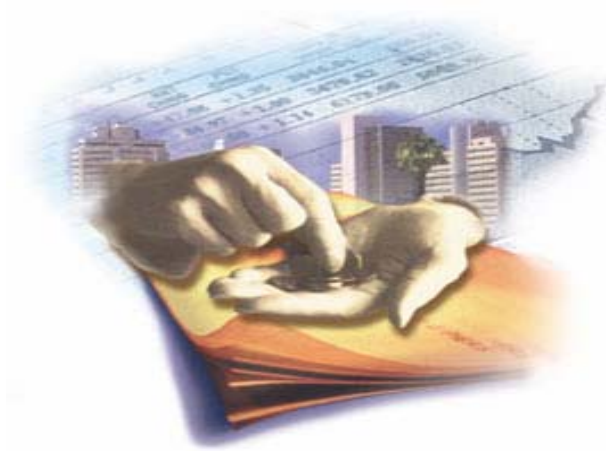


**Saint Petersburg State University  
of Information Technologies,  
Mechanics and Optics**



# **English for Economists**

(Part-Time Education)



**Saint-Petersburg  
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## **English for Economists** (Part-Time Education)

Учебное пособие по английскому языку  
для студентов гуманитарного факультета  
вечерней и заочной формы обучения



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Данное учебное пособие предназначено для студентов-экономистов ВИЗО и может быть использовано как на аудиторных занятиях, так и для самостоятельной работы студентов.

В данном пособии представлены оригинальные тексты по специальности, знакомящие студентов с основными экономическими законами, правилами международной торговли, квотами, тарифами, субсидиями и т.д.

В пособии использована и объяснена наиболее частотная терминологическая лексика. Грамматические задания, представленные в каждом уроке, коррелируются с текстовым материалом, включающим в себя частотные структуры с неличными формами глаголов, условными предложениями, сослагательным наклонением.

К учебному пособию прилагается методические указания по деловому письму, алфавитный словарь социально-бытовой и терминологической лексики.

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## Unit I

### WORD-STUDY

**Exercise 1. Check the transcription in a dictionary, read and translate the words listed below.**

*Nouns*

coffee, chocolate, recorder, investment, border, activity, finance.

*Verbs*

participate, contribute, expand, transfer, earn.

*Adjectives*

global, foreign, international, local, racial.

**Exercise 2. Make nouns from the following verbs according to the model and translate them.**

*Model: a) to import – import(er);*

to record, to travel, to trade, to finance, to consume.

*Model: b) to endow – endow(ment);*

to retire, to agree, to govern, to employ, to pay, to invest.

### UNDERSTANDING A PRINTED TEXT

#### WHAT IS THE WORLD ECONOMY?

In many ways, we are all part of the world economy. When we drink our imported coffee or hot chocolate in the morning, when we use a foreign-made videocassette recorder, or when we travel abroad on holiday, we are participating in the growing world of international trade and finance.

And it is not only as a consumer of foreign goods and services that we are part of the world economy. The money that our pension funds or university endowments earn from global investments may actually be paying for our retirement or a new building on campus. Foreign investment in local real estate and companies can also provide needed jobs for our friends and families. Even the local athlete who has signed a contract to play abroad is part of the expanding global economy.

The world economy is made up of all those interactions among people, businesses, and governments that cross international borders, even the illegal ones. We use the world economy to achieve specific political or ecological objectives when we employ economic sanctions to fight racial segregation or the illegal killing of whales.

Basically, whatever crosses an international border—whether goods, services, or transfers of funds—is part of the world economy. Food imports, automobile exports, investments abroad, even the trade in services such as movies or tourism contribute to each country's international economic activity.

## COMPREHENSION CHECK

**Exercise 1. Choose the correct answer according to the information in the text.**

1. What is the global economy made up of?
  - a) The world economy is made up of goods and services.
  - b) The world economy is made up of all interactions between people, businesses and governments that cross international borders.
  - c) The world economy is made up of domestic and international trade.
2. What is the part of the world economy?
  - a) Everything that crosses international borders.
  - b) All goods and services at men's disposal.
  - c) Each country's economic activity.
3. What can provide needed jobs for our friends and families?
  - a) Our own money.
  - b) Loans from local banks.
  - c) Foreign investment in local real estate and companies.

**Exercise 2. Find the right translation of the following economic terms.**

1. Trade
  - a) торговля
  - b) торг
  - c) торговый оборот
2. Investment
  - a) достаток
  - b) дар
  - c) капиталовложение
3. Goods
  - a) товары
  - b) услуги
  - c) чеки

## INCREASE YOUR VOCABULARY

**Exercise 1. Match Russian and English equivalents.**

1	2
1. goods	а. капиталовложение
2. to participate	б. цель
3. investment	с. заменять
4. retirement	д. услуги
5. real estate	е. недвижимость
6. interaction	ф. пожертвование,

	дар
7. contribute	g. участвовать
8. consumer	h. расширение
9. objective	i. товары
10. services	j. местный
	к. потребитель
	l. взаимодействие
	м. вкладывать
	н. местность
	о. выход на пенсию

## LANGUAGE ACTIVITY

**Exercise 1. Look at these examples and add more of your own using the root words with one of the prefixes in this list.**

co co-chairman, co-worker ...  
mid midnight, midair, midweek ...  
over overdone, overpaid, overcome ...  
re rebuild, reappear, redone ...  
un undo, until, uncover ...

**Exercise 2. Fill the gaps in this story, using a, an, some, a lot of, lots of or the – or a “zero article” (0). The first one is done for you as an example:**

Last week I went to ...an... exhibition of ...0... paintings at ...the... Tate Gallery in London. I'm not really ..... great art lover but I'd read ..... good reviews of ..... exhibition and I was keen to see it. When I arrived, there were already ..... people waiting outside for ..... doors to open. I joined ..... queue and in ..... end ..... doors opened and we went inside to see ..... show.

Now, I must be honest and admit that many of ..... paintings disappointed me. Although I spent ..... time looking carefully at ..... each one, I had ..... difficulty in understanding what ..... artist was getting at. Finally, as I was looking at one of ..... paintings and trying to decide if it was ..... right way up or not, ..... old gentleman came up behind me and started to explain ..... whole thing to me. He kindly answered all of ..... my questions and we talked for over ..... hour. Then he said he had ..... appointment and had to go, so we shook hands and said goodbye. I went round ..... gallery once more and now I found that all ..... paintings seemed really beautiful.

It was only as I was leaving ..... gallery that I found out who ..... old man was his self-portrait was on ..... posters advertising ..... exhibition!

**Exercise 3. Supply the correct articles where necessary.**

1. Passengers for ... flight 452 to London, please collect your hand luggage and go to ... gate four.
2. Can I check in for ... flight to London here?

3. It's ... non-stop flight.
4. The price for ... goods was 500 £.
5. Now English people don't go to ... cinema and to ... theatre as often as some years ago. They usually stay at home and watch television and VCR.
6. There will be ... new cinema in our district next month.

**Exercise 4. Divide the following words into two groups:**

**a) nouns used only in singular;**

**b) nouns used only in plural.**

*Example: money – singular;*

Knowledge, contents, opera-glasses, wages, news, clothes, trousers, scissors, spectacles, mathematics.

**Exercise 5. In place of the adjectives in brackets put the correct form adding “more” or “most” where necessary.**

1. What (nice) present is there than a box of chocolates!
2. This is the (wonderful) and (beautiful) picture that has ever come out to the Hollywood.
3. Summer is (warm) of the four seasons.
4. Manchester is (small) than London.
5. Winter in London is (foggy) than in Paris.
6. Your test is much (bad) than I thought.



## Unit II

### WORD-STUDY

**Exercise 1. Check the transcription in a dictionary, read and translate the words listed below.**

#### *Nouns*

wealth, salary, currency, value, view, grocery, item, insurance, amount.

#### *Verbs*

determine, define, rely, own, calculate, convert.

#### *Adjectives*

comparable, difficult, valuable, reliable, common.

#### *Adverbs*

although, actually, usually, widely, necessarily.

**Exercise 2. Match the equivalents of the given collocations:**

a) per capita, to be well off, per household, common unit of measure, currency exchange rate, purchasing power parity, in the long run.

b) в конце концов, на душу населения, быть обеспеченным, общепринятая единица измерения, курс валютного обмена, на одно домовладение, равенство покупательской способности.

**Exercise 3. Translate collocations used with the word “question”. Use then in sentences of your own.**

Without question, in question, a question of, out of the question, open to question, just a question of.

### UNDERSTANDING A PRINTED TEXT

#### HOW IS WEALTH DETERMINED AROUND THE WORLD?

A nation's wealth can best be determined by looking at its people. But it is difficult to rely on any one statistic. Are the Kuwaitis better off because they earn more money per capita than the Brazilians? Are the French better off if they have more telephones per household than the Canadians?

There are many different ways to determine wealth. Economists define wealth as what a person owns, such as stocks and real estate, but many people look first to their level of income to see if they are well off. Comparing salaries in different countries, however, is like comparing apples and oranges, because the salaries in each country are paid in different currencies. We need to somehow translate what each person earns into a common unit of measure.

One way of translating salaries is to first compare the value of the currencies of the countries in question. This is usually done by using exchange rates that tell us the value of one currency calculated in terms of another.

Exchange rates, determined by the foreign exchange markets around the world,

reflect the markets' view of each country's economic and political situation. By using exchange rates, a salary in yen in Tokyo can be converted into U.S. dollars to make it comparable to a salary in Los Angeles. Or it can be converted into French francs to make it comparable to a salary in Paris.

Because the cost of living varies widely from one country to another, however, it is difficult to translate salaries by simply using currency exchange rates. If a Big Mac or an apartment costs three times as much in Tokyo as in Los Angeles or Paris, a higher salary in Japan does not necessarily mean a Japanese worker is better off than an American or French worker.

It is sometimes more valuable to look at what salaries will actually buy in each country. A salary's "purchasing power" tells us how many goods and services it can actually buy. Comparing the cost of a group of goods and services from country to country, therefore, gives us a more reliable exchange rate, called purchasing power parity (PPP). The PPP exchange rate is calculated by looking at the cost of groceries and other items such as vacation trips, automobiles, insurance, and rent in different countries.

By choosing this basket of goods and services and calculating their cost in different countries around the world, we can compare the purchasing power or "real" value of salaries from country to country. Although one country may be richer in terms of the amount of money each citizen owns or earns, what counts in the long run is what each person can do with this wealth.

## COMPREHENSION CHECK

### Exercise 1. *Answer the following questions.*

1. How do economists define wealth?
2. What does salary's purchasing power tell us?
3. How is purchasing power parity (PPP) calculated?
4. What do exchange rates reflect?
5. Why is it difficult to rely on any one statistic in determining a nation's wealth?

### Exercise 2. *Which explanation of an economic term (or collocation) is correct?*

1. a) We are all part of the *world economy*.  
b) Only educated people can be part of *world economy*.  
c) Only the developed countries can be part of *world economy*.
2. a) *Per capita* means for one individual.  
b) *Per capita* means for one company.  
c) *Per capita* means for one country.
3. a) A salary's purchasing power tells us how many expensive goods it can actually buy.  
b) A salary's purchasing power tells us how many goods and services it can actually buy.  
c) A salary's purchasing power tells us how many real estates it can actually buy.

## INCREASE YOUR VOCABULARY

### Exercise 1. Match the synonyms.

1	2
1. to determine	a. to depend on
2. to calculate	b. to use
3. to rely on	c. to make
4. to own	d. to get
5. to do	e. to define
6. to transfer	f. to count
	g. to select
	h. to have
	i. to convert
	j. to develop

## LANGUAGE ACTIVITY

### Exercise 1. Fill the gaps in these sentences, using a suffix with the correct form of the root word on the right.

Example: It was very *careless* of you to break that coffee cup.

- |   |                  |
|---|------------------|
| 1. She's quite ...; she plays the violin and the piano. | <i>care</i>      |
| 2. We started our trip on a beautiful ... morning.      | <i>music</i>     |
| 3. I enjoyed the book very much because it was so ....  | <i>sun</i>       |
| 4. His ... knowledge is still very poor.                | <i>read</i>      |
| 5. I'll always remember that journey – it was an un ... | <i>geography</i> |
| experience.   | <i>forget</i>    |

### Exercise 2. Insert the article "the" where necessary.

Example: ... language of Spaniards is Spanish.

*The language of Spaniards is Spanish.*

- ... Atlantic Ocean lies between ... Europe and ... United States.
- ... capital of ... France is ... Paris.
- In Northern countries ... summer is the hottest season.
- He goes walking in ... Pyrenees in ... spring.
- Yesterday ... breakfast we had was excellent. We had ... bacon and ... eggs and ... coffee and many other tasty things.
- He talks a lot about ... love because he is lonely.
- ... Apennines are in ... Italy.

### Exercise 3. Divide the following words into two groups:

a) nouns the plural form of which does not differ from the singular.

b) nouns the plural form of which differs from the singular.

Example: a-1;

1. deer      5. finger      9. fruit

- |          |         |             |
|----------|---------|-------------|
| 2. enemy | 6. fish | 10. pie     |
| 3. sheep | 7. fox  | 11. land    |
| 4. face  | 8. ship | 12. country |

**Exercise 4. *Insert the correct prepositions:***

1. Henry's come home to England ... business.
2. We've been working ... this investigation for years.
3. I must meet him, I've heard so much ... him.
4. It will be difficult to get ... that crowd.

**Exercise 5. *Choose the correct form of the pronouns.***

1. She speaks so fast that I couldn't follow...(her, hers, herself).
2. For want of money (I, me, my) couldn't go abroad.
3. Students write (their, they, them) term-papers twice a year.
4. She works at (her, hers, herself) graduation paper every day.
5. (We, ours, our) have passed (our, us, ours) exams. Let (we, ourselves, us) go to the cinema.
6. To study at (your, you, yours) faculty is more difficult than at (our, we, ours).

**Exercise 6. *Insert the appropriate forms of the reflexive or emphasizing pronouns.***

1. Will you be able to carry out this experiment...?
2. We don't know it ... because the experiment will take a lot of time.
3. I was looking for the book ... but couldn't find it anywhere.
4. She couldn't rely on ... .
5. The results of the experiment seemed strange to the experimenter ....

## Unit III

### WORD-STUDY

**Exercise 1. Check the transcription in a dictionary, read and translate the words listed below.**

#### *Nouns*

macroeconomics, microeconomics, behaviour, consumer, revenue, spending, fuel, goal, survey, vehicle.

#### *Verbs*

supply, influence, promote, keep, regulate.

#### *Adjectives*

individual, overheated, major, governmental, fiscal.

**Exercise 2. Make a) adverbs from the following adjectives according to the model:**

*Model: adjective + ly (special- specially);*

actual, usual, wide, necessary, essential, careful, quick, great, basical, common.

**b) nouns from the following adjectives according to the model:**

*Model: adjective + ness (complete-completeness);*

careful, happy, ready, eager, great, useful.

### UNDERSTANDING A PRINTED TEXT

#### WHAT IS MACROECONOMICS?

Macroeconomics provides us with a bird's-eye view of a country's economic landscape. Instead of looking at the behavior of individual businesses and consumers—called microeconomics—the goal of macroeconomics is to look at overall economic trends such as employment levels, economic growth, balance of payments, and inflation. The study of the world economy, for example, is essentially a macroeconomic survey.

Just as the speed of an engine is regulated by its supply of fuel, macroeconomics is influenced mainly by monetary policy, which controls a nation's money supply, and fiscal policy, which controls a government's revenue and spending. Control over an economy is essentially in the hands of each country's central banks and government, because they control the money that provides the fuel to keep the economy running.

Monetary policy, the control of a nation's money supply, is managed by each country's central bank. Germany's Bundesbank, Britain's Bank of England, and the Bank of Japan all regulate their money supplies with basically the same goals as the U.S. Federal Reserve: to promote economic growth and keep inflation under control.

Just as a driver uses the accelerator to speed up or slow down a vehicle, central banks control the economy by increasing or decreasing the money supply. By carefully regulating the supply of money to fuel economic growth, a central bank works to keep the economy from overheating or slowing down too quickly.

Monetary policy is essentially a guessing game. There is not one statistic to tell us how fast an economy is growing, and there is nothing that tells us how quickly the economy will respond to changes that may take months or years to implement. Central banks try to keep one eye on inflation, resulting from an overheated economy, and one eye on unemployment, resulting from economic slowdowns.

The economy at large can also be controlled by regulating fiscal policy, government revenue and spending. Although a country's money supply is controlled by central banks, government spending also greatly influences a country's economic growth. Just as a family's economic health is influenced by a parent's earnings and spending habits, a nation's economic health is influenced by governmental fiscal policies, such as taxation, spending, and government borrowing.

For better or for worse, the major economic influences in our daily lives, such as inflation and unemployment, are primarily the result of macroeconomic decisions.

## COMPEHENSION CHECK

**Exercise 1. Complete the sentence giving the explanation to the following economic terms.**

- 1) Macroeconomics is ...
- 2) Microeconomics is ...
- 3) Fiscal policy is ...
- 4) Monetary policy is ...

**Exercise 2. True or false?**

1. Macroeconomics controls individual spendings.
2. Control over an economy is in the hands of country's central bank and government.
3. The goals of the central bank are to promote economic growth and keep inflation under control.
4. Central banks control the economy only by increasing the money supply.
5. Monetary policy is a thing you can always rely on.

## INCREASE YOUR VOCABULARY

**Exercise 1. Match the antonyms.**

1	2
1. revenue	a. producer
2. consumer	b. poverty
3. activity	c. indifference
4. growth	d. measure
5. change	e. stability
6. wealth	f. value
	g. spending
	h. slowdown

## LANGUAGE ACTIVITY

### Exercise 1. *Point out the part of speech according to the suffix.*

*Example: national – adj, suf. “al”*

Childish, movement, reliable, originate, quickly, professionally, thoughtless, useful, nearly, lecture acceptable, wooly.

### Exercise 2. *Translate into Russian the following groups of words of the same stem.*

*Example: Simple, simply, simplicity, simplification;*

to prove, proof, fireproof, airproof, waterproof;

to apply, application, applicable, applicability;

to originate, origin, original, originally;

to encourage, courage, courageous, encouragement.

### Exercise 3. *Supply the correct article where necessary.*

1. The Seller offered us ... 3% discount, but ... discount did not suit us.

2. We usually give ... discount to the Buyers if we have known them for a long time.

3. There is ... heavy demand for the compressors of the new model as they are of very high quality.

4. The Seller didn't agree to give us ... discount as their goods were in ... great demand at that price.

5. ... demand for the latest model of sport cars is very big in this country.

### Exercise 4. *Write the comparative and superlative degrees of the following:*

1. beautiful

5. bright

9. unkind

2. correct

6. comfortable

10. long

3. wise

7. heavy

11. big

4. difficult

8. helpless

12. careful

### Exercise 5. *Finish the sentences given below.*

1. The harder you work, ...

2. The more we have, ...

3. The less you know about a problem, ...

4. The longer we live, ...

### Exercise 6. *Fill the gap in these sentences with a suitable preposition.*

1. How are we going to deal ... this problem?

2. You can never rely ... him to provide you ... information.

3. At the end of the party we thanked our host ... inviting us.

4. I object ... his unpunctuality.

5. ... behalf of the students and staff, I'd like to welcome you ... that ceremony.

### Exercise 7. *Insert since, for, ago as appropriate.*

1. He was born many years ....

2. Mary has been in Germany ... four years.
3. ... you arrived everything has changed.
4. I'll be staying with you ... the Christmas holidays.
5. She hasn't seen him ... last month.



## Unit IV

### WORD-STUDY

**Exercise 1.** *Check the transcription in a dictionary, read and translate the words listed below.*

*Nouns*

flow, opportunity, barrier, law, period.

*Verbs*

consume, involve, exist, erect, damage, retaliate.

*Adjectives*

domestic, interlinked, diverse, artificial.

