* be completed and returned to the Inland Revenue within 30 days.

5. You *must****/*** *have to/ should* leave immediately because the traffic is terrible.

6. Airline pilots *must/ have to/ should* have excellent eyesight.

7. As you are from the European Union, you *mustn’t/* ***don’t have to****/ shouldn’t have a visa to go to France.*

8. You *mustn’t/* ***don’t have to****/ shouldn’t* come to the meeting if you have more important things to do.

9. Everybody ***must/*** *have to/ should* obey the law.

10. You *must/ have to/* ***should*** study English everyday to get a good job.

# UNIT 17: PROJECT PLANNING

** **

## BUSINESS READING 1: PROJECT PLANNING

***Project planning*** is part of [project management](http://en.wikipedia.org/wiki/Project_management), which relates to the use of [schedules](http://en.wikipedia.org/wiki/Schedule_%28project_management%29) to plan and subsequently report progress within the project environment.

Initially, the [project scope](http://en.wikipedia.org/wiki/Scope_%28project_management%29) is defined and the appropriate methods for completing the project are determined. Following this step, the [durations](http://en.wikipedia.org/wiki/Duration_%28project_management%29) for the various [tasks](http://en.wikipedia.org/wiki/Task_%28project_management%29) necessary to complete the [work](http://en.wikipedia.org/wiki/Work_%28project_management%29) are listed and grouped into a [work breakdown structure](http://en.wikipedia.org/wiki/Work_breakdown_structure). Project planning is often used to organize different areas of a project, including [project plans](http://en.wikipedia.org/wiki/Project_plan), [work loads](http://en.wikipedia.org/wiki/Work_load) and the management of teams and individuals. The logical [dependencies](http://en.wikipedia.org/wiki/Dependency_%28project_management%29) between tasks are defined using an [activity network diagram](http://en.wikipedia.org/wiki/Activity_network_diagram) that enables identification of the [critical path](http://en.wikipedia.org/wiki/Critical_path_method). [Float](http://en.wikipedia.org/wiki/Float_%28project_management%29) or slack time in the schedule can be calculated using [project management software](http://en.wikipedia.org/wiki/Project_management_software). Then the necessary [resources](http://en.wikipedia.org/wiki/Resource_%28project_management%29) can be [estimated](http://en.wikipedia.org/wiki/Estimate) and [costs](http://en.wikipedia.org/wiki/Cost) for each activity can be allocated to each resource, giving the total project cost. At this stage, the [project schedule](http://en.wikipedia.org/w/index.php?title=Project_schedule&action=edit&redlink=1) may be optimized to achieve the appropriate balance between [resource usage](http://en.wikipedia.org/wiki/Resource_management) and project duration to comply with the project objectives. Once established and agreed, the project schedule becomes what is known as the baseline schedule. Progress will be measured against the baseline schedule throughout the life of the project. Analyzing progress compared to the baseline schedule is known as [earned value management](http://en.wikipedia.org/wiki/Earned_value_management).

The inputs of the project planning phase include the [project charter](http://en.wikipedia.org/wiki/Project_charter) and the concept proposal. The outputs of the project planning phase include the project requirements, the project schedule, and the [project management plan](http://en.wikipedia.org/wiki/Project_management_plan).

**Answer these questions:**

1. What is project planning?



2. What is project planning used for?



3. What does the underlined word refer to?

“*The logical* [*dependencies*](http://en.wikipedia.org/wiki/Dependency_%28project_management%29) *between tasks are defined using an* [*activity network diagram*](http://en.wikipedia.org/wiki/Activity_network_diagram)***that*** *enables identification of the* [*critical path*](http://en.wikipedia.org/wiki/Critical_path_method)*… ”(Paragraph 2)*



4. What give the total project cost?



5. What do the inputs of the project planning phase consist of ?



6. What do the outputs of the project planning phase include?



## BUSINESS READING 2: PROJECT PLANNING A STEP-BY-STEP GUIDE

The key to a successful project is in the planning. Creating a project plan is the first thing you should do when undertaking any kind of project.