**Exercise 2.** *Give the translation and remember the following verbs used with prepositions in post-position.*

Pay for, flow in, flow out, substitute for, drink out, make up, rely on, convert into, look at, look after, speed up, keep from, refer to, add up.

### UNDERSTANDING A PRINTED TEXT

#### WHAT IS INTERNATIONAL TRADE?

The basic idea of international trade and investment is simple: each country produces goods or services that can be either consumed at home or exported to other countries.

The main difference between domestic trade and international trade is the use of foreign currencies to pay for the goods and services crossing international borders. Although global trade is often added up in U.S. dollars, the trading itself involves a myriad of currencies. A Japanese videocassette recorder is paid for in French francs in Paris, and French designer sunglasses are paid for in U.S. dollars in Seattle. Brazilian coffee, American films, and German cars are sold around the world in currencies as diverse as Danish kroner and Malaysian ringgits.

Whenever a country imports or exports goods and services, there is a resulting flow of funds: money returns to the exporting nation, and money flows out of the importing nation. Trade and investment is a two-way street, and with a minimum of trade barriers, international trade and investment usually makes everyone better off.

In an interlinked global economy, consumers are given the opportunity to buy the best products at the best prices. By opening up markets, a government allows its citizens to produce and export those things they are best at and to import the rest, choosing from whatever the world has to offer.

Some trade barriers will always exist as long as any two countries have different sets of laws. However, when a country decides to protect its economy by erecting artificial trade barriers, the result is often damaging to everyone, including those people the barriers were meant to protect.

The Great Depression of the 1930s, for example, spread around the world when

the United States decided to erect trade barriers to protect local producers. As other countries retaliated, trade plummeted, jobs were lost, and the world entered into a long period of economic decline.

## COMPREHENSION CHECK

### Exercise 1. *Choose the correct word according to the information in the text.*

1. The main ... between domestic trade and international trade is the use of foreign currencies to pay for the goods and services crossing international borders.

- a) idea
- b) difference
- c) goal

2. In the ... global economy, consumers are given the opportunity to buy the best products at the best prices.

- a) domestic
- b) interlinked
- c) foreign

3. Some ... barriers will always exist as long as two countries have different sets of laws.

- a) trade
- b) import
- c) export

4. By ... markets, a government allows its citizens to produce and export things they are best at.

- a) closing up
- b) expending
- c) opening up

### Exercise 2. *Join suitable parts of the sentences.*

1. Although global trade is often added up in dollars ...

a. there is a resulting flow of funds.

2. Whenever a country imports or exports goods and services, ...

b. the result is often damaging to everyone.

3. When a country decides to protect its period own economy by erecting artificial trade barriers, ...

c. and the world entered into a long of economic decline.

4. Trade and investment ...

d. the trading itself involves a myriad of currencies.  
e. is a two-way street.

## INCREASE YOUR VOCABULARY

**Exercise 1. Read and translate the collocations and expressions given below.**

1. foreign made videocassette recorder
2. international trade and finance
3. global investment
4. countries in question
5. exchange rate
6. overall economic trends
7. fiscal policy
8. nations money supply
9. a guessing game
10. earnings and spending habits

## LANGUAGE ACTIVITY

**Exercise 1. Complete the sentences. Use the comparative of the words in brackets + *than*.**

*Example: Her problem was more serious than we at first thought. (serious)*

1. Sorry I'm late. It took me ... to get here .... I can expect. (long)
2. She looks about 20, but in fact she's much ... she looks. (old)
3. Your English has improved. You speak ..... before. (fluently)
4. Health and happiness are ... money. (important)
5. This exhibition is ... the one we visited yesterday. (interesting)
6. It's ... today ... it was yesterday. (warm)

**Exercise 2. Write in the correct verb: say, tell, speak or talk. Where more than one is possible, indicate by putting alternatives in brackets:**

1. If you go to bed now I'll ... you a story.
2. He didn't even ... he was sorry.
3. She was so worried she couldn't even ....
4. Who ... you I was going to London?
5. I wanted to ... to him but he didn't ... English.
6. Please don't ... so much! We're all feeling tired.
7. You can never ... what he will do.

**Exercise 3. Insert some of, any of, or somewhat as required:**

1. Choose the ones you like! You can take ... these books away with you.
2. I don't think his English is getting ... better.
3. ... the carriages were damaged in the crash.
4. Would you like ... my cigarettes?
5. Don't you think this is ... difficult?
6. No, he didn't lose ... his assets.

**Exercise 4. Supply the articles where necessary.**

If it is warm and sunny English people say: "We are having ... wonderful weather".

If it is cold and wet they say: "... weather is terrible, isn't it?" As ... weather changes very often, it is quite important in ... lives of the British people.

**Exercise 5. In the texts you have come across such adverbs as "considerably", "frequently", "continuously" etc. Let's recollect what an adverb is.**

**These are words which inform us about:**

- 1) how something is done (quickly, slowly, carefully, on foot, by bus, etc.). These are adverbs and adverbial phrases of manner;
- 2) where something is done (there, at home, in England, on Web, at work, etc.). These are adverbs and adverbial phrases of place;
- 3) when something is done (yesterday, today, next week, at 5 o'clock, etc.). These are adverbs and adverbial phrases of time.

**Now, you should remember the order of these words in a sentence: it is "manner-place-time".**

*Example:* Our students made this experiment successfully last week.

*However this order changes as soon as we meet "movement verbs". Then the order is: "place-manner-time".*

*Example:* We went to the computing laboratory quickly after classes.

Try this exercise:

1. I worked (at the office, hard, today).
2. I'm travelling (every summer, by bicycle, to my native village).
3. He studied (last year, a lot, at university).
4. I drive (every morning, to work).
5. The friend walked (through the park, home, this afternoon).
6. The orchestra performed (at the concert, magnificently, last night).
7. She translated the text (quickly, yesterday, at the lesson).
8. The engineers return (by plane, to France, every weekend).

## Unit V

### WORD-STUDY

**Exercise 1.** *Check the transcription in a dictionary, read and translate the words listed below.*

*Nouns*

inflow, outflow, account, loan, tally, motorcycle, deficit.

*Verbs*

refer, move, merchandize, include.

*Adjectives*

visible, tangible, obvious, excessive, current.

**Exercise 2. a)** *Fix your attention on negative prefixes. Translate the words.*

employment – unemployment

profitable – unprofitable

include – exclude

import – export

inflow – outflow

increase – decrease

visible – invisible

legal – illegal

regular – irregular

rational – irrational

understand – misunderstand

place – misplace

**b)** *Make nouns from the following verbs according to the model and translate them.*

*Model: Verb + ment + (advertise-advertisement);*

Pay, invest, develop, move, govern, improve.

### UNDERSTANDING A PRINTED TEXT

#### WHAT ARE TRADE SURPLUSES AND DEFICITS?

Just like any business, a country has to keep track of its inflow and outflow of goods, services, and payments. At the end of any given period, each country has to look at its "bottom line" and add up its international trade and investments in one way or another.

The narrowest measure of a country's trade, the merchandise trade balance, looks only at "visible" goods such as videocassette recorders, wine, and motorcycles. Trade in visible goods is commonly referred to as the trade balance even though it includes only those tangible goods that can actually be loaded on a ship, airplane, or whatever other means of transport to move goods from one country to another.

The current account is a better measure of trade, because it includes a country's

exports and imports of services, in addition to its visible trade. It may not be obvious, but many countries make a lot of money exporting "invisibles" such as banking, accounting, and tourism. A tourist abroad, for example, "buys" hotel and restaurant services in the same way as a consumer at home would buy an imported appliance. Movies and banking services have to be paid for just like bags of rice.

The current account tells us which countries have been profitable traders, running a current account surplus with money in the bank at the end of the year, and which countries have been unprofitable traders, having imported more than they've exported, running a current account deficit, or spending more than they've earned.

Trade deficits and surpluses are balanced by payments that make up the difference. A country with a current account surplus, for example, can use the extra money to invest abroad, or it can put it in its cookie jar of foreign currency reserves. A country running a current account deficit has to look abroad for loans or investments, or be forced to dip into its own reserves to pay for its excessive imports. All of these payments and transfers of funds are added up in a country's capital account.

The widest measure of a country's trade is called its balance of payments. It includes not only payments abroad, but the goods, services, and all transfers of funds that cross international borders. The balance of payments adds up everything in a country's current account and capital account. Since all the trade in goods and services is "balanced" by the international transfers of funds, the balance of payments should add up to zero at the end of the accounting period. Every banana, every automobile, every investment and payment that crosses a country's borders gets included in this final tally of international trade and investment—the balance of payments.

## COMPREHENSION CHECK

**Exercise 1. Complete the sentences according the information in the text.**

1. A country has to keep track of its ...
  - a) inflow and outflow of goods, services, etc.
  - b) services.
  - c) bank accounts.
  
2. The current account is ...
  - a) a balance of visible and invisible goods.
  - b) a better measure of trade.
  - c) a "bottom line" of a given period.
  
3. The current account tells us which countries ...
  - a) buy hotels and restaurant services.
  - b) have been profitable traders.
  - c) use transport to move goods from one country to another.
  
4. Trade deficits and surpluses are balanced by ...

- a) loans.
- b) credit cards.
- c) payments that make up the difference.

**Exercise 2. Translate and remember the meaning of the terms that you have found in first five chapters.**

**Buyer** is someone who buys something necessary or not.

**Client** is someone who uses the services of a professional person or organization.

**Customer** is a person who buys goods or services.

**Goods** are articles produced to be sold.

**Shop** is a place for the sale of goods and services inside.

**Surplus** is a quantity or amount left over in excess of what is required.

**Trade** is the process of buying and selling of goods and services.

**Trademark** is the name or another symbol used by a manufacturer to distinguish his or her products from those of competitors.

**Exercise 3. Choose the correct term according to definition.**

1. It may be either a partnership, association or joint stock.

- a) company
- b) tax
- c) clue

2. The condition of a person who although capable of working, is yet unable to find suitable employment.

- a) joy
- b) happiness
- c) unemployment

3. Money which is earned by working.

- a) credit
- b) price
- c) earnings

4. An institution offering services, such as safekeeping and lending money at interest.

- a) institute
- b) bank
- c) factory

5. The market consisting of the country where a company is based and no other countries.

- a) domestic market
- b) international market
- c) labour market

## INCREASE YOUR VOCABULARY

**Exercise 1. Point out English equivalent to the Russian economic term or collocation.**

- |                      |                                 |
|----------------------|---------------------------------|
| 1. inflow of money   | a. торговец, получивший прибыль |
| 2. tally of goods    | b. спад производства            |
| 3. loan              | c. банковский счет              |
| 4. currency reserve  | d. искусственный барьер         |
| 5. payment           | e. материальные товары          |
| 6. bank account      | f. группа товаров               |
| 7. surplus           | g. сверхприбыль                 |
| 8. profitable trader | h. приток денег                 |
|                      | i. платеж                       |
|                      | j. заем                         |
|                      | k. валютный резерв              |

## LANGUAGE ACTIVITY

**Exercise 1. Read and write the following figures in full.**

*Example: 333 – three hundred and thirty-three;*

- a) 35; 700; 268; 40931; 1175;
- b) 1954; 1961; с 1954 по 1960; 1812; 2005;
- c)  $1/4$ ;  $3/7$ ; 2,58; 0,005;  $3^7$ ;  $5^{-10}$ ;
- d) 90%; 1 см; 140 км/ч; 25°C.

**Exercise 2. Insert either or neither in the following sentences:**

- 1. There were a lot of trees on ... side of the road.
- 2. He wasn't elected ....
- 3. ... speech was very good.
- 4. The officer didn't like politicians ... did the businessman.
- 5. ... the miner nor the engineer had a chance of winning.
- 6. ... of these parties is very good.
- 7. He didn't make his speech ... did his friend.

**Exercise 3. From the sentences given below form interrogative sentences; for doing that:**

*a) put general question to each sentence;*

*b) put special questions to underlined words.*

- 1. There are many different ways to determine wealth.
- 2. The study of the world economy is essentially a macroeconomic survey.
- 3. Monitory policy is managed by each country's central bank.
- 4. The basic idea of international trade is simple.
- 5. In the interlinked global economy, consumers are given opportunity to buy the best products at the best prices.
- 6. Trade deficits and surpluses are balanced by payments that make up the difference.



**Exercise 4. Choose and use (*many, much*).**

1. There is ... furniture in my sitting-room but there are not ... things in my bedroom.
2. We sell ... equipment to different countries of the world. ... foreign companies are interested in buying our machines.
3. We have received ... information on the Model AB pump from the Sellers lately.
4. There are always ... dishes on the menu at the Metropol restaurant.

**Exercise 5. Confirm the expression using *Tag- questions*.**

1. It isn't foggy now, ...?
2. He plays very well, ...?
3. Yesterday he forgot to send a Christmas present, ...?
4. They don't come here every day, ...?
5. There are too many visitors to the exhibition today, ...?
6. You were not ready to continue this work, ...?

## Unit VI

### WORD-STUDY

**Exercise 1. Check the translation in a dictionary, read and translate the words listed below.**

*Geographical names*

Canada, Australia, Bohemia, Egypt, Lebanon, Turkey, Denmark, Norway, Sweden, Switzerland, Belgium, Kuwait, Indonesia.

*Nouns*

currency, pound, weight, pawn, sterling, crown.

*Verbs*

refer, pledge, derive, bore, consider.

*Adjectives*

major, precious, certain, royal, ancient.

**Exercise 2. Make nouns from the following verbs according to the models and translate them.**

*Model: verb + -ing (to meet – meeting);*

mean, determine, derive, change, spend, borrow, train, begin, build.

*Model: verb + -tion (to determine – determination);*

describe, indicate, produce, substitute.

### UNDERSTANDING A PRINTED TEXT

#### WHAT ARE THE WORLD'S MAJOR CURRENCIES?

The currencies of the world's major economies have names and backgrounds that are as diverse as the countries themselves. The *dollar*, used in many countries including the United States, Canada, and Australia, gets its name from a silver coin minted during the Middle Ages in a small valley, or "Thal," in Bohemia called Joachimsthal. Just as a sausage from Frankfurt came to be called a frankfurter, the coins from Joachimsthal were called "Joachimsthaler" or simply "Thaler," and came to be called "dollar" in English.

The *pound*, used in Britain, Egypt, and Lebanon among others, refers to the weight used in determining the value of coins, based on precious metals such as gold or sterling. The *penny* has the same origin as the word *pawn*, found in terms such as *pawn shop*, and originally meant "to pledge." A penny, like any currency, is a "pledge" of value.

In Italy the currency was called *lira*. The word was based on the Latin *libra*, meaning "pound," and once again refers to the weight of the original coins. The currency *lira* is still used in Turkey and has the same origin and meaning.

In Spanish, the word meaning "weight," *peso*, was used to describe the coins that were based on a certain weight of gold or silver. Originally, there were gold coins called *peso de oro* and silver ones called *peso de plata*. In Spain, the currency was

called *peseta*, meaning "small peso." The word *peso* is used to describe the currency in many Spanish-speaking countries in Latin America.

In Denmark, Norway, and Sweden, the word for crown—*krone* in Denmark and Norway, *krona* in Sweden—is used to describe the currency that was originally minted by the king and queen, with royal crowns stamped on the earlier coins. Today, the crown has been replaced by other symbols, but the name remains.

The *franc*, was used in France, Switzerland, Belgium, and other countries and territories. It was based on the early coins used in France that bore the Latin inscription *franconium rex*, meaning "king of the Franks." The coin, as well as the country, took its name from one of the original tribes that settled in the area, the Franks.

The German *mark* and Finnish *markka* derived their names from the small marks that were cut into coins to indicate their precious metal content. The German mark, *deutsche mark* in German, was often called by its shortened name, D-mark.

The *riyal*, in Saudi Arabia and Qatar, and the *rial* in Iran, are based on the Spanish word *real*—which, in turn, was derived from the Latin *regal(is)*—referring to earlier "royal" coins. The *dinar*, used in Iraq and Kuwait among others, derives its name from "denarius," a Roman coin that was worth "ten bronze asses," an item of considerable value in days of old. In India, Pakistan, and other countries of the subcontinent, the currency is called *rupee* (in Indonesia, *rupiah*), based on the Sanskrit word *rupya*, meaning "coined silver."

The ancient Chinese word *yiam* meant "round," or "small round thing." The name of the Japanese currency, the *yen*, and the name of the Chinese currency, the *yuan*, both derived from the old Chinese word, refer to the round shape of the original coins.

## COMPREHENSION CHECK

### Exercise 1. a) Which of the statements is not true?

1. The currencies of the world's economies have names and backgrounds.
2. The name of the Japanese currency is the "yen".
3. The penny has the same origin as the word "pawn", and originally meant "to pledge".
4. In Turkey the currency is called "peso".
5. In Spain the currency was called *peseta*, meaning "small peso".

### b) Which of the following is true?

1. The currency "franc" wasn't used in Switzerland.
2. In Italy the currency was called "lira" based on the Latin "libra" meaning "pound".
3. The former German "mark" and the Finnish "markka" derive their names from different words.
4. The "riyal" in Saudi Arabia and Qatar and the "rial" in Iran are based on German words.

**Exercise 2. Complete the sentences with the words from the text.**

- |   |                           |
|---|---------------------------|
| 1. The names of the world's major currencies have diverse ...   | a. weight                 |
| 2. Some names refer to the ... used in determining the value of coins.  | b. precious               |
| 3. The names of such currencies as <i>krone</i> and <i>krona</i> describe the currencies, originally ... by the king and the queen. | c. background<br>d. crown |
| 4. Today, the ... has been replaced by other symbols, but the name remains.   | e. minted                 |
| 5. Some currencies contain such ... metals as gold and silver.  |                           |

**INCREASE YOUR VOCABULARY**

**Exercise 1. Match Russian and English equivalents.**

- |                 |                          |
|-----------------|--------------------------|
| 1. to mint      | a. относиться (к...)     |
| 2. to refer     | b. определять            |
| 3. to replace   | c. исходить, происходить |
| 4. to determine | d. чеканить              |
| 5. to indicate  | e. сдавать в залог       |
| 6. to pledge    | f. указывать             |
| 7. to derive    | g. надписывать           |
|                 | h. разнообразить         |
|                 | i. замещать              |
|                 | j. рассматривать         |

**LANGUAGE ACTIVITY**

**Exercise 1. Insert articles where necessary.**

1. ... currencens of the world have ... diverse names and ... backgrounds.
2. The *dollar* gets its name from ... silver coin minted during ... Middle Ages in ... small valley.
3. The name of ... Chinese currency, ... *yuan*, derived from the old Chinese word "round," or "small round thing."
4. ... word *peso* is used to describe ... currency in English-speaking countries in ... Latin America.
5. ... *dinar* used in Iraq and Kuwait, derives its name from "denarius", ... Roman coin that was worth "ten bronze asses".

**Exercise 2. Insert the necessary prepositions of, in, for, from, to, by.**

1. The currency "pound" used ... Britain and some other countries refers ... weight ... precious materials in coins.
2. The currencies "krone", "krona" derived the names ... the word "crown".
3. In India, Pakistan and other countries ... the subcontinent, the currency is called "rupee".
4. The crown on the currencies "krona", "krone" was replaced ... other symbols, but

the name remained.

5. The major world currencies fluctuate freely ... the world's foreign exchange markets.

**Exercise 3. Read and give Russian equivalents to the adverbs with two forms and differences in meaning.**

**full** = exactly, very

**late** = not early

**wide** = fully; off target

**fully** = completely

**lately** = recently

**widely** = to a large extent

**hard** = intently, with effort

**near** = close

**easy** = gently and slowly

**hardly** = scarcely

**nearly** = almost

**easily** = without difficulty

**free** = without cost

**last** = after all others

**sure** = certainly

**freely** = willingly

**lastly** = finally

**surely** = without doubt

**Exercise 4. Underline the correct item, then explain the difference in meaning.**

1. Simon told everyone he would pass the exam **easy** / **easily**, so he was embarrassed when he came **last** / **lastly** in the class, with 20%.
2. "I am **sure** / **surely** happy to meet you," said the reporter to the respected singer.
3. When he was almost **full** / **fully** recovered from his illness the doctor told him to take it **easy** / **easily** and said that he would be able to return to work shortly.
4. He was found **near** / **nearly** the scene of the murder with a knife in his hand, it is not surprising that he was accused.
5. Although he arrived an hour **late** / **lately**, he tried **hard** / **hardly** to make up for lost time.
6. **Lately** / **Late** she has been getting all her clothes **freely** / **free** from the fashion company.