Often project planning is ignored in favour of getting on with the work. However, many people fail to realise the value of a project plan in saving time, money and many problems.

This article looks at a simple, practical approach to project planning. On completion of this guide, you should have a sound project planning approach that you can use for future projects.

**Step 1: Project Goals**

A project is successful when the needs of the stakeholders have been met. A stakeholder is anybody directly, or indirectly impacted by the project.

As a first step, it is important to identify the stakeholders in your project. It is not always easy to identify the stakeholders of a project, particularly those impacted indirectly. Examples of stakeholders are:

* The project sponsor.
* The customer who receives the deliverables.
* The users of the project outputs.
* The project manager and project team.

Once you understand who the stakeholders are, the next step is to find out their needs. The best way to do this is by conducting stakeholder interviews. Take time during the interviews to draw out the true needs that create real benefits. Often stakeholders will talk about needs that aren't relevant and don't deliver benefits. These can be recorded and set as a low priority.

The next step, once you have conducted all the interviews, and have a comprehensive list of needs is to prioritise them. From the prioritised list, create a set of goals that can be easily measured. A technique for doing this is to review them against the SMART principle. This way it will be easy to know when a goal has been achieved.

Once you have established a clear set of goals, they should be recorded in the project plan. It can be useful to also include the needs and expectations of your stakeholders.

This is the most difficult part of the planning process completed. It's time to move on and look at the project deliverables.

**Step 2: Project Deliverables**

Using the goals you have defined in step 1, create a list of things the project needs to deliver in order to meet those goals. Specify when and how each item must be delivered.

Add the deliverables to the project plan with an estimated delivery date. More accurate delivery dates will be established during the scheduling phase, which is next.

**Step 3: Project Schedule**

Create a list of tasks that need to be carried out for each deliverable identified in step 2. For each task identify the following:

* The amount of effort (hours or days) required to complete the task.
* The resource who will carryout the task.

Once you have established the amount of effort for each task, you can workout the effort required for each deliverable, and an accurate delivery date. Update your deliverables section with the more accurate delivery dates.

A common problem discovered at this point, is when a project has an imposed delivery deadline from the sponsor that is not realistic based on your estimates. If you discover this is the case, you must contact the sponsor immediately. The options you have in this situation are:

* Renegotiate the deadline (project delay).
* Employ additional resources (increased cost).
* Reduce the scope of the project (less delivered).

**Step 4: Supporting Plans**

This section deals with plans you should create as part of the planning process. These can be included directly in the plan.

**Step 5: Human Resource Plan**

Identify by name, the individuals and organisations with a leading role in the project. For each, describe their roles and responsibilities on the project.

Next, describe the number and type of people needed to carryout the project. For each resource detail start dates, estimated duration and the method you will use for obtaining them.

**Step 6: Communications Plan**

Create a document showing who needs to be kept informed about the project and how they will receive the information. The most common mechanism is a weekly or monthly progress report, describing how the project is performing, milestones achieved and work planned for the next period.

**Step 7: Risk Management Plan**

Risk management is an important part of project management. Although often overlooked, it is important to identify as many risks to your project as possible, and be prepared if something bad happens.

Here are some examples of common project risks:

* Time and cost estimates too optimistic.
* Customer review and feedback cycle too slow.
* Unexpected budget cuts.
* Unclear roles and responsibilities.
* Stakeholder input is not sought, or their needs are not properly understood.
* Stakeholders changing requirements after the project has started.
* Stakeholders adding new requirements after the project has started.
* Poor communication resulting in misunderstandings, quality problems and rework.
* Lack of resource commitment.

Risks can be tracked using a simple risk log. Add each risk you have identified to your risk log; write down what you will do in the event it occurs, and what you will do to prevent it from occurring. Review your risk log on a regular basis, adding new risks as they occur during the life of the project. Remember, when risks are ignored they don't go away.

**Congratulations**. Having followed all the steps above, you should have a good project plan. Remember to update your plan as the project progresses, and measure progress against the plan.