**Exercise 5. Using the rule of the word order arrange the given group of words to make a right (correct) English sentence.**

1. To, new, began, we, discuss, programs.
2. Economist, theory, the, famous, formulated, economic, Smith, his.
3. Physical, students, year, not, last, optics, did, study.
4. Every, central, country's, watches, data, carefully, economic, bank.
5. Two, there, forms, are, of, organization, economic.

**Exercise 6. Translate the sentences paying attention to the reflexive and the emphasizing pronouns.**

1. I am sure he will consider the problem himself.
2. You yourself insisted on my coming here.
3. We took part in this research ourselves.
4. The work itself was not so complicated as they had expected.
5. First-year students call themselves freshmen.
6. The currencies of the world's major economics are as diverse as the countries themselves.

## Unit VII

### WORD-STUDY

**Exercise 1. Check the translation in a dictionary, read and translate the words listed below.**

*Geographical names*

Copenhagen, Hong Kong, San Francisco, Oslo, Buenos Aires.

*Nouns*

shirtmaker, value, exchange, percentage, law, turmoil, refuge.

*Verbs*

increase, spread, supply, threaten, preserve.

*Adjectives*

financial, global, slight, indecisive, particular.

**Exercise 2. Make verbs from the following parts of speech.**

*Model: noun + -ize: (maximum – maximize);*

character, minimum, crystal, theory.

*Model: adjective + -en: (short – shorten);*

wide, deep, black, white.

### UNDERSTANDING A PRINTED TEXT

#### HOW DO EXCHANGE RATES FUNCTION?

If every country in the world used the same currency, world trade would be made much easier. But this is not the case: a Copenhagen beer producer wants to be paid in Danish “kroner”, and a Hong Kong shirtmaker wants to be paid in Hong Kong dollars.

Currencies, like other commodities such as beer and shirts, have a certain value. The only difference is that each currency's value is stated in terms of other currencies. French francs had a value in U.S. dollars, which have a value in British pounds, which have a value in Japanese yen. 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 values of all of the major currencies. As some increase in value, others decline. When a Euro goes up in value against the U.S. dollar, the dollar must go down against the Euro. At the same time, it may decline in value against the British pound. Foreign exchange is a constantly changing twenty-four-hour-a-day market with trading going on in hundreds of financial centers around the world, from Singapore to San Francisco and from Oslo to Buenos Aires.

These markets are all linked electronically. Banks and "Bureaus de Change" look at this global interbank market to set their daily rates, which are given to foreign travelers when they change their money abroad.

As anyone traveling abroad will notice, the exchange rate is slightly different if

the customer is buying or selling any one particular currency. This spread between the "buy" and "sell" rates ensures that banks and exchange bureaus make a small profit every time one currency is changed into another. By exchanging money back and forth times, an indecisive traveler would end up with nothing, after losing a few percentage points in spreads and commissions on each transaction.

How do the foreign exchange markets decide how much a currency is worth? Just like other markets, the foreign exchange market is subject to the laws of supply and demand. If enough traders want to buy U.S. dollars, its value will go up, i.e., it will take more of other currencies to buy dollars.

Foreign exchange prices are influenced by economic and political events and sometimes by the speculation of individual traders. Foreign exchange traders, like traders in grain or pork bellies, sometimes "bet" that a currency will increase in value. If interest rates fall in Tokyo, traders may rush to sell yen and buy dollars. If the Swedish economy looks strong, the krona may increase in value. If political turmoil threatens the Swedish economy, the krona may decline in value as investors sell them to buy what they perceive to be more stable currencies.

During periods of economic turmoil, the world often turns to a particular currency as a refuge. When political or social unrest threatens other currencies around the world, traders and investors sometimes rush to buy hard currencies like the U.S. dollar, which is expected to preserve its value in times of trouble.

## **CHECK YOUR UNDERSTANDING**

### **Exercise 1. *Agree or disagree with the following statements. (True or False)?***

1. If every country in the world used the same currency the world trade would be made much easier.
2. Currencies are like other commodities and have a certain value.
3. Exchange rates don't change every day, they are constant.
4. The world's foreign exchange markets keep track of all of the major currencies.
5. The exchange rate is the same if the customer is buying or selling particular currency.

### **Exercise 2. *Choose the correct answer according to the information in the text.***

1. How is the difference in each currency's value stated?
  - a) in terms of other currencies
  - b) in dollars
  - c) in other commodities
2. Is foreign exchange a constantly changing twenty-four-hour-a day market?
  - a) Yes, it is.
  - b) No, it is not.
  - c) Only sometimes.
3. How are foreign exchange markets linked?
  - a) by air-mail

- b) electronically
- c) by mail

## INCREASE YOUR VOCABULARY

### Exercise 1. *Match Russian and English equivalents.*

- |                |                   |
|----------------|-------------------|
| 1. commodities | a. товары, услуги |
| 2. origin      | b. происхождение  |
| 3. value       | c. фон            |
| 4. background  | d. событие        |
| 5. event       | e. цена           |
| 6. profit      | f. обмен          |
| 7. turmoil     | g. прибыль        |
|                | h. бедствие       |
|                | i. подвергать     |

## LANGUAGE ACTIVITY

### Exercise 1. *Insert articles where necessary, translate the sentences.*

1. Currencies are used to buy ... goods and services both at ... home and ... abroad.
2. The value of ... major world currencies is no longer fixed.
3. ... freely floating currency's price goes up when there is ... increased demand.
4. ... currencies are commodities, subject to laws of ... supply and ... demand.
5. ... free-float system still does not keep governments from trying to influence ... value of their currency.

### Exercise 2. *Insert prepositions (to, on, for, of, in, by) where necessary.*

1. The artificial system ... fixed rates gave way ... a free market of currency values.
2. Fixed exchange rates collapsed ... 1973 and the world's major currencies were allowed to "float" freely ... the international markets.
3. Like trying to reverse the flow ... water, it is very difficult to intervene ... the international currency markets.
4. Interventions ... the central banks usually succeed ... only slowing down a rise or fall of a freely floating currency.
5. When everyone wants to buy Japanese stereo systems, ... example, the price ... the yen goes up.

### Exercise 3. *Translate the sentences, paying attention to the functions of that and those.*

1. Energy that is produced by atomic stations is used for various needs of national economy.
2. Do you know that man? He is a famous professor that delivers lectures on mechanics.
3. It is well known that personal experience depends on practical work.



4. The development of mechanical engineering began earlier than that of electrical one.
5. The materials that are used for refrigeration devices differ from those that are used for radio equipment.

**Exercise 4. Summarize your knowledge of the emphatic structure “It is (was) ... that” and translate the sentences into Russian according to the model.**

*Example:* It was after my first accident that I started driving more carefully.

Только после своей первой аварии я стал ездить более осторожно.

**a)**

1. It was invention of a floppy disk that resulted in a convenient way to read computer programs.
2. It is the hacker who cracks computer codes to penetrate into other people’s private information.
3. It was academician Denisjuk’s fundamental discovery that paved the way to three-dimensional television.

**b) Find the English equivalents to the following Russian sentences.**

1. Именно этот ученый играл основную роль в решении данной проблемы.
  - a) This scientist played an essential role in solving this problem.
  - b) It was this scientist who played an essential role in solving this problem.
  - c) It was at the time when that scientist was solving this problem.
2. Именно гражданское строительство связано со строительством домов, храмов, пирамид и т.д.
  - a) It is civil engineering that deals with construction of houses, temples and pyramids.
  - b) Civil engineering deals with construction of houses, temples and pyramids.
  - c) It is construction of houses that civil engineering deals with.

**Exercise 5. State different meanings of “that (those)”. Translate the sentences.**

- a. тот, этот
- b. что
- c. который
- d. заменитель существительного
- e. то есть [that is = i.e. (id est - лат.)]
- f. именно, только лишь (it is ...that – усилительный оборот)
- g. то, что

1. It is also worth pointing *that* there are giant companies and small businesses in our country.
2. Trade blockades help to change policies *that* violate human rights.
3. Some economists thought *that* the economic success of China was something of an illusion. *Those* who thought so couldn’t believe that success.
4. The segment of the market *that* barely existed years ago, i.e. the segment of minivans now accounts for a tenth of the American market.

5. *That* theory was supported by many economists.
6. *That* is happening already in Britain.
7. The governments develop banking and financial instruments *that* can finance export production and sales.
8. The monetary value of all these goods and services can then be added up and compared with *that of* other countries.

## Unit VIII

### WORD-STUDY

**Exercise 1. Check the translation in a dictionary, read and translate the words listed below.**

*Geographical names*

Peru, New Zealand, Nigeria.

*Nouns*

Service, clothing, shelter, automobile, manufacture, lifeguard.

*Verbs*

survive, consume, measure, compare, contribute.

*Adjectives*

monetary, easy, economic, legal, illegal.

**Exercise 2. Read the words and give Russian equivalents to the following nouns:**

**a) with the suffix –ance- (-ence-);**

abundance, insurance, importance, appearance, difference, influence.

**b) with the suffix -ture- (-sure-);**

pleasure, leisure, measure, treasure, future, picture, lecture, mixture.

### UNDERSTANDING A PRINTED TEXT

#### WHAT IS GNP?

In every country - from Poland to Peru and from New Zealand to Nigeria—the production of goods and services provides the food, clothing, and shelter that allow its people to survive and prosper.

Some countries produce an abundance of raw materials such as coal and timber while others produce manufactured goods like steel and automobiles. Some countries may concentrate on producing foodstuffs like rice and butter while others produce services—movies, insurance, or banking. Whatever is not consumed in the country itself can be sold to other countries as exports.

The size of a country's economy is determined by the total amount of goods and services that country produces. As more and more goods and services are produced, the economy grows—and the best way to measure this growth is to put a monetary value on everything bought or sold. Although money is not the only measure of an economy's size, it is the easiest way to sum up the value of all the apples and oranges, automobiles and computers, football games and college classes that a country produces in the course of a given year.

The monetary value of all these goods and services can then be added up and compared with that of other countries. Since almost every country uses a different currency, the totals from each country have to be translated—by using currency exchange rates—to compare the size of one country's economy to another. For example, the yen value of the Japanese economy can be converted into U.S. dollars to

compare it to the American economy.

The measure of economic activity that includes all the goods and services bought or sold in a country over the course of a year is called gross domestic product (GDP). GDP measures a country's economic activity, just as a speedometer is used to measure the speed of a car. When a country produces more goods and services, its economic activity speeds up. In other words, the GDP increases. A healthy economy grows steadily, over a period of months or years. When growth stops or slows down, the economy is said to be in a "recession."

When the international activities of a country's residents are added to GDP, a wider more global measure of a country's total economic activity is created: gross national product or GNP. Both measures tell more or less the same story—GDP concentrates on the purely "domestic" production of goods and services covering only the economic activity which takes place within the country's borders, while GNP includes net international trade and investment, which includes everything from exports of movies and compact disks to foreign earnings and travel abroad.

GDP and GNP try to measure every legal good and service that an economy produces. A farmer selling fresh vegetables, an automobile dealer selling user cars, a poet selling a new book, a hairdresser, prize fighter, or lifeguard selling his goods and services all contribute to economic activity, as measured by GDP and GNP. At each stage of production, every time that monetary value is added, a country's GDP and GNP is increased.

## COMPREHENSION CHECK

**Exercise 1. a) *Remember the meaning of the abbreviations:***

1. GDP – gross domestic product.
2. GNP – gross national product.

**b) *Match the term and its definition.***

- |                                  |  |
|----------------------------------|--|
| 1. gross national product is ... | a. measure of every legal good and service   |
| 2. gross domestic product is ... | b. gross domestic product plus the international activities of a country's residents |
| 3. gross national product and    | c. the measure of economic activity that   |
| gross domestic product are ...   | includes all the   |
|                                  | goods and services bought of sold in a country                                       |
|                                  | over a year.   |

**Exercise 2. *Divide the text into its logical parts and give a title to each of them.***

## INCREASE YOUR VOCABULARY

**Exercise 1. *Match the Russian and English equivalents.***

- |               |               |
|---------------|---------------|
| 1. to update  | a. потреблять |
| 2. to survive | b. связывать  |
| 3. to prosper | c. измерять   |
| 4. to decline | d. процветать |

- |               |                   |
|---------------|-------------------|
| 5. to consume | е. обновлять      |
| 6. to link    | ф. выжить         |
| 7. to measure | г. регрессировать |
|               | h. увеличивать    |
|               | i. снабжать       |

## LANGUAGE ACTIVITY

### Exercise 1. *Insert articles where necessary.*

1. Currencies, like other commodities, such as ... beer and ... shirts, have ... certain value.
2. ... each currency's value is stated in terms of ... other currencies.
3. ... French francs have ... value in US dollars.
4. ... world's foreign exchange markets keep track of ... value of ... major currencies.
5. ... Hong-Kong shirtmaker wants to be paid in ... Hong-Kong dollars.

### Exercise 2. *Insert prepositions (to, by, between, in, of) where necessary.*

1. The spread ... the "buy" and "sell" rates makes a small profit for banks and exchange bureaus.
2. The foreign exchange market is subject ... the laws ... supply and demand.
3. Foreign exchange prices are influenced ... economic and political events.
4. If political turmoil threatens the economy, the currency may decline ... value.
5. Some countries produce an abundance ... raw materials.

### Exercise 3. Remember the meanings of the word "another", translate the sentences.

1. *It may be a pronoun: a) an additional (one);*

- 1) Will you have *another* cup of tea?
- 2) Where shall we be in *another* ten years, ten years from now?
- 3) I don't like this hat; please show me *another (one)*.

2. *It may be an adjective:*

- a) a similar (one): This young man is very clever, he may be *another* Edison.
- b) a different (one): We can do that *another* time. That's quite *another* matter.

### Exercise 4. Remember the meanings of the word *other*, translate the sentences.

*I adj; pron. (person or thing) – not the same as one or more or some already named.*

1. Singular with the definite article, (to the second of two): The twins are so much alike that people find it difficult to know one from the other. The post office is on the other side of the street.

On the other hand – in contrast to the earlier statement: It's cheap but on the other hand the quality is poor.

2. plural with the definite article, (two or more): six of them are mine; the others are John's.

### Exercise 5.

a) Remember the meanings of the word *one*: 1. numeral; 2. adjective; 3. pronoun; 4. to substitute a noun.

- |                          |   |
|--------------------------|---|
| 1. numeral               | one, two, three<br>one from ten<br>thirty one<br>one o'clock<br>one hundred |
| 2. adjective             | one morning, one summer   |
| 3. pronoun               | One cannot always find time for reading.                                    |
| 4. to substitute a noun. | He gave me a number of English books and some German <i>ones</i> .          |

b) State the functions of *one* and translate the sentences.

1. I have only *one* question to ask you.
2. *One* can see the Admiralty building on the left bank of the Neva.
3. The green car is mine and the black *one* is hers.
4. *One* should cross the street being very careful.
5. We respect *one* another's privacy.

Exercise 6. Translate the sentences paying attention to the words: *one, ones, another, other(s)*.

1. One reason is that the British government is still deciding how to regulate the terms on which *other* broadcasters have access to Sky's digital system. *Another* is the hope that the cost of decoder boxes will fall.
2. *Some* analysts nowadays treat General Motors as a turnaround stock, *others* continue to believe it would be broken up.
3. Like *other* risk managers, they use index futures.
4. Some people transfer ownership to *other* family members.
5. Taiwan was the first of the four Asian nations to replace an inward-oriented policy with an outward-oriented *one*.
6. Where are the *other* magazines?
7. There are only some catalogues here, where are the *others*?
8. I don't like these examples, have you any *others*?
9. The *other* day we converted some dollars into rubles.
10. One currency is calculated in terms of *another*.

## Unit IX

### WORD-STUDY

**Exercise 1.** *Check the translation in a dictionary, read and translate the words listed below.*

*Nouns*

achievement, disposal, resource, statistics, figure, volunteer, spouse.

*Verbs*

evaluate, accept, complete.

*Adjectives*

total, perfect, meaningful, foreign.

*Adverbs*

consequently, completely, rarely, commonly.

**Exercise 2.** *Make adjectives from nouns using the suffixes:*

*Model:* noun+*-ful-*: (use-useful);

meaning, help, success.

### UNDERSTANDING A PRINTED TEXT

#### HOW ARE THE WORLD'S ECONOMIES COMPARED?

If a small country like Ireland or Sri Lanka were to win all of the gold medals at the Summer Olympics, it would mean a lot more than a victory by a large country like China or the United States. In the same way, it would be difficult to evaluate the economic achievements of any country without looking at its size and the resources at its disposal.

It is rarely useful, for example, to compare the economic statistics of different countries by using figures in the local currency. What does it mean to say that during the 1980s the Soviet Union spent more than forty trillion rubles per year on their military? How does this relate to spending in other countries where ruble figures mean little?

In order to compare countries around the world, economic statistics have to be related to the country's size or translated into a commonly accepted unit of measure. The Soviet Union's military spending in the 1980s, for example, can be compared to the military spending of other countries by relating it to the size of its total economy, measured either by GDP (gross domestic product) or GNP (gross national product). It would then become meaningful to say that Soviet military spending was 20 percent of its GDP, compared to U.S. military spending of 8 percent of its GDP during the same period.

GDP is often used to compare spending figures of different countries because it represents only the domestic production of goods and services. GDP is useful for comparing countries' sizes because it does not include the international components

of an economy such as exports and foreign investment, which are included in the wider measure, GNP.

Neither GDP nor GNP, however, completely measures the size of a country's economy. Illegal activities, such as drug sales or prostitution, are never reported and are consequently not included in these official measures. In addition, work done for no salary, such as house-work or volunteer work at hospitals and schools, is not included, since no payment is made for these goods and services. A country with working parents would consequently show a larger GNP, reflecting the added costs of day-care and cleaning services otherwise provided "for free" by a stay-at-home spouse.

Although neither GDP nor GNP is the perfect measure of the size of a country's economy, they still provide the best means we have for comparing the economic activity of different countries, big or small, rich or poor.

## COMPREHENSION CHECK

### **Exercise 1. Choose the correct answer according to the text.**

1. What is IDP often used to compare?
  - a) spending figures of different countries.
  - b) wages.
  - c) mineral resources.
2. Is it useful to compare spending the economic statistics of different countries by using figures in the local currency?
  - a) Yes, it is.
  - b) No, it isn't.
  - c) It is rarely useful.
3. Is GDP or GNP the perfect measure of the size of a country's economy?
  - a) GDP.
  - b) GNP.
  - c) Neither.

### **Exercise 2. Choose the correct word (words) according to the information in the text to complete the sentences.**

1. GDP is often used to compare figures of different countries because it represents only the ... production of goods and services.
  - a) domestic
  - b) international
  - c) foreign
2. Economic statistics has to be related to the country's ....
  - a) position
  - b) size
  - c) history



3. GDP does not include the international components of an economy, such as ... and foreign investment.

- a) import
- b) exports
- c) salary

## INCREASE YOUR VOCABULARY

### Exercise 1. *Match the antonyms.*

- |               |               |
|---------------|---------------|
| 1. to win     | a. to refuse  |
| 2. to reflect | b. to save    |
| 3. to accept  | c. to exclude |
| 4. to spend   | d. to loose   |
| 5. to include | e. to export  |
| 6. to import  | f. to waste   |
| 7. to earn    | g. to absorb  |
|               | h. to compare |

### Exercise 2. *Choose the Russian equivalents to the collocations given below.*

- |                      |                    |
|----------------------|--------------------|
| 1. in order to       | a. должно быть     |
| 2. have to be        | b. для того, чтобы |
| 3. commonly accepted | c. вдобавок        |
| 4. in addition       | d. бесплатно       |
| 5. stay-at-home      | e. следовательно   |
| 6. for free          | f. общепринято     |
|                      | g. неработающий    |

## LANGUAGE ACTIVITY

### Exercise 1. *Insert articles where necessary.*

1. ... production of goods and services produces ... food, ... clothing and ... shelter.
2. Whatever is not consumed in ... country itself can be sold to ... other countries as ... exports.
3. ... size of ... country's economy is determined by ... total amount of goods and services that country produces.
4. A company's share price is based on ... its earnings.
5. Almost every country uses ... different currency.