**Answer these questions:**

1. What’s the most important thing of a successful project?



2. What should you do first when you undertake any kind of project?



3. What’s the most difficult part of the planning process?



4. How many main steps are there to make a project planning?- List them



# UNIT 18: INTERNATIONAL BUSINESS

** **

## BUSINESS READING 1: INTERNATIONAL TRADE

Replace the underlined words and expression in the text with the words and expressions in the box:

|  |
| --- |
| balance of payments balance of trade barter or counter-trade climate commodities division of labor economies of scale nations  factors of production protectionism quotas tariffs |

|  |  |  |
| --- | --- | --- |
| 1. nations | 2. commodities | 3. balance of trade |
| 4. balance of payments | 5. barter or counter-trade | 6. protectionism |
| 7. factors of production | 8. climate | 9. division of labor |
| 10. economies of scale | 11. tariffs | 12. quotas |

(1)Countries import some goods and services from abroad, and export others to the rest of the world. Trade in (2) raw materials and goods is called visible trade in Britain and merchandise trade in the US. Services, such as banking, insurance, tourism, and technical expertise, are invisible imports and exports. A country can have a surplus or a deficit in its (3) difference between total earnings from visible exports and total expenditure on visible imports, and in its (4) difference between total earnings from all exports and total expenditure on all imports. Most countries have to pay their deficits with foreign currencies from their reserves, although of course the USA can usually pay I dollars, the unofficial world trading currency. Countries without currency reserves can attempt to do international trade by way of (5) direct exchanges of goods without the use of money. The (imaginary) situation in which a country is completed self-sufficient and has no foreign trade is called autarky.

The General Agreement on Tariffs and Trade (GATT), concluded in 1994, aims to maximize international trade and minimize (6) the favoring of domestic industries. GATT is based on the comparative cost principle, which is that all nations will raise their income if they specialize in producing the commodities in which they have the highest relative productivity. Country may have an absolute or a comparative advantage in producing particular goods or services, because of (7) inputs (raw materials, cheap or skilled labor, capital, etc.) (8) weather conditions, (9) specialization of work into different jobs, (10) savings in unit costs arising from large-scale production, and so forth. Yet most governments still pursue protectionist policies, establishing trade barriers such as (11) taxes charged on imports, (12) restrictions on the quantity of imports, administrative difficulties, and so on.

## BUSINESS READING 2: SOLE PROPRIETORSHIP

A business may be a privately owned in three important forms. These are the sole proprietorship, the partnership and the corporation. The sole proprietorship is the most common in American business. More than 80 percent of all businesses in the United States are sole proprietorships.

Sole proprietorships, however, do not do the greatest volume of business. They account for less than 16 percent of all business receipts. What kind of business is likely to be a sole proprietorship? These small businesses are very often service industries such as laundromats, beauty shops, repair shops and restaurants.

**\* Read the text and answer these questions:**

1. Name the three ways that a business can be privately owned?

a

b

c

2. What is the most common type of American businesses?



3. Write some examples of sole proprietorships?



4. What does each of the underlined parts refer to?

a. “ ***these*** are the sole proprietorship, the partnership and the corporation.” ………………………………………………………..

b. “***They*** account for less than 16 percent of all business receipts.”: ……………………………………………………………………….

5. Less than 20 percent of American businesses are ………………. and

## BUSINESS READING 3: PARTNERSHIPS

A partnership is an association of two or more persons to carry on a business for profit. When the owner of a partnership have unlimited liability, they are called limited partners. If one or more partners have limited liability, they are called limited partners. They may be a silent partner as well - a person who is known to the public as a member of the firm but without authority in management. The reverse of the silent partner is the secret partner – a person who takes part in management but who is not known to the public.

Any business may be operated as a partnership. There are partnerships in professional fields such as medicine, law, accounting, insurance and stockbrokerage.

Limited partnerships are a common form of ownership in real estate, oil prospecting, and the mining and quarrying industries, to name a few.

Partnerships are more advantageous than sole proprietorships if one needs multiple sources of capital or diversified management. Like sole proprietorships, they are easy to form, and often receive favored treatment by the government as well as tax benefits.

There are a number of disadvantages to partnerships. One is unlimited liability. This means that each partner is responsible for all debts and legal responsibilities in connection with the business. Another disadvantage is that partner may disagree with each other. Complications can also arise with the death of a partner. For example, a share of a business could come into the hands of a less desirable associate.

**\* Complete the following guided notes:**

1. One important difference between a general and limited partnership:



2. Two types of partnership owners:

a.

b.

3. Advantages Disadvantages

|  |  |
| --- | --- |
| a. | a. |
| b. | b. |
| c. | c. |

**\*/ Comprehension:**

What does each of the underlined parts refer to?

1. “*Like sole proprietorships,* ***they*** *are easy to form… ”(Paragraph 3)*



2. “***This*** *means that each partner is responsible for all debts*…”*(Paragraph 4)*



**\*/ Find the Vietnamese equivalents for the following terms or phrases:**

1. privately owned: ……………………………………………

2. sole proprietorship: …………………………………………

3. general partner: ……………………………………………..

4. limited partner: ……………………………………………..

**\*/ Vocabulary practice:**

From the words listed below, select a word to fit each blank space in the sentences. Use each word only once.

|  |
| --- |
| capital benefits unlimited liability  silent partner associate management |

1. A secret partner takes part in …………………………………….

2. General partners have ……………………………………………

3. A ………………….. is known to the public as a member of the firm, but has no authority.

4. Partnerships often receive tax ……………..from the government.

5. One advantage of a partnership is that it offers a multiple source of ……………

5. A partner’s share of the business can come into the hands of a less desirable …………. upon the partner’s death.

# VOCABULARY

Shelter (n): lều, chòi, nhà tạm, nơi trú ẩn

Economist (n): nhà kinh tế học

Vendor (n): người bàn hàng, nhà cung cấp

Auction (n): sự bán đấu giá

Laissez- faire (n): tự do kinh tế

Niche (n): vách, hốc, ổ

Wholesaling (n) Sự bán buôn

wholesaler (n) người bán sỉ

Retailer (n) người bán lẻ

Middlemen (n) người trung gian, người môi giới

Assortment (n) sự phân loại, phối hợp

Microeconomics (n) kinh tế vi mô

Macroeconomics (n) kinh tế vĩ mô

Consume (v) dùng, tiêu thụ

Discipline (n) qui tắc, kỷ luật

Prominent (a) dễ thấy, nổi bật, lồi lên, đáng chú ý

Equilibrium (n) sự thăng bằng, cân bằng

Impact (n) sự va chạm, sự tác động

Sustained (a) được duy trì liên tục

Inflation (n) sự lạm phát

Overlapping (n) sự chồng lên nhau, gối lên nhau

Gross National Product: Tổng sản phẩm quốc dân

Capacity (n) sự chứa đựng, dung tích

Economist (n) nhà kinh tế học

Commodity (n) hàng hóa

Glut (n) thặng dư

Elastic (a) co giãn, mềm dẻo, đàn hồi

Inelastic (a) khó thích nghi, phản ứng chậm với sự thay đổi thị trường.