### Exercise 2. *Insert the proper prepositions (by, of, in, with, for, to, during) where necessary.*

1. It is rarely useful to compare the economic statistics ... different countries ... using figures ... the local currency.
2. A country ... working parents would show a larger GNP.
3. Neither GDP nor GNP is the perfect measure ... the size of a country's economy.

4. GDP and GNP provide the best means ... comparing the economic activity of different countries.
5. ... periods of economic turmoil, the world often turns ... a particular currency, as a refuge.

**Exercise 3. Study the words.**

**Economy**

- 1) экономика страны

Economy of some countries has had a deep crisis over the past years.

- 2) экономия

One should take care of domestic economy.

**Economic** – экономический, относящийся к экономике

In 1998 we had an economic crisis in Russia.

**Economical** - экономный

Small cars are more economical to run.

**To economise** – экономить

We can't economize on healthy food.

**Economics** – наука и учебный предмет

Economics is a very important subject.

**Exercise 4. Translate the sentences from Russian into English.**

1. Мы изучаем экономику в университете.
2. Автомобильные компании борются за экономичный автомобиль.
3. Многие экономисты критикуют плановую экономику за дефицит и недостаток конкуренции.
4. Экономическая ситуация в этой стране очень серьезная.
5. Не следует экономить на фруктах.

**Exercise 5. Pay attention to the translation of the words only, the only, very, the very, few, a few, little, a little.**

1. Very much attention was paid to the translation of some pronouns from the very beginning.
2. These are only a few facts about this science.
3. Civil engineering is not the only branch of engineering.
4. Few scientists supported the new theory because they had little information about it.
5. Röntgen was a little puzzled when he understood the rays were unknown to him.

## Unit X

### WORD-STUDY

**Exercise 1. Check the translation in a dictionary, read and translate the words listed below.**

*Nouns*

monopoly, consumer, consumption, growth, circulation, deposit, fuel, inflation.

*Verbs*

determine, encourage, stimulate, increase, predict, inflate.

*Adjectives*

modern, available, stimulating, basic.

**Exercise 2. Make different parts of speech from the following words according to the models.**

a) *Model: adjective + th=noun (wide – width);*

young, strong, broad, long.

b) *Model: noun + ic=adjective (economy – economic);*

atom, climate, energy.

### UNDERSTANDING A PRINTED TEXT

#### WHAT IS MONEY SUPPLY?

Every economy in the world is controlled by its supply of money, even one as small as the Monopoly game where players are provided with Monopoly money for buying and selling houses, hotels, and property around the board. The money supply of the Monopoly game, for example, primarily consists of the players' cash on hand and the money they get for passing Go.

A modern economy is based on the use of money. Each country's money supply, therefore, determines how quickly the economy can grow. If the central bank increases the money supply, consumers and businesses have more money to spend on goods and services.

Just as the game of Monopoly can be stimulated by increasing the amount money available to its players, a country can encourage economic growth by increasing its money supply, which includes currency in circulation and readily available funds such as bank deposits on which checks can be drawn. This "narrow" measure of the money supply is usually called "M1." This easy-to-access money, often called "high-powered" money, tends to fuel most consumer and business consumption and therefore stimulates most economic growth.

Other measures of a country's money supply include funds that are not so readily available, such as time deposits and other long-term investments. These "wider" measures are often referred to as "M3" and "M4" or "L."

Basically, when businesses and individuals have less money at their disposal, economic activity slows down. Central banks usually limit money supply growth in

order to slow down the economy and control inflation. In a Monopoly game with less money floating around the board, for example, players will pay less money when buying properties from other players.

On the larger scale of a national economy, less money usually leads to an economic slowdown. When less money is available, interest rates tend to increase-the cost of money increases-and it becomes more expensive to borrow. If it costs businesses and consumers more to borrow money, they will be less inclined to increase spending. In this way, control of the money supply allows a central bank to reduce inflation.

The money supply can also be increased to stimulate economic activity. If the players in a Monopoly game are given more than two hundred dollars for passing Go-five hundred dollars, say-the results are predictable: the "economy" speeds up and players start buying and selling at higher and higher prices. Increasing the money supply usually results in rapid growth and inflated prices.

## COMPREHENSION CHECK

**Exercise 1. Agree or disagree to the following statements. Begin your sentences with the following phrases:** *I think so. Yes, it's really so. I'm afraid, it's wrong. I can't agree.*

1. Every economy in the world is controlled by its supply of money.
2. A modern economy is not based on the use of money.
3. Each country's money supply determines how quickly the economy can grow.
4. If the central bank increases the money supply consumers and businesses have less money to spend on goods and services.
5. Control of the money supply doesn't allow a central bank to reduce inflation.

**Exercise 2. Join the suitable parts of the sentences.**

- |  |  |
|--|--|
| 1. In the Monopoly game ...                        | a. economic growth by increasing its money supply.   |
| 2. A country can encourage ...                     | b. an economic slowdown.                             |
| 3. Less money usually leads to ...                 | c. players are provided with Monopoly money.         |
| 4. The money supply can ...                        | d. in rapid growth and inflated prices.              |
| 5. Increasing the money supply usually results ... | e. also be increased to stimulate economic activity. |
|  | f. less money supply.                                |
|  | g. in order to borrow money.                         |

## INCREASE YOUR VOCABULARY

**Exercise 1. Match the synonyms.**

- |              |                  |
|--------------|------------------|
| 1. usually   | a. originally    |
| 2. primarily | b. easily        |
| 3. therefore | c. as a rule     |
| 4. rarely    | d. fundamentally |
| 5. readily   | e. seldom        |

6. basically                      f. consequently  
7. easy-to access money   g. high-powered money  
   h. investment

## LANGUAGE ACTIVITY

### Exercise 1. *Insert articles where necessary.*

1. Every economy in ... world is controlled by its supply of ... money.
2. In ... Monopoly game ... players are provided with Monopoly money for buying and selling houses, hotels and property.
3. Each country's money supply determines how quickly ... economy can grow.
4. ... central banks usually limit money supply growth in order to slow down ... economy and control ... inflation.
5. Less money usually leads to ... economic slowdown.

### Exercise 2. *Insert prepositions (of, for, in, at) where necessary.*

1. Businesses and individuals have money ... their disposal.
2. Control ... the money supply allows a central bank to reduce inflation.
3. People buy and sell goods ... higher and higher prices.
4. Increasing the money supply usually results ... rapid growth and inflated prices.
5. Currencies are used ... buying goods and services.

### Exercise 3.

#### a) *Study using "make" and "do".*

"Make" or "do"? In some contexts these two words have a similar meaning. However, there is a rule which says that "make" usually carries the idea of creation, construction.

*Example:*

- Marry made this dress herself.
- This device was made by two students in one of the laboratories of the University.
- Second-year students will make experiments next year.

**As for "do", it is usually associated with work, particular activity.**

*Example:*

- **Have you done your homework?**
- We don't do aerobics this year.
- He plans to do business.

However, there are many exceptions to these rules and specific uses of these verbs:

- to make a decision
- to make a mistake
- to make entry
- to make a device

but:

- to do a service
- to do subjects
- to do a favour

- to do without
- to do one's best

**b) Now cross out incorrect variant:**

1. My mother doesn't do/make housework.
2. Did he do/make many mistakes?
3. Every child must do/make his room.
4. Will you do/make a cup of coffee?
5. I will do/make all my best to help you.
6. I'd like to do/make you an offer.
7. Will you do/make me a favour and pass the bread?
8. My mother is going to do/make a cake for your birthday.
9. Now I can't do/make without my computer.

**Exercise 4. Translate the sentences paying attention to the meaning of the verbs "to cause", "to force", "to make".**

**Remember:**

the verbs "to force", "to cause", "to make" may have the meanings "заставлять", "вынуждать" and are used both in the Active and the Passive Voices. Don't forget the meaning of the verb "make" – "делать"

1. What caused your anxiety?
2. What made the plants die?
3. You've caused much trouble to your parents.
4. They made me repeat the story.  
I was made to repeat the story.
5. The fire was caused by an electrical fault.
6. This film always makes me cry.
7. He claims that police officers forced him to sign a confession.
8. When the banks are forced to cut back lending, the economy slows.

**Exercise 5. State the function and translate the verb "to be" according to the list given below:**

- a. смысловой глагол
  - b. вспомогательный глагол, образующий страдательный залог
  - c. входит в состав общепринятых выражений и не переводится
  - d. глагол-связка
  - e. that is = то есть
  - f. вспомогательный глагол, образующий группу продолженных времён
  - g. to be to = must
1. The delegation is at the plant now.
  2. These questions were discussed at our meeting.
  3. Trade blockades are due to the fact of violating human rights or international treaties.

4. Why is it difficult for scientists to compare different economies?
5. The problem is that local producers rarely improve their products if they are protected by trade barriers.
6. This occurs when an impurity atom has acceptor properties, that is, can attract electrons.
7. If we are to achieve the aim we must confine our attention to one point only.
8. A government's budget deficit is the amount by which government expenditures exceed tax revenues.

## Unit XI

### WORD-STUDY

**Exercise 1. Check the translation in a dictionary, read and translate the words listed below.**

*Nouns*

incentives, expansion, commodity, individual, notice.

*Verbs*

encourage, effect, regulate, charge.

*Adjectives*

totalitarian, interchangeable, short-term.

*Adverbs*

therefore, whenever, basically, worldwide, likewise.

**Exercise 2. Make different parts of speech from the following words:**

a) *Model: (noun+ate)=verb: (graduation – gradu(ate));*  
stimulation, registration, legislation.

b) *Model: (verb+able)=adjective (predict – predict(ab)le);*  
pay, note, eat, refuse, suit, value, change.

**Exercise 3. Match the Russian equivalents to the given collocations.**

- a) free-market economy, the cost of money, interest rate, through a variety of economic incentives, the amount of money, available for business expansion, can be affected by.
- b) рыночная экономика, стоимость денег, посредством разных экономических воздействий, доступный для расширения бизнеса, процентная ставка, согласуются, могут быть подвергнуты, количество денег.

### UNDERSTANDING A PRINTED TEXT

#### HOW ARE INTEREST RATES USED TO CONTROL AN ECONOMY?

In free-market economies, consumers and businesses can do almost anything they want as long as they pay for it. Therefore, by controlling the cost of money-its interest rate-central banks are able to influence economic growth.

In a totalitarian country the government can simply tell its citizens what it wants them to do. But in free-market countries, consumers and businesses are encouraged to increase or reduce their economic activity through a variety of economic incentives. By increasing short-term interest rates, for example, a central bank discourages bank lending, reducing the amount of money available for business expansion and consumer spending. Likewise, by lowering these interest rates, a central bank acts to encourage economic activity.



Banks often borrow money from the central bank to lend to consumers and businesses. When a central bank decides to change its discount rate, the interest rate it charges for loans to banks, interest rates across the nation almost always follow suit. The interest rates on loans made between banks-called Fed Funds rates in the United States and interbank rates in Europe-tend to rise whenever banks have to pay more to borrow money themselves.

All interest rates are linked, because money, like most commodities, is interchangeable. Banks and individuals will go wherever interest rates are lowest-basically, wherever money is cheapest-so a change in interest rates announced in Washington will affect interest rates in Singapore.

In the global village of the international money markets, interest rates have become the heartbeat of economic activity, regulating economic growth worldwide. A country's consumers and businesses, therefore can be directly affected by central bank decisions made on the other side of the world. Foreign investment money can come flooding in at a moment's notice, or be pulled out just as quickly if one country's interest rates are not kept in line with other countries in the world economy.

## COMPREHENSION CHECK

**Exercise 1. Choose the correct completion of the sentence according to the information in the text.**

1. In free market economies consumers and businesses can do ...
  - a) almost anything they want as long as they pay for it.
  - b) nothing.
  - c) everything without payment.
2. Banks often borrow money ...
  - a) from other banks.
  - b) from the central bank.
  - c) from the government.
3. All interest rates are linked ...
  - a) because money is interchangeable.
  - b) because they don't encourage economic activity.
  - c) because they don't affect anything.

## INCREASE YOUR VOCABULARY

**Exercise 1. Match the antonyms.**

- |                 |                        |
|-----------------|------------------------|
| 1. free-market  | a. to reduce           |
| 2. to increase  | b. to discourage       |
| 3. to encourage | c. to lend             |
| 4. short-term   | d. totalitarian market |
| 5. to borrow    | e. long-term           |
| 6. cheap        | f. to grow             |

7. to low                      g. expensive  
                                      h. expansion  
                                      i. to pull out

## LANGUAGE ACTIVITY

### Exercise 1. *Insert articles where necessary.*

1. By controlling ... cost of money ... banks are able to influence economic growth.
2. In ... totalitarian country ... government tells its citizens what to do.
3. Banks often borrow money from ... central bank.
4. ... change in interest rates announced in ... Washington will affect interest rates in ... Singapore.
5. ... interest rates have become ... heartbeat of economic activity.

### Exercise 2. *Insert prepositions (of, by, on, for, between, from) where necessary.*

1. Consumers and businessmen pay ... what they want to do.
2. The interest rates ... loans made ... banks are called Fed Funds rates ... the United States.
3. ... lowering interest rates, a central bank encourages economic activity.
4. Decisions made, ... central bank affects a country's consumers and business.
5. Consumers and businesses often borrow money ... banks.

### Exercise 3. a) *Study the words.*

**To consume** – потреблять

**Consumer** – потребитель

**Consumer goods** – потребительские товары

**Consumption** – потребление

*b) Fill in the missing words from the same word family.*

verb	person	thing
consume		
provide		

### Exercise 4. *Translate the sentences paying attention to the words from exercise 3.*

1. Americans, only 5 per cent of the world's population, *consume* one-fourth of its oil.
2. On every continent more and more people are adopting the American *consumer* lifestyle.
3. The *Consumer's Association* is an organization in the UK that tests the quality of products and services and publishes the results.
4. Many newer cars have a much lower fuel *consumption*.
5. The change has been criticized by *consumer groups*.
6. In free-market economies *consumers and business* can do almost they want as long as they pay for it.

**Exercise 5. State the function and translate the verb “to have” according to the list given below.**

1 - смысловой глагол

2 - заменитель модального глагола

3 - вспомогательный глагол (Perfect)

1. I have a new computer.

2. I don't have to clean my room: my mother has cleaned it for me.

3. The boy has high temperature, the doctor has examined the boy, and he has to stay at home.

4. She has to cook, to wash and to clean.

5. I have not finished doing my assignment.

6. I have to translate a text but I have no dictionary.

7. Every woman has much work at home.

8. I have lived in Paris for 20 years.

## Unit XII

### WORD-STUDY

**Exercise 1. Check the translation in a dictionary, read and translate the words listed below.**

*Nouns*

fashion, aircraft, benefit, competition, courtesy, barter, scarcity, purchase.

*Verbs*

prosper, expose, convince, ease.

*Adjectives*

idle, efficient, competitive, successful, profitable, temporary, retaliatory.

**Exercise 2. Make up nouns from the following adjectives using suffixes:**

- a) *Model: adjective + -ty-(-cy-) = noun (efficient – efficien(cy); possible, intensive, scarce, current.*

**Exercise 3. Match the Russian equivalents to the given collocations.**

- a) based on the notion of; with a level playing field; to remove restrictions; in order to; a temporary scarcity; state-supported banks; international tension; to underline measures
- b) на равных условиях; снять ограничения; основанный на понятии; временная нехватка; для того чтобы; банки, поддерживаемые государством; предпринять меры; международная напряжённость

### UNDERSTANDING A PRINTED TEXT

#### HOW IS FOREIGN TRADE ENCOURAGED?

When every country is allowed to do what it does best-letting the French excel in fashion, the Japanese in electronics, and the Americans in aircraft, for example-the world economy prospers. With free trade, whoever produces the best product at the best price can sell these products around the world, benefiting consumers everywhere.

By encouraging foreign trade, countries expose their own producers to foreign competition, which can be disastrous for many poorly managed companies. This can lead to short-term layoffs and idle factories. In the long run, however, foreign competition usually forces companies to be more efficient and more competitive, helping the country to become a successful and profitable member of the global economy.

Free trade is based on the notion of open markets. With a level playing field, companies in one country can compete openly with companies in other countries to sell their goods in foreign markets.

When a government wants to encourage a new trading partner, it removes restrictions and barriers to its internal market. This courtesy, called most favored nation status in

the United States, is provided to countries whose political and economic policies are seen to merit favored status. Countries may also encourage trade by allowing importers and exporters to barter goods. For example, in order to overcome a temporary scarcity of hard currencies in the Soviet Union, Pepsi-Cola traded soft drinks for vodka, which was then sold for dollars, yen, or marks in the West.

When a country wants to encourage its own exports, it can provide incentives to make the products more competitive on the world market. Some countries provide loans or grants to foreign buyers of a country's goods and services through state-supported export-import banks. These "ex-im" banks provide low-cost loans-called export credits-that help stimulate exports. These loans are sometimes criticized for going too far, encouraging exports at the expense of producers in other countries.

At times, countries might want to encourage imports of foreign goods and services to decrease international tensions resulting from trade imbalances. When Germany and Japan were criticized for running large trade surpluses in the 1980s, for example, they undertook measures called "external adjustment" to increase their imports. One way to encourage imports is to increase the value of a country's currency, making foreign goods and services less expensive than locally-made products.

Another way to encourage imports is to give the economy a shot in the arm by lowering interest rates, stimulating purchases at home and abroad. This cheaper money usually means more sales of goods such as televisions and automobiles. In countries such as Germany, where many consumer goods are imported, lowering the interest rates can encourage imports of everything from Vietnamese rice to Canadian sporting goods.

Another way to encourage imports would be to reduce cultural barriers that may limit purchases of foreign products. For example, the Japanese government undertook a program in the 1980s to convince Japanese consumers to buy more foreign products (such as U.S. beef) in an effort to ease the threat of retaliatory trade sanctions from its unhappy trading partners.

## COMPREHENSION CHECK

**Exercise 1. Complete the sentences with the proper verbs from the column on the right.**

- |   |                 |
|---|-----------------|
| 1. When every country is allowed to do what it does best, the world economy ... | a) expose       |
| 2. By encouraging foreign trade, countries ...                                  | b) prospers     |
| their own producers to foreign competition.                                     | c) become       |
| 3. Interest rates have ... the heartbeat of economic activity.                  | d) to stimulate |
| 4. In the long term foreign competition usually ...                             | e) forces       |
| companies to be more efficient and more competitive.                            |                 |
| 5. Another way to encourage import is ...                                       |                 |
| purchases at home and abroad.   |                 |

**Exercise 2. Choose the correct term according to its definition.**

1. Foreign markets where companies in one country can compete openly with companies in other countries are called ...
  - a) international markets
  - b) open markets
  - c) internal markets
2. Export-import banks provide low-cost loans, called ... that help stimulate exports.
  - a. export credits
  - b. credits
  - c. import credits
3. Products made by the companies in their own country are called ...
  - a. imported goods
  - b. locally made products
  - c. barter goods

**INCREASE YOUR VOCABULARY**

**Exercise 1. Match the synonyms.**

- |               |                             |
|---------------|-----------------------------|
| 1. to allow   | a. to disclose              |
| 2. to excel   | b. to take part in a race   |
| 3. to prosper | c. to do better than others |
| 4. to expose  | d. to permit                |
| 5. to compete | e. to succeed               |
| 6. to force   | f. to cause                 |
| 7. to benefit | g. to profit                |
|               | h. to encourage             |
|               | i. to manage                |

**LANGUAGE ACTIVITY**

**Exercise 1. Insert articles where necessary.**

- 1.... French excel in fashion, ... Japanese in electronics, ... Americans in aircraft.
2. With free trade, ... best products can be sold around ... world at ... best prices.
3. ... foreign competition usually forces companies to be more efficient and more competitive.
4. Countries may also encourage trade by allowing ... importers and supporters to barter goods.
5. ... Germany and Japan undertook measures to increase their imports,

**Exercise 2. Insert the proper prepositions (to, in, at, of, by).**

1. This country sells its goods ... foreign markets.
2. Some countries provide loans or grants ... foreign buyers ... a country's goods and services.
3. One way ... encouraging imports is increasing the value ... a country's currency.
4. ... lowering interest rates countries stimulate purchases ... home and ... abroad.