Willingness (n) sự thiện ý, bằng lòng

Capital (n) vốn

Fund (n) Quỹ

Subsidy (n) tiền trợ cấp, tiền trợ giá

Rebate (v) hạ giá

Instalment (n) sự trả góp

Stake (n) tiền cược

Yield (n) sản lượng

Debtor (n) con nợ, người mắc nợ

Aggregate demand: nhu cầu tổng hợp, tổng nhu cầu

Consumption (n) sự tiêu thụ, tiêu dùng, phí tổn

Velocity (n) tốc độ lưu thông

Budget (n) ngân sách, ngân quỹ

Chartered (v) đặc quyền

Supervised (v) quản lý, giám sát

Federal Government: Chính phủ liên bang

Cooperate (v) hợp tác

Import (n) hàng nhập khẩu

Import (v) nhập khẩu

Export (n) hàng xuất khẩu

Export (v) Xuất khẩu

Foreign exchange: hối đoái, ngoại tệ

International exchange: hối đoái quốc tế

Supranational bank: ngân hàng siêu quốc gia

Merchant bank: ngân hàng thương mại

Bond (n) chứng khoán, trái phiếu, công trái, giấy cam kết

Issuing (v) lưu hành, ấn hành, cấp phát

Mortgage (n) biên bản thế chấp, sự cầm cố, thế chấp

Draw (v) rút, trích

Withdrawal: rút trích, thu hồi, rút tiền ra

Transport (v) vận chuyển

Goods (n) hàng hóa

Promotion (n) sự thăng chức, khuyến mãi, đề bạt

Take up (v) đảm nhận, tiếp nhận, chiếm

Consumption (n) sự tiêu thụ, tiêu dùng

Conspicuous (a) đáng chú ý, dễ thấy

Merchandise (n) hàng hóa

Volume (n) khối lượng, dung tích

Initiate (v) bắt đầu, khởi đầu

Initiate (a) đã được khai tâm

Well- being (a) phúc lợi

Virtue (n) đức hạnh, hiệu quả, công dụng

Venture (n) dự án kinh doanh, sự mạo hiểm kinh doanh

Venture (v) mạo hiểm, đầu cơ

Clerk (n) nhân viên, thư ký

Supervisor (n) người giám sát, người quản lý

Bleed (v) tháo ra, trích ra

Slit (v) tách, chẻ, khe hở

Unduly (adv) không đủ, không đúng lúc

Pessimistic (a) bi quan, yếm thế

Bulk commodity: trọng tải hàng hóa

Prohibitive (a) cấm, ngăn cấm

Expense (n) chi phí, phí tổn

Corrosive (a) ăn mòn

Handle (v) cầm, sờ, xử lý, điều khiển

Cash-flow: vòng quay tiền mặt, chu kỳ tiền mặt, lưu thông tiền mặt

crisis (n) sự khủng hoảng

balance sheet: bản cân đối kế toán, bản cân đối thu chi

income statement: báo cáo doanh thu, báo cáo lợi tức

assets (n) tài sản, các khoản có

assets and liabilities: tích sản và tiêu sản

revenues (n) doanh thu

stock certificate: chứng chỉ cổ phần gộp, giấy chứng nhận có cổ phần

shareholder (n) cổ đông

outflow (v) chảy ra, dòng chảy, thoát ra

inflow (v) dòng vào, chảy vào

inflow (n) dòng vốn

inventory (n) bản kiểm kê, bảng liệt kê, hàng hóa tồn trữ

inventory (v) kiểm kê, tồn kho

cabinet (n) ngăn, tủ

R&D: research and development: Nghiên cứu và phát triển

Compete (v) cạnh tranh, ganh đua

Net income: thu nhập thuần túy

Entrepreneurs (n) người thầu khoán, chủ thầu, nhà kinh doanh

venture capitalist: người chuyên môn về vốn đầu cơ

deployment (n) sự triển khai, dán quân

funding (n) sự tích lũy vốn

merchant (n) nhà buôn, thương mại, thương gia

account (n) tài khoản

affluent (a) dồi dào, phong phú

incorporated (n) trách nhiệm hữu hạn, hợp nhất

overdraft (v) chi trội, thấu chi, rút quá số tiền gởi

odd (n) dư, số lẻ

guarantee (v) bảo đảm, bảo hành

revenue (n) thu nhập, doanh thu

equity (n) vốn cổ phần, sự công bằng, công chính

investor (n) nhà đầu tư

tax avoidance: trốn thuế, tránh thuế (hợp pháp)

value-added tax: thuế giá trị gia tăng

Regressive taxation: thuế thoái hóa

tax evasion: sự trốn thuế, lậu thuế (bất hợp pháp)

tax exempt: được miễn thuế

abolish tax: Hủy thuế, bãi bỏ thuế

value-added: bổ sung giá trị, giá trị gia tăng

Fiscal policy: chính sách tài chính

Expenditure (n) chi phí, chi tiêu, phí tổn

Inheritance (n) sự kế thừa, thừa kế

Bracelet (n) vòng, xuyến, vòng đeo tay

tax deductible: được giảm thuế

Catastrophe: rủi ro, thảm họa

Affluent (a) phong phú, dồi dào

Claim (v) khiếu nại, bồi thường, thỉnh cầu, yêu sách

Commission (n) giấy ủy quyền, tiền hoa hồng

Indemnify (v) đền bù, hoàn lại tiền

Gilts (n) chứng khoán viền vàng

Underwrite(v) trình bày dưới đây, ký tên dưới đây

Compensate (v) bù, đền bù, bồi thường

Premiums (n) học phí, phí bảo hiểm, tiền thưởng

Pension (n) tiền trợ cấp, lương hưu

Bond (n) chứng khoán

Syndicate (n) công đoàn, nghiệp đoàn, tổ hợp, tổ xí nghiệp

Reindeer (n) tuần lộc

policyholder (n) người được bảo hiểm

current liabilities: nợ ngắn hạn, nợ không kỳ hạn

Current assets: tài sản ngắn hạn

prepaid expenses: chi phí trả trước

maturity: kỳ hạn phải thanh toán

creditor (n) bên có, chủ nợ

Competitive (a) cạnh tranh

Coordinate (v) phối hợp, điều phối

Output (n) sản xuất, sản lượng, sản phẩm

Household (n) hộ, gia đình, nội trợ

Foreign Exchange: ngoại tệ, hối đoái

Ensure (v) bảo đảm, chắc chắn

Chaos (n) sự hỗn độn, hỗn loạn

Trader (n) thương nhân, nhà buôn, người giao dịch chứng khoán

Massive (a) to, lớn, đồ sộ

Speculation (n) sự suy xét, đầu cơ chứng khoán

Depreciate (v) trích khấu hao, làm giảm giá, sụt giá

Intervene (v) xen vào, can thiệp

Brochure (n) tập sách nhỏ, cuốn sách mỏng về du lịch

Loyal (a) trung thành, trung nghĩa

Stock Exchange: thị trường chứng khoán, sở giao dịch chứng khoán

Floatation (n) sự trôi nổi

Fulfill (v) đổ đầy, thi hành, thực hiện

residual value: giá trị còn lại

diversify (a) đa dạng hóa

market-makers : người kinh doanh chứng khoán, người nắm thị trường

possess (v) có, chiếm hữu, sở hữu

stockbroker (n) người mua bán cổ phần chứng khoán

Arithmetical (n) số học, cộng

Carried out (v) thực hiện, tiến hành

Pithy (a) súc tích, ngắn gọn

Prospective (a) triển vọng

Intangible (a) vô hình

Gearing: tỉ số vốn vay

Lease (n) hợp đồng cho thuê

Lease (v) cho thuê, thuê

Auditor (n) chuyên viên kiểm toán, kiểm toán viên

Audit (n) kiểm toán

Internally (adv) bên trong, nội tại

Externally (adv) bên ngoài

Conform (v) thích ứng, tuân thủ

Inadequacy (n) không đủ, thiếu

Subsidiary (n) công ty con, công ty chi nhánh

Execute (v) thực hiện, thực thi

Equivalent (n) giá trị tương đương, giá qui đổi

Deviation (n) độ lệch, độ nghiêng

Transnational (n) xuyên quốc gia

Allocate (v) phân bổ, trợ cấp, phân phối (vốn)

Appropriate (a) thích hợp, thích đáng

Comply (v) tuân theo

Optimize (v) tối ưu hóa

Baseline: ranh giới

Workout (v) trục trặc

Workout (a) tiến triển

Stakeholder: người có cổ phần, liên đới

Milestone: hoàn thành 1 phần nhỏ của dự án, cột cây số

Renegotiate (v) thương lượng lại

Barter (v) đổi chác, đổ hàng, chuyển đổi,

Counter (n) quầy hàng, quầy thu ngân

Quota (n) chỉ tiêu, cô ta, định mức,

Tariff (n) bảng giá, thuế quan

Tariff (v) đánh thuế

Expenditure (n) chi phí, chi tiêu

Restriction (n) sự hạn chế

Sole Proprietorship: doanh nghiệp cá thể

Corporation (n) công ty

Partnership (n) hợp tác, hùn vốn

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