5. ... countries such as Germany, many consumer goods are imported.

**Exercise 3. Translate from English into Russian paying attention to modal verbs: can, may, must, should.**

1. The meaning of the German currency “mark” can be derived from the small cut marks in the coins.
2. You should do this work without any help.
3. He couldn’t say anything about the economy of Spanish-speaking countries in Latin America.
4. This question is important for you, you must solve it yourself.
5. You may go to the south only after your final examination.
6. Dollars held by foreigners could be converted into gold until 1971.
7. The teacher said we might use a dictionary if necessary.
8. The students must be provided with all necessary equipment for their lab. work.

**Exercise 4. Substitute modal verbs for their equivalents.**

*Model: may – is allowed to ...*

Can, should, could, is able to..., are to ..., must, was able to, was allowed to..., might.

**Exercise 5. Change modal verbs into their equivalents, translate the sentences.**

1. No brief description can offer clean guidance to the content and character of economics.
2. The scope of economics must be indicated by the facts with which it deals.
3. Adam Smith was the first economist who showed that a system of prices and markets can coordinate people and economic growth.
4. Economics must help government monetary and fiscal politics.
5. Such events could take place in many countries.
6. You may do it yourself.
7. The governments develop banking and financial institutions that can finance export production and sales.

**Exercise 6. a) Pay attention to the Modal Verbs with Passive. Choose the correct modal verb.**

Можно назвать (must, may, can) be called

Можно передать (must, cannot, can) be transferred

Нельзя найти (shouldn’t, mustn’t, cannot) be found

Нужно обеспечить (can, must, may) be provided

Можно извлечь (must, can, mustn’t) be derived

**b) Read and translate the sentences with Modal Verbs +Passive Infinitive.**

1. Books on this subject can be found in every library.
2. His good example must be followed.
3. Lomonosov may be called the founder of higher education in Russia.
4. Many complicated tasks can be solved by highly qualified specialists.
5. In some cases restrictions and barriers can be removed to the internal market.

## Unit XIII

### WORD-STUDY

**Exercise 1. Check the translation in a dictionary, read and translate the words listed below.**

*Nouns*

quota, subsidy, desire, restriction, quantity, sacrifice, apartheid.

*Verbs*

suffer, impose, feud, include.

*Adjectives*

inefficient, expensive, competitive, dubious, responsible, temporary.

*Adverbs*

artificially, rarely, temporarily, widely, unilaterally.

**Exercise 2. Make up different parts of speech using the prefixes, translate them:**

*en-*: courage, title, close, circle, code.

*dis-*: mantle, courage, like, count, agree, ability, advantage.

**Exercise 3. Match the Russian equivalents to the given English collocations.**

a) to bring about; in the long run; trade restrictions; to impose quota; goods and services; poorly made; to make the sacrifice; to be of dubious economic value; to be responsible for

b) в конечном результате; вызвать; ввести квоту; плохо сделанные; торговые ограничения; товары и услуги; принести в жертву; быть ответственным за; иметь сомнительную экономическую ценность.

### UNDERSTANDING A PRINTED TEXT

#### WHAT ARE QUOTAS, TARIFFS, AND SUBSIDIES?

Like most wars, a trade war may bring about desired economic or political changes, but in the long run almost everyone suffers, including those whom trade war was meant to help.

An inefficient car maker, for example, may ask for limits on foreign imports, hoping to keep its prices high without improving the quality of its product. In the end, however, other countries may retaliate with trade restrictions of their own. Consumers and businesses in both countries are then forced to buy poorly made and expensive domestic products. Trade restrictions might protect a few jobs in inefficient industries, but the whole economy often suffers by becoming less competitive on the international markets.

The most common tools for limiting imports or foreign goods and services are quotas, tariffs, and subsidies. When a country imposes a quota, it limits the quantity of certain foreign products that can be imported. A tariff is a tax placed on goods entering a country, raising the price of imported goods. A government can also use



the taxpayers' money to provide a subsidy to local producers, making the price of local goods artificially lower than imported goods.

Trade barriers, like walls between feuding neighbors, are usually imposed unilaterally by one country acting on its own to limit the amount of foreign products available to local consumers. These barriers are often designed to temporarily protect local producers from foreign competition and allow them time to improve productivity. The problem is that local producers rarely make the sacrifices to improve their product, or lower their prices as long as they are protected from foreign competition by trade barriers.

Although trade restrictions are of dubious economic value, they have been shown to be effective in bringing about political or social change. The refusal of countries to trade and do business with South Africa for example, was widely seen to be responsible for the decision to dismantle the system of apartheid. Trade blockades can be useful in forcing countries to change policies that violate human rights or international treaties, but only as long as a sufficient number of countries join in the blockade to make it effective.

## COMPREHENSION CHECK

**Exercise 1. Find definitions of the following terms in the text:**

- a. quotas
- b. tariffs
- c. subsidies.

Translate them into Russian and remember their meaning.

**Exercise 2. True or False?**

1. A trade war may bring not only desired economic or political changes but also sufferings to those whom trade war was meant to help.
2. Consumers and businesses are forced to buy poorly made and expensive domestic products.
3. Trade restrictions may protect a few jobs in inefficient industries.
4. The whole economy suffers by becoming less competitive on the international markets.
5. Trade barriers are always effective.

## INCREASE YOUR VOCABULARY

**Exercise 1. Match the synonyms.**

- |                 |                            |
|-----------------|----------------------------|
| 1. to retaliate | a. to do something harmful |
| 2. to consume   | b. to limit                |
| 3. to restrict  | c. to use                  |
| 4. to desire    | d. to increase             |
| 5. to raise     | e. to make better          |
| 6. to design    | f. to return               |
| 7. to improve   | g. to want                 |
|                 | h. to project              |
|                 | i. to sell                 |

## LANGUAGE ACTIVITY

### Exercise 1. *Insert articles where necessary.*

1. ... Japanese government undertook ... special program in 1980s for buying foreign products.
2. ... trade war may bring about desired economic or political changes.
3. ... inefficient car maker may ask for limits on ... foreign imports.
4. Trade restrictions may protect ... few jobs in inefficient industries.
5. ... most common tools for limiting imports are quotas, tariffs and subsidies.

### Exercise 2. *Insert the proper prepositions (of, on, in).*

1. Trade restrictions may take the country less competitive ... the international markets.
2. A quota limits the quantity ... certain foreign products, that can be imported.
3. A tariff is a tax placed ... goods entering a country.
4. A tariff raises the price ... imported goods.
5. Trade blockades can be useful ... forcing countries to change their policies ... violating human rights.

### Exercise 3. *Use the proper grammar forms of the modal verbs a) can, b) may, c) must, d) could instead of their equivalents.*

1. The students are allowed to take part in the conference.
2. He was able to check the results of the test.
3. They are allowed to use dictionaries.
4. The students have to solve many problems.
5. I am not able to come to you.
6. The students have to conduct experiments.
7. The test is to start at 9 o'clock.
8. The designer was able to construct a new machine.
9. We were able to translate this text without a dictionary.

### Exercise 4. *Find Modal verbs in the text and translate the sentences into Russian.*

### Exercise 5. *Complete the sentences using the proper modal verbs or their equivalents:*

- a. can
- b. may
- c. must
- d. had to
- e. is not allowed

1. The money supply ... be increased to stimulate economic activity.
2. An "accelerated depreciation" method used in Japan ... in most Western countries.
3. They ... to use all their money to pay for their son's education.
4. If the Swedish economy looks strong, the krona ... increase in value.
5. Exchange rates ... be constantly updated in banks and foreign exchange office.

## Unit XIV

### WORD STUDY

**Exercise 1. Check the transcription in a dictionary, read and translate the words listed below.**

*Nouns*

budget, expenditure, suicide, repercussion, treasury, surplus.

*Adjectives*

disastrous, spendthrift, vicious, awkward.

*Verbs*

issue, borrow, lose.

**Exercise 2. Make nouns from the following adjectives according to the model and translate them.**

*Model: probable – probability; sensible-sensibility.*

Responsible, possible, available, transportable, capable, able.

**Exercise 3. Remember the verbs used with preposition in postposition and translate them.**

end up, result from, result in, pay back, push up, spend on.

### UNDERSTANDING A PRINTED TEXT

#### HOW DO BUDGET DEFICITS AFFECT TRADE DEFICITS?

The international shopping spree of American consumers and businesses during the 1980s was baled on a surge in the dollar's value on the international markets. Swedish cars and French mineral water became much cheaper than similar U.S. products, and imports outpaced exports, sometimes to the tune of \$100 billion per year, more than the size of most countries' total economy. These severe trade imbalances were caused, in part, by the persistent U.S. budget deficits.

A budget deficit is very different from a trade deficit, but the two end up effecting each other-sometimes disastrously for spendthrift economies. A government's budget deficit is the amount by which government expenditures exceed tax revenues, while a trade deficit results from a country importing more than it exports.

Most governments pay for their budget deficits by selling government bonds. Although these securities need to be paid back eventually, most governments find that it is political suicide to ask voters to pay higher taxes. They prefer to issue more government bonds to pay their bills. When it comes time to pay the interest on their bonds, governments usually just issue even more bonds, going further into debt. If these borrowings are too large, it can have serious repercussions for the whole economy

By borrowing to finance its budget deficits, a government pushes up interest rates. These higher interest rates attract foreign money looking for higher returns, increasing the value of the country's currency on the international markets. Imported mineral water then becomes as inexpensive as domestic substitutes. When imports become less expensive and exports harder to sell on the world markets, countries begin to run trade deficits.

The large U.S. trade deficits of the 1980s were part of a vicious circle of budget deficits leading to record trade deficits that gave Japan and many other countries the dollars to spend on U.S. government bonds. In a way, the Japanese ended up trading videocassette recorders for pieces of paper-Treasury bonds that would one day have to be paid back by the U.S. government.

The awkward situation of one country using its trade surplus to pay for another government's budget deficits does not last forever. Foreign investors eventually lose confidence in a country with chronic budget and trade deficits, and when the time comes to pay the piper, the spendthrift country has to begin to pay back its debts. The result can sometimes be a collapsing currency and economic decline. Sooner or later, every country has to decide to limit spending and bring its budget and trade deficits under control.

**Notes:**

1. to the tune of – в размере, на сумму
2. vicious circle – порочный круг
3. to pay the piper – платить по счёту

**COMPREHENSION CHECK**

**Exercise 1. Give the answer to the question according to the information in the text.**

1. Do a budget deficit and trade deficit affect each other?
  - a) A budget deficit is very different from trade deficit and doesn't affect the last.
  - b) A budget deficit is very different from trade deficits but the two affect each other.
  - c) A budget and a trade deficits are not different that's why they affect each other.
2. What do most governments do to pay their budget deficit?
  - a) They ask voters to pay higher taxes.
  - b) They try to intensify national economy.
  - c) They sell government bills.
3. What are the relations between a spendthrift country and its foreign investors?
  - a) Foreign investors lose confidence in a spendthrift country.
  - b) Foreign investors are always ready to help a country with budget and trade deficit.
  - c) Foreign investors urgently sell most of their goods to a country with budget and trade deficit.

**Exercise 2. Make one sentence from two parts according to the information in the text.**

- |   |  |
|---|--|
| 1. During the 1980s Swedish cars and French mineral water ... | a) to bring its budget under control.                |
| 2. A trade deficit results from ...                           | b) were part of a vicious circle of budget deficits. |
| 3. The large U.S. trade deficits similar of the 1980s...      | c) became much cheaper than U.S. products.           |
| 4. Sooner or later every country has to decide ...            | d) a country importing more than it expects.         |

**INCREASE YOUR VOCABULARY**

**Exercise 1. Point out Russian equivalents to the English words.**

- |                 |                         |
|-----------------|-------------------------|
| 1. size         | a) налог                |
| 2. amount       | b) процент              |
| 3. tax          | c) спад                 |
| 4. revenue      | d) дефицит              |
| 5. decline      | e) размер               |
| 7. expenditures | f) доход                |
| 8. securities   | g) сумма                |
| 9. bond         | h) облигация            |
| 10. interest    | i) затраты              |
|                 | j) количество, величина |
|                 | k) рынок                |
|                 | l) долг                 |
|                 | m) ценные бумаги        |

**Exercise 2. Choose the suitable definitions to the words and collocations with the word "market".**

- |                                      |  |
|--------------------------------------|--|
| 1. to put the business on the market | a. to be available for buyers  |
| 2. the open market                   | b. the place to buy things   |
| 3. the street market                 | c. a system of producing goods on the basis of the free business and trade |
| 4. to be on the market               | d. to be interested in buying something                                    |
| 5. the market                        | e. the market without official restriction                                 |
| 6. market economy                    | f. selling things from tables  |
| 7. to market                         | g. the world market in the art   |
|                                      | h. to offer the business to sale   |
|                                      | i. to try to persuade someone to buy your goods                            |

## LANGUAGE ACTIVITY

### **Exercise 1. Insert prepositions (*for, from, of, on*).**

1. The value of this country is increasing ... the international markets.
2. The size ... budget deficit sometimes becomes dangerous for spendthrift economies.
3. Economic decline may result ... foreign trade unbalances.
4. The government has to pay for its borrowings ... the central bank.
5. A businessman is ready to finance business looking ... high returns.
6. It is time to pay interest ... bonds.

### **Exercise 2. Translate the sentences paying attention to the modal verbs *can, may, must, should*.**

1. Foreign investments in local companies can provide jobs for unemployed people.
2. Before cooperating with a new company one should determine its wealth.
3. It may happen that you have no money to buy a wanted thing.
4. By using exchange rates a salary in yen could be converted into U.S. dollars.
5. Our agreements and contracts must be signed by authorities from both sides.
6. The bankruptcy of the company might be result of an unfruitful management.
7. You mustn't forget to pay taxes regularly.

### **Exercise 3. Choose the correct modal verb to replace the Russian verb in brackets.**

1. What (можете) you do to pay your debts?
2. Trade wars (могут) bring economic or political changes.
3. The securities (следует) pay back immediately.
4. The government (не может) use the taxpayers money to subsidy local products.
5. New borrowings (могли) have serious repercussions for the economy.
6. The shareholders (должны) know what they really own.
7. If your client wants payment in cash, you (должны) pay in cash.

### **Exercise 4.a) Read and translate the conjunctions of the Time-Clauses: *after, as, as long as, for, once, since, before, when, while, until, whenever*.**

#### **b) Choose the appropriate conjunction.**

1. I'll not leave the office *until/ while* I finish the job.
2. Our family decided to buy these shares *since/ as long as* we had saved enough money.
3. A company does some market research *before/ after* they start a new business.
4. This model of cars is always available in the store, so you may come and buy your model *while/ whenever* you wish.
5. *While/ once* the director was talking to one of his partners, his secretary tried to contact the others.
6. We shall go to the plant *as long as/ as soon as* our colleagues come.
7. Our boss promised to phone *when/ before* he arrives to the place.

**Exercise 5. Fill in the gaps with proper time conjunctions: before, during, when, since, until.**

... the last few months investors were watching US stock markets rather nervously. The problem with US technology and telecom stocks began last March and ... this tendency was caught, share prices at large companies crashed. ... the beginning of the summer such companies as Intel, Apple and others announced lower profits. The investors feared that ... the US companies were unable to improve the situation, the demand for PC's would fall. It is known that ... the prospects are like that the investors begin to sell all the business even ... they are successful.

## Unit XV

### WORD-STUDY

**Exercise 1.** *Check the transcription in a dictionary, read and translate the words listed below.*

#### *Nouns*

liability, skyscraper, assets, bankrupt, enterprise, key, guarantee, equity, fund, firm, identity.

#### *Adjectives*

initial, anonymous, public, private.

#### *Verbs*

own, require, pursue.

#### *Adverbs*

enough, though, almost.

**Exercise 2.** *Read and translate the following pairs of words. Note how the meaning of the words changes:*

*Model:* a) due to the suffix -ship: *relation – relationship – взаимоотношения (между);*

friend-friendship

member-membership

partner-partnership

comrade-comradeship

owner-ownership

*Model:* a) due to the suffix -hood: *man – manhood- мужественность;*

child-childhood

brother-brotherhood

mother-motherhood

### UNDERSTANDING THE TEXT

#### **WHY ARE COMPANIES REFERRED TO AS LTD., INC., GMBH, OR S.A.?**

The heart of capitalism is private ownership, and a limited liability company allows people to own almost anything – from skyscrapers to television stations - without risking their professional assets should the company go bankrupt.

An individual, like Henry Ford, might want to begin a small enterprise and personally retain total responsibility and liability, but once it starts to grow, a partnership or a "company"—such as Ford Motor Company—would need to be formed. The key factor in owning any company is the guarantee called *limited liability*: the owners of a company never have to pay more than they have invested in the company. Their liabilities are limited. When a company goes bankrupt, the owners can never be required to pay its unpaid bills.



The worst that can happen to investors in a limited liability company is losing their initial investment if the company rails. By limiting the downside risk for shareholders, companies are able to attract *equity investors* and raise large amounts of funds called *equity capital* through sales of shares rather than by borrowing money at potentially high interest rates.

The names of companies around the world reflect this guarantee or limited liability. The abbreviations "GmbH" in Germany, "Inc " in the United States, or "Ltd." in most other English-speaking countries indicate that the firm is a limited liability company and investors have nothing more to lose than the money invested in their shares. The "S.A." in French- and Spanish-speaking countries also refers to limited liability by defining shareholders as "anonymous." Since the identity of shareholders can be kept secret, the creditors or a bankrupt company have no right to pursue them for the company's unpaid debts.

Many countries make a clear distinction between public and private companies, with separate designations, such as AC and GmbH in Germany, or Plc and Ltd. in Britain. Generally, "public" companies are those large enough to have their shares traded on stock exchange, while smaller unquoted companies are said to be "private," even though their shares can be held by the public at large. In some countries, a large company is said to be privately owned if its shares are not available to the general public, in the United States, where little distinction is made between public and private companies. Most companies simply bear the title "Incorporated."

## COMPREHENSION CHECK

### Exercise 1. *Which of two parallel sentences are true?*

- |  |   |
|--|---|
| 1. The heart of capitalism is private ownership.   | a. The heart of capitalism is public ownership.   |
| 2. The owners of a company never have to pay more than they have invested in it.                         | b. Sometimes, the owners of a company have to pay more than they have invested in it.                       |
| 3. Companies are able to raise a large amount of funds through sale of shares.                           | c. Companies prefer to raise a large amount of funds through borrowing money at high interest rates.        |
| 4. The creditors of a bankrupt company have right to pursue shareholders for the companies unpaid debts. | d. The creditors of a bankrupt company have no right to pursue shareholders for the company's unpaid debts. |

### Exercise 2. *Complete each sentence according to the information in the text.*

1. If a company fails, its investors ...
  - a) lose all their property
  - b) lose their initial investments
  - c) are arrested
2. The names of companies around the world reflect ...

- a) the guarantee of limited liability
  - b) amounts of funds of the company
  - c) the authority of the company on the international market
3. In the United States most companies bear the name ...
- a) Public Limited Company
  - b) Limited
  - c) Incorporated

## INCREASE YOUR VOCABULARY

### Exercise 1. *Match the synonyms.*

- |             |              |
|-------------|--------------|
| 1. affect   | a. have      |
| 2. end up   | b. influence |
| 3. start    | c. invest    |
| 4. indicate | d. finish    |
| 5. own      | e. begin     |
|             | f. land      |
|             | g. pay       |

### Exercise 2. *What attributes are not suitable to the given terms?*

1. investment – high-risk, initial, responsible, foreign, heavy, unpaid, small, profitable.
2. deficit – trade, political, financial, profitable, food, budget.
3. security – guaranteed, economic, independent, public, high, financial, available, national.

## LANGUAGE ACTIVITY

### Exercise 1. *Insert prepositions (to, between, of, on, in) where necessary.*

1. Public companies allow people to have shares traded ... stock exchanges.
2. Today we have a meeting of the owners ... our company.
3. I lost all money that I had invested ... these shares.
4. Is there any distinction ... public and private companies?
5. In some private companies the shares are not available ... the general public.
6. A budget deficit affects ... trade deficit.

### Exercise 2. *Translate from English into Russian paying attention to the equivalents of modal verbs.*

1. After graduating from our faculty he *was able to* work as economist.
2. The doctor said that now I *was allowed to* work.
3. Because of a high budget deficit the company *has to* reduce its expenditures.
4. Our manager *is to* call me at 9.
5. Some large companies *are not permitted to* trade their shares to general public.
6. The firm *was not able to* pay back the money owed to its creditors.
7. The terms of delivery goods *didn't have to* be infringed.

**Exercise 3. Answer the questions using modal verbs or their equivalents.**

1. What can people own in capitalist countries?
2. Are you able to continue your business?
3. When are you to pay your debts?
4. What can happen to investors, if the company fails?
5. Do the owner of a company have to pay more than they had invested in it?
6. Privately owned large companies mustn't have their shares traded on stock exchange?

**Exercise 4. Summarize your knowledge of Modal Verbs. Complete sentences with suitable verbs.**

1. Internet ... be available to any schoolchild in Russia.  
1 – need  
2 – must  
3 – couldn't
2. If you wish to have cheap and fast correspondence, you ... use e-mail.  
1 – ought to  
2 – can't  
3 – must
3. Even with the biggest computers available today, we still ... reliably predict the weather for next week.  
1 – can  
2 – cannot  
3 – mustn't
4. Foreign language translation ... prove to be a bit more complicated than a computer can handle.  
1 – may  
2 – must  
3 – should
5. The ethics is the study of what is right to do in a given situation, or what we ... do.  
1 – could  
2 – ought to  
3 – need

**Exercise 5. Complete the text with: had to, didn't have to, couldn't, should, should have.**

One day I ... travel for Brazil. But when I got to Heathrow airport they told me that the flight was overbooked and I ... to wait for the next plane. Then I was told that I ... take both my bags and hand luggage, so I left one of them in the hold. It was very annoying as I had my diary in it and I needed it. When I got on the plane I wanted to

use my laptop, but of course I ... until after take off. Besides, I was told that I ... know not to use it. It was quite late when I finally left Brazil airport (because of my second bag that I ... wait from the hold). I was lucky that I ... go to any business meeting that afternoon. I went directly to the hotel as I needed a good rest.

## UNIT XVI

### WORD STUDY

**Exercise 1.** *Check the transcription in a dictionary, read and translate the words listed below.*

*Nouns*

share, benefit, dividend, reward, agreement, return, store, ownership, light, bulb, equity.

*Verbs*

certify, reduce, eliminate.

*Adjectives*

worthless, stable, original.

**Exercise 2.** *From the verbs given below make nouns according to the model. Compare the meaning of the verbs and of the nouns.*

*Model: to limit – the limit – предел;*

to state, to look, to cause, to reward, to return, to share, to surge, to trade, to fall.

### UNDERSTANDING THE PRINTED TEXT

#### WHAT IS EQUITY?

1. Ownership in a company, called equity, is certified through pieces of paper-called shares or stock-that state that "the holder of this share owns a part of this company."

2. When the company makes a profit, its owners share in the benefits by receiving a dividend or by selling their shares for more money than they originally paid. When the company loses money, however, the dividends are reduced or eliminated and the share price tends to fall.

In the worst case, the company goes bankrupt, owing more than it can pay. The shares then become worthless and the owners lose all the money invested in them.

3. A company's shareholders are paid last after the suppliers, after the banks, and after the bondholders. The risk is that there may be nothing left for stockholders after everyone else has been paid off. The reward is that when a company earns a lot, the stockholders get it all. With equity, there is higher risk but also the opportunity for greater reward.

4. All investments involve a certain amount of risk, but a stock is generally considered much more risky than a bond, which is an agreement by the company to pay a specific amount of money at a specific time. In contrast to the fixed income of a bond, the return on an equity investment is unknown. To reward investors for this risk, equity tends to provide a higher return, either in the form of dividend payments or by an increase in value, when the company retains its earnings. Stocks often rise and fall in value rapidly, while bonds tend to be more stable. Bondholders are

creditors of a company with a guaranteed return on their investment, whereas shareholders are owners, with all the risks and rewards ownership entails.

5. International equity investment is not limited to the major financial center of London, New York, and Tokyo. Equity ownership can now mean a share of a fast-food store in Moscow, or it can mean a part of Thailand's booming manufacturing industry. It can be part ownership of a hotel in Rio de Janeiro or a light bulb company in Budapest. Equity means ownership, and ownership is now allowed in almost every country in the world.

## COMPREHENSION CHECK

**Exercise 1. Find the answer in the paragraphs of the text.**

1. What is the risk for stockholders since they are paid last?
2. By what documents is ownership in an equity certified?
3. How are benefits of shareholders realized when the company makes a profit?
4. Is the equity investment limited to the major financial centers?
5. What is the price of the shares when the company goes bankrupt?
6. In what way do bonds differ from shares?

**Exercise 2. Find the suitable equivalent of the underlined words.**

1. Any individual who holds shares owns a part of a company.
  - a) stocks
  - b) ownership
  - c) money
2. Ownership is now allowed in almost every country in the world.
  - a) friendship
  - b) partnership
  - c) private business
3. Equity means ownership which is now allowed in almost every country in the world.
  - a) share
  - b) goods
  - c) interest rate

## INCREASE YOUR VOCABULARY

**Exercise 1. Match the antonyms.**

- |            |           |
|------------|-----------|
| 1. lose    | a. forbid |
| 2. sell    | b. own    |
| 3. fall    | c. buy    |
| 4. allow   | d. gain   |
| 5. begin   | e. retain |
| 6. pay off | f. finish |
|            | g. call   |

- h. raise
- i. call

**Exercise 2. Choose the Russian equivalents to the English adjectives.**

1. worthless share – никчёмная, никудышная, обесцененная
2. specific amount of money – характерное, определённое, специфическое
3. major financial center – важный, крупнейший, старший, большой
4. booming industry – развивающаяся, получившая внезапное развитие, шумно рекламируемая
5. reduced dividends – незначительные, ликвидированные, сниженные

**LANGUAGE ACTIVITY**

**Exercise 1. Insert prepositions (to, between, of, on, with, in) if necessary.**

1. I sold this picture ... more money than I had paid for it.
2. The bondholders are paid off ... shareholders.
3. The company should provide its shareholders ... a high return.
4. Private business is allowed ... almost every country.
5. Our business is limited ... the sale of electronic equipment.
6. The shareholders get reward ... the suppliers and the banks.

**Exercise 2. Translate the sentences paying attention to the tenses of the predicates.**

1. Goods sent by sea to Japan will take four weeks to reach the receiver.
2. – What are you doing here in the post-office?  
– I'm posting a letter to our partners.
3. The organization of transport becomes of great importance for every business.
4. When you called to us we were discussing the terms of payment.
5. Only by the end of the working day the business partners had solved all problems.
6. Our enterprise will have borrowed money by the time of paying tax.
7. Next year we'll be gradually reducing our contacts with small firms.
8. Mr. Smith has been working for our firm for 20 years.

**Exercise 3. Put the verbs in the brackets into the correct forms.**

1. My brother is not in Moscow now. He (to travel) abroad.
2. The earliest money (to serve) as a unit of account.
3. During the last year we (to trade) with the same company.
4. Every morning I (to drink) my coffee.
5. The workers just (to receive) the salary.
6. We were informed that the bankruptcy of the enterprise already (to become) the reality.
7. Economists predict that later our budget deficit (to result in) the trade imbalance.
8. By 1910 Henry Ford (to begin) a small enterprise.

**Exercise 4. a. Read and translate the conjunctions of Relative Clauses** (who, whom, whose, which, that) **and relative adverbs** (who, where, why).

1. The devices which/who you ordered have arrived.
2. Investments whom/that are made in a limited company are in the form of shares.
3. The money whom/ that is needed to start the business is called capital.
4. This engineer is someone with whom I like to work/ who I like to work with.
5. If the business which/ who is owned by a sole proprietor runs into trouble, the owner has to pay his debts to the creditors.
6. The capital which/ when is borrowed is called loan capital.
7. We invited to our firm engineers whose/ who work is relevant to our project.
8. Which/ What we need is a better marketing strategy.

**Exercise 5. Joint the sentences with the correct relative conjunctions.**

Last month I went to London. I stayed there for some days. It was a very nice journey. I will never forget it. I stayed in a hotel. It was near my friend's Peter flat. Peter introduced me to his wife Julie. She is a tour guide and her knowledge of London is amazing. I loved the boulevards and parks of London. They are so large and elegant. The Tower of London is of course the most attractive for tourists. They are crowded at the place and taking photos of the beefeaters. Before leaving London I went to thank Julie and Peter. They had been very kind and hospitable.



## UNIT XVII

### WORD STUDY

**Exercise 1. Check the transcription in a dictionary, read and translate the words listed below.**

#### *Nouns*

balance, coconut, juice, beach, island, material, industry, entrepreneur, equipment, summary, truck, bankruptcy, purpose, accounting, picture, health.

#### *Adjectives*

necessary, nervous.

#### *Verbs*

subtract, add, owe, label, declare.

**Exercise 2. Match the equivalents of the given allocations.**

a) side by side, balance sheet, cash on hand, coconut juice stand, to set up the business, to be around this business, loans from the bank, to declare bankruptcy, to owe to the creditors.

b) начинать бизнес, взять кредит в банке, быть причастным к этому бизнесу, рядом, задолжать кредиторам, киоск по продаже кокосового сока, балансовый отчет, заявить о банкротстве, наличные деньги.

### UNDERSTANDING A PRINTED TEXT

#### WHAT IS A BALANCE SHEET?

If a simple coconut juice stand on a Samoan island beach were treated as a company, its balance sheet would consist of the following: its assets would be made up of the coconuts and the materials necessary to make and sell juice plus any cash on hand. If anything had been borrowed to set up the operation, these debts would have to be listed as liabilities. Whatever was left over after subtracting the debts from the assets would become the budding young entrepreneur's stockholder's equity.

#### BALANCE SHEET

##### GILIGAN'S COCONUT JUICE LTD. (SAMOAN ISLAND BRANCH)

#### Assets

cash:

10 in coins:     \$10

Inventory:

#### Liabilities

Debts:

Borrowed Knife:     \$10

10 coconuts      \$10

Fixed assets:

Knife, Table:      \$80

Stockholders-Equity:      \$90

Total Assets:      \$100

Total Liabilities:      \$100

All of the assets and liabilities of a company-even one as small as a coconut stand in the South Pacific-can be added up to see what the company owes and what it owns. A balance sheet is this summary, a snapshot of a company's position at a given point in time.

A balance sheet is made up of two lists, placed side by side. On the left the company lists everything it owns, such as cash and "fixed assets" called property, plant, and equipment, which include everything from buildings and trucks to tools, pencils, and copy machines. This list is labeled assets. On the other side, the company lists its liabilities, consisting of all claims to the company's assets, from creditors and from the company's owners. The lists end up being exactly equal-whatever assets are not claimed by the company's creditors belong to the owners.

When the company's shareholders sit down to see what they really own, they look at the lists on both sides of the balance sheet. By subtracting a company's liabilities from its assets, shareholders calculate the stockholders' equity to see what belongs to them after all of the company's debts have been paid off. This is commonly called book value.

When liabilities, such as loans from banks, start to exceed the level of a company's assets, the shareholders may become nervous and sell their shares. They don't want to be around on the day when the company can no longer pay its debts and is forced to declare bankruptcy, reducing the shareholders' equity to nothing.

The purpose of accounting is to provide the company's shareholders with a clear picture of the company's financial health. This "photograph", which is usually published once a year, can be used as a managerial tool, allowing us to see how efficient a company is, and whether it should stay in business.

### **Notes:**

to be around – быть причастным

book value – чистые активы фирмы, реальная величина капитала

## **COMPREHENSION CHECK**

**Exercise 1. Complete the sentences referring to the information from the text.**

1. A balance sheet is ... .
2. A balance sheet is made up ... .
3. The list of labeled assets includes ... .
4. The company lists its liabilities ... .
5. A book value shows ... .

**Exercise 2. Give the right answer.**

1. What happens to shareholders when the liabilities of the company exceed the level of its assets?
  - a) They become happy.
  - b) They become rich.
  - c) They become nervous.
2. Do shareholders support the company if it declares bankruptcy?
  - a) Yes, they do.
  - b) No, they don't want to be around on this day.
  - c) They are waiting when the company starts a new business.
3. How often is the company's accounting published?
  - a) Twice a week.
  - b) Monthly.
  - c) Once a year.

**INCREASE YOUR VOCABULARY****Exercise 1. Match the synonyms.**

- |             |                |
|-------------|----------------|
| 1. list     | a. situation   |
| 2. position | b. borrowings  |
| 3. cash     | c. stand       |
| 4. assets   | d. sheet       |
| 5. claim    | e. proprietor  |
| 6. loan     | f. money       |
| 7. owners   | g. requirement |
|             | h. side        |
|             | i. property    |
|             | k. level       |

**Exercise 2. From the words listed below choose economic terms:**

Assets, liability, sheet, snapshot, cash, equipment, loan, equity, bankruptcy, health, property, debt, claim, accounting, stand, creditors, balance, shareholder, borrowings, summary, truck, entrepreneur.

**LANGUAGE ACTIVITY****Exercise 1. Insert prepositions (from, at, in, to, by, on).**

1. A balance sheet of any company consists of its assets plus cash ... hand.
2. A balance sheet consists of two lists placed side ... side.
3. The shareholders looked ... the balance sheet to see what really belongs ... them.
4. I think you should stay ... business.
5. It is very bad when loans ... banks exceed the level of a company's assets.

**Exercise 2. Translate sentences paying attention to the Passive voice of the predicates.**

a)

1. Some basic documents were required for exports and imports.
2. Payment foreign trade may be made in cash or on contract.
3. The importance of cash flow has already been recognized by all economists.
4. National wealth could be determined by looking at its people.
5. International trade terms are widely used throughout the world.
6. Accountings will be published once a year.

b)

1. The price of a house depends on the material it is constructed of.
2. Payment by the letter of credit is referred to as most secure.
3. The manager director was sent for as he was the only one to help us.
4. Our balance sheet is being looked through attentively now.
5. Trade in services has not been looked on as profitable for us.
6. Our economists' propositions will be spoken about at the next meeting.

c)

1. I was given a valuable advice of an expert in economy.
2. Small businesses are affected by the problem of effective distribution of goods.
3. You will be helped by your friends to prevent the bankruptcy.
4. The visitors were asked to enter the office.
5. The economic difficulties of today are being influenced by political situation.
6. The firm has been offered rather profitable interest rate recently.

**Exercise 3. Substitute the infinitives by the proper form of the verb (active or passive).**

1. During the last financial panic, central banks (to act) as a lender of last resort.
2. I know that the money already (to deliver) directly from one person to the other.
3. In future, money (to borrow) from the central bank to lend the clients of small banks.
4. Now, when the economic activities of many businesses (to slow down) many banks reduce money supply.
5. Foreign exchange markets (to link) electronically.
6. The dollar (to use) in many countries as a local currency.
7. It happens that a country (to export) more than it (to import).

**Exercise 4. Read the text. Put the verbs in brackets in Passive Voice.**

**Where do they make Hondas?**

Twenty years ago, if someone asked: "Where do they make Hondas?", the answer would be easy: "Hondas (to make) in Japan". Nowadays, the question is not so easy to answer.

Making cars is an international business. Cars not only (to manufacture) in their original country, they also (to produce) in other countries, and such giants as Toyota and Honda have factories in many different countries.

There are several British car manufacturers, Ford, Rover, etc. and a lot of car factories in the UK. But some British cars not (to make) in Britain. The process is like a conveyor belt: while parts of British cars (to produce) in Germany or Belgium, the ready parts (to transport) to the UK where the cars soon (to assemble).

As for other countries, they produce Renault's not only in France, but also in Slovenia. German Opels (to make) in Hungary and new Audi TT Coupe, as it (to plan), (to produce) in Hungary as well.

The famous Škoda factory, in Czech Republic, is now a joint stock company. Seventy percent of the company (to own) by German car manufacturer Volkswagen. Thirty percent (to own) by Czechs. Škoda is the most profitable company in the country.

## UNIT XVIII

### WORD STUDY

**Exercise 1. Check the transcription in a dictionary, read and translate the words listed below.**

#### *Nouns*

south, overview, maintenance, Pacific depreciation, nightmare, advantage, uncertainty, organization, fund, wildlife.

#### *Adjectives*

multinational, proverbial, nonprofit.

#### *Verbs*

incur, deduct, delay, measure.

**Exercise 2. a) Pay attention to the negative prefix “non-” with nouns or adjectives where it shows negative “not”.**

**b) Translate the following sentences:**

- He will refuse your cigarette, he is nonsmoker.
- Some countries declared their nonalliance to the pact.
- Nonconformists don't follow ways of living accepted by most people.
- Sunday is a nonworking day.
- Nonliquid goods are produced but not sold.
- Nonpayment of taxes is punished by the law.
- There are public nonprofit organizations such as World Wildlife Fund.

## UNDERSTANDING A PRINTED TEXT

### WHAT IS A PROFIT AND LOSS STATEMENT?

Any enterprise from a major multinational corporation to a coconut juice stand in the South Pacific needs a summary of everything the company has earned and spent over a given period of time. This overview of a company's day-to-day activities is called an income statement or a *profit and loss statement (P&L)*.

A company making and selling coconut juice on a South Pacific beach would start its P&L with a summary of all revenues from selling its product. To determine its profit, the company needs to subtract its expenses from its revenues. First, it would subtract the costs incurred in producing the juice, called "cost of goods sold." Expenses such as salaries or maintenance of assets would also have to be accounted for. Other expenses, such as interest on loans, would then have to be deducted.

Finally, *depreciation*, the decline in value of fixed assets, such as machinery and tools, would have to be deducted from earnings. Depreciation causes numerous accounting nightmares because there is no way to determine how much a fixed asset really declines in value overtime.

Many companies take advantage of this uncertainty to show as much "loss" as possible as soon as possible, reducing earnings in order to pay less tax in the early

years of the asset's life. By delaying tax payments, companies can earn valuable interest on their retained earnings.

Once all expenses have been deducted from the revenues, a company can see its total profit or loss. This is the proverbial bottom line. It tells us how much the company's assets and liabilities changed over the course of the year.

Another tool for understanding a company's activity is to look at its *cash flow*. This measures the actual flow of funds—real money-flowing into and out of a company during a given period of time. A company's cash flow, or "cash summary," factors out all of the accounting tricks and looks at what a company really earned. Even though it does not tell us the company's "profit", cash flow sometimes gives a clearer picture of a company's true earnings, because it excludes accounting tools such as depreciation.

Cash flows and profit and loss statements are essential (or understanding the revenues, expenses, and profits of any organization, including nonprofit organizations such as the World Wildlife Fund or the United Nations. Even if profits are not distributed to shareholders, any organization needs a P&L to account for its activities to see whether it is being efficiently and honestly run.

**Notes:**

bottom line – последняя черта (грань)

## CHECK YOUR UNDERSTANDING

### Exercise 1. *True or false?*

1. Profit and loss statement is the overview of a company's day-to-day activities.
2. The profit of a company includes its expenses and revenues.
3. There are many ways to determine the depreciation of a company's fixed assets.
4. The decline in value of fixed assets is called depreciation.
5. Analysis of company's cash flow helps to understand its activity.
6. The United Nations is not nonprofit organization.

### Exercise 2. *Complete sentences according to the information in the text.*

1. Selling of the coconut juice may be organized by ...
  - a) multinational corporation
  - b) a simple stand
  - c) a stock exchange
2. Such fixed assets as machinery and tools ... over the time.
  - a) increase in value
  - b) decline in value
  - c) don't change their value
3. Cash flow is the flow of ... into and out of the company.
  - a) real money
  - b) goods
  - c) investors

## INCREASE YOUR VOCABULARY

### Exercise 1. Match the synonyms.

- |               |               |
|---------------|---------------|
| 1. enterprise | a. instrument |
| 2. overview   | b. percent    |
| 3. revenue    | c. statement  |
| 4. machinery  | d. income     |
| 5. salary     | e. expense    |
| 6. interest   | f. survey     |
| 7. tool       | g. earnings   |
|               | h. activity   |
|               | i. mechanisms |
|               | j. company    |

### Exercise 2. Choose the right translation of the given economic terms.

- |                              |  |
|------------------------------|--|
| 1. retained earnings         | a) полученная прибыль<br>b) распределённая прибыль<br>c) нераспределённая прибыль                            |
| 2. profit and loss statement | a) отчёт о доходах<br>b) отчёт о результатах хозяйственной деятельности<br>c) утверждение доходов и расходов |
| 3. cash flow                 | a) появление реальных денег<br>b) денежный отток<br>c) движение денежных масс                                |
| 4. cash summary              | a) сводка о наличности<br>b) суммы наличных денег<br>c) кассовый аппарат                                     |

## LANGUAGE ACTIVITY

### Exercise 1. Insert prepositions (on, into, at, out, for, from).

1. Interests ... loans sometimes make serious expenses for a company.
2. All other expenses have to be deducted ... the revenues.
3. You may understand the company's activity if you look ... its cash flow, which is the real money flowing ... and ... of the company.
4. Any organization has to account ... its activity.

### Exercise 2. Choose the correct form of the verb according to the rule of the Sequence of Tenses.

1. The manager said that before selling the goods they (did, had done) a lot of working research.
2. It was clear that advertising (was, is) an important means of promoting their services.



3. I was told that you (will represent, would represent) our company at the conference.
4. One can see that the character of trading (changes, was changing) with changing of new high-tech goods.
5. We were sure that Mr. Brown (will start, would start) his own business.
6. Nobody could understand why the profits (are not disturbed, were not disturbed) to shareholders.
7. I knew that two specialists from our enterprise (were working, are working) for a Britain company.
8. The producers were informed that on the basis of this agreement they (could, can) sign contracts with foreign firms.

**Exercise 3. Read the story and put the verbs in brackets in proper tenses.**

One of my friends, Black, (to loose) job though he (to be) a very good clerk. Once I met him with a suitcase in his hand. "Where (to go) you?" I asked him. "To Mexico", was the answer. "A bank there (to require) a clerk. I (to send) my documents by post, but I decided to go there myself to settle the matter sooner".

So, Black (to go) to Mexico. But his letter (to come) there three days earlier. When Black came to the Bank and (to speak) to the assistant-manager, the latter said: "I'm sorry, but we already (to get) a man and we (to send) him a telegram to come here immediately". The assistant-manager added that he (to clarify) the matter with the manager.

Without waiting the answer Black turned out and (to leave) the Bank. But, as he spent all his money, it (to take) him two months to get back to England. There, he found the telegram, which (to wait) for him for about two months.

**Exercise 4. a. Read and translate the conjunctions of Purpose Clauses: *so that, for fear that, in order to, in order not to, so as not to, for, with the aim of.***

**b. Choose the appropriate conjunction.**

1. Helen starts her own business, so/for she has to find an office space.
2. The Central Bank would like to keep interest rates low in order to/in order not to estimate economic growth.
3. Our Head Manager had several meetings with our bank so as not/ so as to arrange the loan.
4. For/To subsidize some industries the government gives them grants or loans.
5. We made all our best to/ for doing our business successful.
6. I was driving my car fast in order to/ for fear to miss my plane.
7. He opened an account with the aim of/ so as not to saving money to buy a car.

**Exercise 5. a. Purpose can be expressed in various ways. For example, from two sentences you may make many purpose sentences.**

*Model: A producer of optical equipment went to London. He wanted to market his product.*

A producer of optical equipment went to London to market his product.

A producer of optical equipment went to London for marketing his product.

A producer of optical equipment went to London in order to market at his product.

A producer of optical equipment went to London so that he could market his equipment.

A producer of optical equipment went to London with the aim of marketing his equipment.

A producer of optical equipment went to London in order not to miss marketing of his equipment.

A producer of optical equipment went to London for the fear that he could miss his marketing of equipment.

***b. Make yourself as many purpose sentences as possible:***

I rushed to the post-office. I wanted to post you this parcel.

## UNIT XIX

### WORD STUDY

**Exercise 1. Check the transcription in a dictionary, read and translate the words listed below.**

*Nouns*

ratio, Japan, stake, brewery, trust

*Adjective*

high, relevant, few, annual.

*Verbs*

reflect, vary, wear, accelerate.

**Exercise 2. a) There are two prefixes which have opposite meaning: “over-” (too much, more) and “under-” (too little, below)**

**Make words with these prefixes according to the model.**

*Model: to estimate – to overestimate;*

*to estimate – to underestimate*

with prefix “over-”

time, coat, to work, to sleep;

with prefix “under-”

ground, wear, to value, to pay, to line.

**b) Translate the collocations below:**

overpopulated cities; 5 minutes of overtime; to underestimate the talent; to overwork every day; an underground passage; to put on an overcoat.

### UNDERSTANDING A PRINTED TEXT

#### HOW ARE COMPANIES COMPARED INTERNATIONALLY?

The price of a company's shares is based on two things: what the company is worth and what it can provide in earnings in the years to come. A company's earnings, like a fruit tree's annual production of apples or oranges, is usually accounted for at the end of each year of activity.

A company's share price is based on its earnings, usually in the form of a ratio, called the price/earning (p/e) ratio. When a company's earnings rise, its share prices usually rises, keeping its p/e ratio in line with other companies within its industry. A company with a price /earnings ratio of 10/1, for example, has a share price that is ten times the amount the company earns per year, implying that the stock would pay for itself in ten years' time.

The problem in comparing p/e ratios from country to country is that each country has its own accounting rules: earnings may be understated in one country and overstated in another. It is hard judge a company's value when the measuring sticks

are not the same. Instead of asking, “Is the price too high?”, it may be relevant to ask, “Are the reported earnings too low”.

In Japan, different accounting rules allow many Japanese companies to report fewer earnings than would be accounted for by European or North American standards. For example, many of the Japanese holdings of other companies are not included in their reported earnings. The 5 percent stake that Mitsubishi Trust may hold in Kirin Breweries would be reflected in its price per share, but not in its earnings statement. Japanese price/earnings ratios, therefore, often look high by Western standards.

Another accounting practice that varies from country to country is depreciation, the theoretical “loss” companies can report on their taxes as assets such as building and machinery wear out. In Japan, companies use an “accelerated depreciation” method to show lower profits in the early years of an asset’s life, a practice that is not allowed in most Western countries. If the Japanese were to use Western depreciation methods, their reported earnings would rise considerably. This is why any big institutional investors do their own analysis of financial statements from around the world, recalculating a foreign company’s earnings according to a common set of accounting rules. This recalculation often brings foreign p/e ratios in line with those of other companies in the world economy.

### **Notes:**

to pay for itself- окупиться

measuring stick – принцип измерения, планка отсчета

to bring the line – выравнивать, привести в соответствие

## **COMPREHENSION CHECK**

### **Exercise 1. Answer the following questions.**

1. When are usually company’s earnings accounted for?
2. What is a company’s share price based on?
3. Are the methods of comparing p/e ratio equal in all countries?
4. Why do big institutional investors do their own analysis of financial statement from around the world?

### **Exercise 2. Join suitable parts of the sentences.**

- |  |  |
|--|--|
| 1. When a company’s earnings rise, ...           | a) while in Western companies they are lower.                  |
| 2. It is hard to judge a company’s value ...     | b) its share price rises as well.                              |
| 3. Japanese price/ earnings ratios look high ... | c) when accounting rules are different in different countries. |

## **INCREASE YOUR VOCABULARY**

**Exercise 1. Match Russian and English equivalents.**

- |             |                    |
|-------------|--------------------|
| 1. usual    | a. стоящий         |
| 2. annual   | b. иностранный     |
| 3. relevant | c. низкий          |
| 4. foreign  | d. высокий         |
| 5. worth    | e. обычный         |
| 6. high     | f. различный       |
|             | g. уместный        |
|             | h. соответствующий |
|             | i. годовой         |

**Exercise 2. What terms from the text are preceded with the following adjectives? Translate the resulting collocations:**

- institutional, reported, financial, early, annual, company's, accounting, fewer, accelerated.

**LANGUAGE ACTIVITY**

**Exercise 1. Insert prepositions (to, per, on, to) where necessary.**

1. The accountant informs the owners about the amount that the company earns ... year.
2. According ... our rule we have no right to sell our shares to the general public.
3. The shareholders wanted to know what really belonged ... them.
4. The share price is based ... the earnings of the company.
5. Accounting rules in Japan allow ... local companies to report earnings fewer than in Europe.

**Exercise 2. a) Change the following sentences from Direct speech into the Reported speech according to the table below.**

- |   |   |
|---|---|
| 1. My friend agreed: "Your partners have a wide experience in business".  | My friend agreed that ...               |
| 2. The lecturer told the students: "The Russian terms convertible and nonconvertible currencies correspond to English terms hard and soft currency respectively". | The lecturer told the students that ... |
| 3. The reporter declared: "This country is carrying out a very dangerous economic policy".  | The reporter declared that...           |
| 4. Mr. Hudson said: "I returned from Moscow last night".  | Mr. Hudson said that ...                |
| 5. Economists affirmed: "The range of services in economy will enlarge".  | Economists affirmed that ...            |

**b) Convert the interrogative sentences into the Reported speech.**

- a) General question.

1. We ask: "Will you be able to settle the problem of prices?"

We asked ...

2. He puts me a question: "Is it necessary to know the market potential for products first?"

He puts me a question ...

3. My son asked me: "Are you ready to help me?"

My son asked me ...

b) Special questions.

1. The examiner asked: "How is foreign economic advertising planned?"

The examiner asked ...

2. The Director asked: "Why does the clerk decide to leave our firm?"

The Director asked ...

3. The secretary asked: "When will you be back to the office?"

The secretary asked ...

**Exercise 3. a. Read and translate the conjunctions of reason: as, since, for, because, the reason why, due to the fact that, because of the fact that.**

**b. Choose the appropriate conjunction.**

1. This month the workers were paid at overtime rate *because/ the reason why* they worked more than it was required.

2. *Since/ For* the country earned more than it had spent, it has a favorable balance of payment.

3. We couldn't come on time due to the *fact that/for* we were held by a heavy traffic.

4. This man can't cross the border of the country due *to/because of the fact that* he has forgotten his passport at home.

5. *As/The reason why* the company lost money, the dividends were reduced.

6. *Due to the fact that/For* we earned a little more last month I could buy a new washing machine.

**Exercise 4. a. Read and translate the text.**

One day Emily Ross, author of articles on management in selling, called the magazine to tell them about a new article she was planning to write. But she was told that the editor was no longer there and a new man replaced him.

She spoke to the new editor. "I don't take articles from non-staff writers", he told her. "But I've been writing to this magazine for years", she said.

"That may be", he answered, but the old editor is gone, and I'm running the magazine now. Non-staff writers don't do the kind of job I require. "

Emily said, "I'd like to come to see you". "Come if you like but you will waste your time", he answered.

Nevertheless Emily went. She showed him one of her previous articles that had excellent response from readers. The editor looked through the article and said, "Well, write something for me and I'll see if I like it".

Two days later Emily's secretary told her, "The editor has called and he's eager to speak to you". "Oh, Emily", he said when she has called him, "your article is fantastic. I'll put it in our next issue and your photo on the first cover".

***b. Change the sentences of the dialogues into the Reported Speech.***

## UNIT XX

### WORD STUDY

**Exercise 1. Check the transcription in a dictionary, read and translate the words listed below.**

*Geographical names*

Eastern Europe, Scottish, Tokyo, Edinburgh.

*Nouns*

credit, chaos, venture, pension, turmoil, endowment, wheal, fortune, favor, maturely, hazard, widow, orphan, agency.

*Adjectives*

smart, careful, additional.

*Verbs*

flourish, identify, weigh, improve.

**Exercise 2. Read and translate the words of the same root.**

1. to care, care, careful, carefully, careless.
2. to value, value, valuable, valuer, to evaluate
3. to measure, measure measurement, measurable, immeasurable, measureless
4. to analyse, analysis, analyst, analytic
5. democracy, democrat, democratic, democratically, to democratize

### UNDERSTANDING THE PRINTED TEXT

#### WHAT ARE SOME OF THE RISKS OF INTERNATIONAL INVESTING?

International investing is a risky business. When the Communist economies of Eastern Europe were transformed into free-market economies, for example, their credit risks improved immeasurable, and those who invested first saw the value of some of their investments flourish. In other countries, however, investors were not so lucky as political turmoil and economic chaos pushed many ventures to the brink of bankruptcy.

International investing carries many additional risks along with additional rewards. Global investors, including pension funds and university endowments, need to look very carefully at each country's political and economic situation before lending money or otherwise investing abroad. By removing – or at least identifying – some of the risks involved, the wheel of fortune of the global markets can actually spin in the smart investor's favor. Banks, for example, have made a science of weighing the risks in international investment. When lending money to international borrowers, they not only consider the traditional risks of credit, maturity, interest rates, etc., but they identify additional hazards such as exchange risk and political risk.

Changes in the value of foreign currencies can provide additional profits, or they could end up eating away the earnings from and otherwise lucrative international



investment. A Scottish widows an orphans fund that invests its funds in Tokyo may see the value of its stocks and bonds rise handsomely on the markets in the Far East. But if the yen loses value against the pound in Edinburgh, those foreign earnings may end up being a loss for those who need the money at home.

Exchange risks can also work in an investor's favor. For example, an American investing in Australian stocks stands to gain handsomely if the Australian dollar goes up against the U. S. dollar. The profit from an investment in a strong foreign currency can sometimes exceed the local profit in the investment itself.

Loans to governments and companies in foreign countries also carry an exchange risk if the borrower pays back the loan in a different currency. If exchange rates change, the investor may end up getting more or less in return when the loan is exchanged back into the lender's own currency. For this reason, many loans to Third World countries such as Brazil and Mexico were not made in the local currency. Western and Japanese banks usually preferred to have the loans denominated in dollars, yen, and marks in order to avoid exchange risks.

International investments also present a political risk if a government falls or if new laws are passed restricting international payments. If a democratically elected government is toppled, for example, the local markets may drop like a stone as foreign investment money flees the country.

After all the risks have been analyzed, international investments should provide a return that rewards the investor for the various risks taken. The use of rating agencies and political analysts helps the investor to calculate risk, but the decision on the return and amount of investments in any one venture must be made on an individual basis.

**Note:**

political turmoil – политическая нестабильность

**Exercise 1. Complete sentences according to the information in the text.**

1. International investing is ... .

- a) a nonprofitable business
- b) a profitable business
- c) a risky business

2. Political turmoil and economic chaos in a foreign country ... .

- a) make some ventures borrow additional money from banks
- b) help some ventures to obtain considerable rewards
- c) push some ventures to the brink of bankruptcy

3. Western and Japanese banks make loans denominated ... .

- a) in local currencies
- b) in dollars
- c) in any currencies

4. If a democratically elected government is toppled, the local market ... .

- a) may drop
- b) never drops
- c) must drop

5. The use of ... helps the investors to calculate risks.

- a) internet information
- b) rating agencies and political analysts
- c) information from the secret service

**Exercise 2. Which explanation of economic terms is correct?**

1. a) A free-market economy is a system of trade when prices are not controlled by the government.

b) A free-market economy is a system of trade when all prices are controlled by the government.

c) A free-market economy is a system when all prices are controlled by consumers.

2. a) International investing is putting money into a business of your country.

b) International investing is providing money for your project by international organizations.

c) International investing is investing money into foreign companies.

3. a) To lend money is to steal money.

b) To lend money is to let someone borrow it on condition to pay back with additional interest.

c) To lend money is to pay back your debt.

**INCREASE YOUR VOCABULARY**

**Exercise 1. Read and translate the collocations below.**

1. credit risks
2. additional reward
3. pension fund
4. wheel of fortune
5. smart investor
6. interest rate
7. foreign earnings
8. strong currency
9. lender's currency
10. Third World country
11. removing risks

**Exercise 2. Choose the Russian equivalents to English terms.**

1. smart investor – a) сильный b) умный c) резкий d) остроумный
2. additional hazard – a) азарт b) случай c) риск
3. exchange rate – a) курс b) темп c) тариф

4. university endowment – a) подарок b) вклад c) пожертвование d) дарование e) благотворительность
5. the value of stocks raises handsomely – a) красиво b) щедро c) значительно d) привлекательно
6. in the investor's favor – a) с позволения b) в пользу c) для покровительства d) в распоряжение

## LANGUAGE ACTIVITY

### Exercise 1. *Insert the prepositions (with, on, in, at, to, of).*

1. It is easier for small business to find customers ... home.
2. Currency risks depend ... the currency exchange rate.
3. Money tells us how much our goods or services are worth ... the international market.
4. Any business carries risk along ... profits.
5. When banks lend money ... international borrowers they consider possible risks.
6. When buying shares one needs to look ... the economic situation ... the company.
7. These goods are not to be paid ... local currencies.

### Exercise 2. *Summarize your knowledge of the Conditional Sentences.*

#### I. *Translate the sentences into Russian.*

1. If a Seller decides not to sell his goods, the Buyer has no right to oppose it.
2. If our partner increases the volume of contract, we shall have an 8 percent discount.
3. If all the contracts were strictly observed, there would be no need to break them.
4. If we had started our talks earlier, we would have increased our currency earnings.
5. Had we arrived at the agreement, you would be able to buy the currency at the agreed price.

#### II. *Put the verbs in brackets into the correct form.*

1. If the order were received on time, the manufacturing of our product (to take) not more than two weeks.
2. If a country restricted foreign investments, job and needed capital (to be lost) for other countries.
3. If a firm has to deliver a small package of goods, it usually (to prefer) to send it by road transport.
4. If a large number of trades (to want) to buy U.S. dollars, the value of the latter will go up.
5. If the shareholders (to look) at the balance sheet, they would have known what they really own.
6. Money would have lost its value, if the prices had risen.

7. The economy slows unless banks (to stop) to lend money to business and consumers.
8. Had our banks lent money from the Central bank, we (to lend) it to our clients.
9. Had I more information about our partners' business the talks (to be) more successful.

**Exercise 3. Complete the sentences.**

1. If I were a genius, ... .
2. If my father were a banker, ... .
3. If I had \$1 000 000 to spend in three days, ... .
4. If somebody stole my deposit book, ... .

**Exercise 4. a. Read and translate the conjunctions of manner: as, as if (as though), how, in the way that, like.**

**b. Choose the appropriate conjunction between two given.**

1. He runs the company *how/ like* his father used to.
2. While studying economics students are taught *as/ how* they will plan a budget.
3. It looks *like/ as* these two friends are going to leave the business.
4. The balance sheet is made up in the way *that/ how* the shareholders see what they really own.
5. You may use your property *as/ how* you like.

**Exercise 5. Choose the correct tense for the verbs in brackets. Remember that using of verbs after as if as though is similar to that in Conditional sentences in real or unreal situation.**

1. Tony knew nothing but he acted as if he (to know) everything.
2. He behaves as if he (to be) the boss of a company. May be he is?
3. I worked hard. By the end of the day I felt so tired as though I (to run) a mile.
4. The employees of this firm are not slaves, but they are treated as if they (to be).
5. Our new engineer had no special education, but he marked as though he (to be) a high level specialist in this branch.

## UNIT XXI

### WORD-STUDY

**Exercise 1. Check in a dictionary and translate the words listed below.**

*Nouns*

basket, range, structure, supply, decision, environment.

*Adjectives*

whole, healthy, conscious, social, retired, rapid.

*Verbs*

prefer, buy, diversify, suffer.

**Exercise 2. Read and translate the words of the same root.**

1. to manage, management, manager, manageable
2. to limit, limit, limitation, limited, unlimited, limitless
3. to protect, protection, protector, protective, protectionism, protectorate
4. to provide, provider, provided (that), providing (that)
5. diverse, diversity, to diversify

**Exercise 3. Match the equivalents of the terms.**

a) securities, fund, range, goal, stock, income, payment, share.

b) платежи, цель, ценные бумаги, акция, поступления, акционерный капитал, безопасность, фонд, вознаграждение, линия, запас, гол, ряд.

## UNDERSTANDING A PRINTED TEXT

### WHAT THE EQUITY FUND?

Instead of putting all their eggs in one basket, international investors often invest in equity funds that spread the risk over a wide range of stocks. Essentially, equity funds allow investors to avoid the risk of losing all their money on one bankrupt company. The funds consist of a whole group of different securities, such as stocks and stock options, that are bought and sold for the fund by professional fund managers.

Many international investors prefer to leave the decisions on foreign equity investment to the highly skilled fund managers who know the individual markets and are better able to avoid costly mistakes. By buying a share in an equity fund, such as Far East fund or a growth stock fund, investors can diversify the risk over a wide range of companies. If any one company in an equity fund goes bankrupt, each investor suffers minimal loss because of the other healthy companies in the fund.

Politically or socially conscious investors such as college endowment funds may prefer to invest in equity funds that correspond to their economic and political goals. A fund investing only in companies that protect the environment, for example, may be of interest to people who want to accomplish specific social goals with their money.

There are many different equity funds available for their international investor. Growth stock funds invest primarily in stocks of companies that retain their earnings and concentrate on rapid growth. In an income stock fund, investment are made primarily in already established companies that pay consistent dividends. This type of investment may be of interest to a pension fund, for example, which needs a fixed income for payments to retired people. A country fund provides investors with an opportunity to share in the growth of specific foreign markets with limited risk.

There are two types of structures for equity funds. A “closed-end” investment fund, (called an “investment trust” in Britain) has a limited number of shares available. A new investor would have to buy shares in the fund through the open markets, where their price is determined by supply and demand. In an “open-end” investment fund (called a “unit trust” in Britain) new shares are simply issued whenever a new investor wants in, and the price is determined by the value of the fund’s holdings.

*Notes:*

growth stock fund – инвестиционный фонд, основной задачей которого является долгосрочный прирост капитала.

income stock fund – инвестиционный фонд, основной задачей которого является обеспечение текущего дохода.

country fund – локальный инвестиционный фонд

“closed – end investment fund” – инвестиционная компания закрытого типа

“open-end investment fund ” - инвестиционная компания открытого типа

## COMPREHENSION CHECK

### **Exercise 1. a. Do you agree that ...**

1. ... putting all eggs in one basket exposes them to the risk?
2. ... it is reasonable to use the help of professional fund magazines?
3. ... there are not many equity funds available for international investments?
4. ... the environists prefer to invest their money into companies that protect the environment?
5. ... a “closed-end” investment fund issues shares whenever a new investor wants them.

### **b. Prove your answers.**

### **Exercise 2. Match collocations suitable to the sentences below.**

1. If your company ..., you lose your money.
2. ... know the individual markets.
3. A pension fund needs ... for payments to retired people.

---

a fixed income, spread the rise, highly skilled managers, the value of the company, goes bankrupt.

## INCREASE YOUR VOCABULARY

### Exercise 1. *Point out English equivalents to Russian economic allocation.*

- |                                |                         |
|--------------------------------|-------------------------|
| 1. дорогостоящая ошибка        | a. economic goals       |
| 2. минимальная потеря          | b. demand and supply    |
| 3. успешная компания           | c. financial loss       |
| 4. цели экономики              | d. costly mistake       |
| 5. имеющиеся в наличии         | e. political turmoil    |
| 6. спрос и предложение         | f. healthy company      |
| 7. политическая нестабильность | g. minimal loss         |
| 8. стабильные дивиденды        | h. available            |
| 9. экономика свободного рынка  | i. foreign company      |
|                                | j. retained earnings    |
|                                | k. consistent dividends |
|                                | l. free-market economy  |

## LANGUAGE ACTIVITY

### Exercise 1. *Insert prepositions (by, in, of, for, to) where necessary.*

1. There are different goods and services available ... international investors.
2. The development of trade relations corresponds ... political and economic goals of our countries.
3. Domestic trade allows ... sellers and buyers not to use foreign currencies.
4. The debts are to be paid ... a spendthrift country.
5. If you have free money, you may buy shares ... an equity fund.
6. Your proposal may be ... interest to us.
7. The investors need ... help of skilled managers.

### Exercise 2. *Summarize your knowledge of the Subjunctive Mood.*

*Translate the sentences paying special attention to the verbs in the Subjunctive Mood.*

- I. 1. It is better that you invest in an equity fund.  
2. It is improbable that his business be successful.  
3. It is important that the documents should be received on time.  
4. It is desirable that he pay back the debts.
- II. 1. I propose that the rate of interest be stated beforehand.  
2. The arbiter insists that both sides should arrange the payment of the project.  
3. The investor requires that the decision should be made by a skilled fund manager.  
4. Our partner demanded that the goods be paid by cheque.
- III. 1. When the bankruptcy becomes reality, shareholders begin to sell shares, lest they should loose their money.  
2. We shall solve the problem so that our business should be profitable for both of us.

3. The representatives met in November in order that all terms should be agreed by the end of the year.

### **Exercise 3.**

**1) a. While translating the sentences be attentive to the Past Simple and Past Perfect after the verb “to wish”.**

**b. Translate the sentences below**

1. It is necessary that he choose the means of transporting goods. I wish he did it as soon as possible.
2. It is desirable that I speak to Mr. Brown. I wish I had met him in London last time.
3. It is better that you shouldn't be in business at all. I wish you had chosen another job.
4. It is important that new shares should be used as soon as new investors are ready to buy them. We wish the company could do it.

**2) a. Remember that the verb “wish” can be used to express regret about things that cannot or didn't happen.**

**b. Finish the sentences below according to the model.**

**Modal:**

- *I wish I were at home now. I wish I were at home now, but I'm not.*
- *I wish they hadn't bought this book. I wish they hadn't bought this book but they did.*

1. I wish you arrived earlier, but ....
2. I wish he were not so poor, but ....
3. I wish I had borrowed from this bank, but ....
4. She wished she hadn't accepted their proposal, but ....
5. I wish this firm acted more successfully, but ....
6. I wish I had stayed in business, but ....

**Exercise 4. a. Read and translate conjunctions of Clauses of concession: although (thought, even though), despite, while, whereas, nevertheless, however, whatever.**

**b. Choose the appropriate conjunction between two given.**

1. *However/ Although* many countries risked popular protest and economic problems, they decided to start a complete transition to a free-market economy.
2. Many think that the market is leading in development of any country, *however/ despite* it is not always so.
3. The main political forces in Denmark in 2000 agitated for “Yes” vote before referendum, *nevertheless/ whatever* the Danes said “No”.
4. There was some good news for investors *while/ even* though the shareholders were not satisfied with the results.
5. *Despite/ Whatever* you say, I won't believe you.
6. I work for a private company *even though/ whereas* my parents work for a private enterprise.



**Exercise 5. Join the sentences using *although, whereas, despite, but, while*.**

1. Mr. Harvey is a company director.
  2. He is a tall dark haired man.
  3. Mr. Harvey enjoys his job.
  4. In the evenings he likes to listen to classical likes music.
  5. Mr. Harvey is fond of cars and owns a new Jaguar.
- a. He works long hours.
  - b. He never drives to work.
  - c. His mother is short with blond hair.
  - d. Mr. Harvey's younger sister rock music.
  - e. He is only 26.

## Unit XXII

### WORD-STUDY

#### **Exercise 1. *Read and translate the collocations below.***

In reference to, unlike a stock, to reflect the market, low rate of interest, to sell at a discount, a higher return, interest-bearing investments, around the world.

#### **Exercise 2. *Find in the text nouns with the suffix –er (or) and translate them.***

#### **Exercise 3. *Remember the meaning of the terms that you'll find in the text.***

Redemption is the act or process of redeeming, of paying off a loan.

Maturity is the date on which a bill of exchange, promissory note or loan becomes due for payment or repayment.

Securities are stocks, shares and bonds which are bought as investments.

### UNDERSTANDING A PRINTED TEXT

#### **What is a bond?**

Unlike a stock, which represents the risk and rewards of ownership in a company, a bond is simply a loan agreement that says: "I, the borrowers, agree to pay to you, the bondholder, a certain amount of money at a certain time in the future."

Although almost anyone can issue a bond, large institution such as government and corporation are the most common borrowers in the international bond markets. Instead of relying on any one bank to lend them money, they issue bonds to raise large sums of funds, often in global issue of securities that are sold to banks and other investors around the world.

A bond is basically a piece of paper giving the holder the right to receive a specific amount of money at a specific time. The borrowers, or issuer, of a bond has two obligations. First, the issuer has to pay back the original amount borrowed, called the principal. Second, the borrower needs to pay interest periodically, to reward those who buy the bond as an investment. These interest payments are also called coupons in reference to the little pieces of paper attached to bonds before the electronic markets made such paper transactions unnecessary.

In order to determine the value of a bond, it is necessary to calculate the interest paid over the bond's life and compare this with other interest-bearing investments in the international marketplace.

Bond prices are constantly raised and lowered to reflect the market. Essentially, bonds often interest rates. A bond paying a relatively low rate of interest, therefore, will be sold at a discount when higher-interest bonds are issued. A low-coupon bond, for example, may have to be sold for 95 percent of its face value, or redemption value, in order to make it attractive enough to compete with other bonds. In paying less for a bond, the buyer receives a higher return, or yield, on the amount invested. Like a playground seesaw, when one goes up, the other goes down.

Likewise, when interest rates fall, the prices of existing bonds rise. In a period of declining interest rates, a relatively high-coupon bond would see its price increase, until its yield is same as other bonds in the market with similar maturity and similar risk. A bond's price may even rise above face value, to 105 percent for example, to make its yield competitive with other bonds in the market.

The interest rate and price of a bond are also determined by its risk – the likelihood of the investment being repaid. The riskier the bond, the higher the interest a potential borrower will have to pay to attract investors. Bonds, especially government bonds, are seen to be a relatively safe investment. In the case of a bankrupt company running out of money to pay bondholders and stockholders, the bondholders get paid first. A government, in a worst-case scenario, can always pay off bonds issued in the national currency by simply printing more money.

Bond prices are adjusted constantly, allowing them to compete with other investments in the global economy, always reflecting the current political, monetary, and economic environment.

## **COMPREHENSION CHECK**

**Exercise 1.** *Answer the questions according to the information in the text.*

1. What institutions are the most common borrowers in the international bond markets?
2. What right does a bond give to the holder?
3. What obligations has the borrower?
4. When do the prices of existing bonds rise?
5. What is the principal?
6. What bonds are a relatively safe investment?
7. What do constantly adjusted bond prices reflect?

**Exercise 2.** *Complete the sentences giving the explanation of the following economic terms.*

1. A bond is basically ....
2. The bondholder is a ... .
3. The nominal value of a bond is ... .
4. The redemption value of a bond is ... .
5. Maturity is a ... .

## **INCREASE YOUR VOCABULARY**

**Exercise 1. Match Russian and English equivalents.**

1.	2.
1. redemption	a. срок выплаты долгового обязательства
2. to compete with	b. держатель (акций)
3. return	c. отражать
4. rate of interest	d. погашение
5. maturity	e. кредитор
6. face value	f. процентная ставка
7. holder	g. прибыль
8. to reflect	h. соперничать с
9. lender	i. потребитель
10. to attach	j. прикреплять
	k. отрывать
	l. покупатель
	m. номинальная стоимость

**LANGUAGE ACTIVITY****Exercise 1. Translate the sentences paying attention to forms and functions of the underlined****Participle I.**

1. He left London for Paris promising to return the following year.
2. The delegate addressing the conference arrived yesterday.
3. Having been discussed for 7 hours the five-point declaration was approved.
4. Having been defeated the Premier was obliged to resign.
5. Being made too late the proposal was not dealt with.
6. They were arguing for the tax cuts.

**Exercise 2. Translate the following sentences with the Absolute Participial Construction.**

1. The choice having been made, all the other alternatives have been rejected.
2. Multiple statements expose several viewpoints, each leading to different solutions.
3. With domestic savings squandered, the country's dependence on foreign finance is increased.
4. The companies must be privatized, with no more than 10% of their shares remaining in government hands.
5. The situation being favourable, they bought the shares.

**Exercise 3. Insert either...or, neither...nor into the sentences. Translate them.**

- 1.-Did anybody come to see you last week?  
-Nobody did...Julia...John was there.
- 2.-Have they arrived yet?  
-No, they haven't. But I expect them... today...tomorrow.
- 3.-Borrow some money from your friends...Ann...Mary will help you.

- 4...my words...Dad's arguments had any effect on him.
5. It's getting dark .You must ...go at once...wait till tomorrow.
6. What's happened to Jim? He has...written...phoned.
7. Inside the examination room we could...smoke...talk.
8. The room was...comfortable...clean, was it?

**Exercise 4. Summarize your knowledge of Object Clauses. Translate the sentences.**

1. I'm afraid they won't come.
2. He ordered that the ship should be unloaded.
3. I don't know what you are talking about.
4. Time will show whether I am right or wrong.
5. I found it hard to keep in my mind on what the colonel was saying.
6. What happened then I don't know.
7. I can't tell you what tricks they performed, or how they did it.

**Exercise 5. Fill in the blanks with prepositions on, with, to, at, in, of where required.**

1. I don't insist...your coming here.
2. You may join...us...the station.
3. He turned...them and interfered...the conversation.
4. I'll be back...five minutes. Wait...me...front...the house.
5. The man turned...pale.
6. He elbowed his way...the door.
7. The train starts...8.50, so you'd better be...the station...time.

## Unit XXIII

### WORD-STUDY

**Exercise 1.** *Check the transcription in the dictionary, read and translate the words listed below.*

*Nouns*

offer, spread, percent, percentage, amount, quantities, yield.

*Adjectives*

competitive, enormous, whole, elaborate.

*Verbs*

quote, adjust, connect, complete, force.

**Exercise 2.** *Make these adjectives negative by adding the prefix in- and altering it to suit the consonant which follows.*

Model: a) legal – in + legal – illegal

b) probable – in + probable – improbable

c) regular – in + regular – irregular

practical, possible, responsible, mobile, proper, rational, legible, logical, personal, relevant

### UNDERSTANDING A PRINTED TEXT

#### **How are bonds traded?**

Bonds are traded around the world twenty-four hours a day, usually in trading rooms of banks and securities houses that are connected by an elaborate system of electronic communications equipment. The largest international capital markets are based in London, New York, and Tokyo, but bonds are traded in almost every financial center in the world, from Paris to Bangkok, from Abu Dhabi to Vancouver.

Since it is difficult for bonds investors to find individual buyers and sellers, they usually go to professional “market-makers” who buy and sell their bonds for them. Although some bond trading takes place on public trading floors like stock exchange, most of the world’s fixed-income securities, or bonds, are traded by banks and securities houses acting as market-makers on behalf of their clients.

Bond markets are just like any others competitive market in that trades make money by buying for less and selling for more. To buy or sell a bond, an investor goes to a trader who makes a “market” with two prices: a “bid” price and an “offer” price. A trader makes money by buying bonds at the lower bid price and by selling them at the higher offer price. The difference between the two prices is called the spread.

Bond traders are forced by the market to keep their prices and spread competitive. Some markets are so competitive that the bid and offer prices are quoted in fractions of a percent, sometimes given as 1/32nds.

Bonds are usually traded with prices based on a percentage of their original face value. When the price of a thousand-dollar bond rises by  $16/32$ , or one half of one percent, its value rises by five dollars. Since the original value of the bond and its interest rates do not change, adjusting the bond's price gives it a new yield. Bond yield calculations are so complex that most traders use calculators to determine which prices bring a bond's interest rate in line with the changing market.

In the international capital markets, some bonds, such as U. S. Treasury bonds, serve as bellwether indicators of the market as a whole.

Because of the enormous amount of U. S. Treasury debt issued, international investors prefer to use this market for a large part of their trading and investing. U. S. government securities are said to be the most liquid bonds in the world because they can be traded internationally in large quantities at almost any given time.

## COMPREHENSION CHECK

### Exercise 1. *Which of two parallel sentences is true?*

- |   |   |
|---|---|
| 1. Bonds are traded around the world twenty-four hours a day.   | 1. Bonds are traded around the world in a daytime.  |
| 2. The largest international capital markets are based in London and Paris.                                   | 2. The largest international capital markets are based in London, New York and Tokyo.                         |
| 3. Bonds investors usually go to professional "market-makers" who buy and sell their bonds for them.          | 3. Usually bonds investors buy and sell their bonds themselves.   |
| 4. A trader makes money by buying bonds at the lower bid price and by selling them at the higher offer price. | 4. A trader makes money by buying bonds at the higher bid price and by selling them at the lower offer price. |

### Exercise 2. *Complete each sentence according to the information in the text.*

- US government securities are said to be...
  - the most liquid bonds in the world.
  - the most convertible bonds.
  - gold bonds.
- Bonds are usually traded with prices based on a percentage...
  - of their anticipated value.
  - of their original face value.
  - of their redemption value.
- Some markets are so competitive that the bid and offer prices are quoted in...
  - some percent.
  - fractions of a percent.
  - tiny percentage.

## INCREASE YOUR VOCABULARY

### Exercise 1. Match Russian and English equivalents.

1	2
1. bid price	a) цена, предложенная продавцом
2. offer price	b) цена, предлагаемая покупателем
3. calculations	c) неокругленная цена
4. to quote a price	d) долг
5. bid quotation	e) курс покупателей
6. debt	f) расчеты
7. electronic communications	g) назначать цену
8. to keep spread	h) электронная связь
9. capital market	i) покупательский бум
10. yield	j) сдерживать разрыв между ценами
	k) кредитная маржа
	l) рынок капитала
	m) прибыль

### Exercise 2. Match the antonyms.

1	2
1. loss	a. payer
2. global	b. gain
3. valuable	c. clearing
4. static	d. worthless
5. inflation	e. deflation
6. payee	f. illegal
	g. dynamic
	h. local

## LANGUAGE ACTIVITY

### Exercise 1. Translate the sentences containing the Absolute Participial Construction.

1. The situation being favourable, they bought the shares.
2. In London there are a lot of museums, the largest being the British Museum.
3. This country has good ports, each possessing rail connection with the interior.
4. There being no objections, the resolution was adopted.
5. He has invested heavily in modern technology, profits being ploughed back for new equipments and experimentation with new methods.
6. With yet another year over, it is perhaps the right time to look a little into the future.



7. The energy sources of the world decreasing, the scientist must find new sources of energy.

**Exercise 2. Translate the sentences with the underlined Participle II as an Attribute.**

1. Considerable progress has been made in the methods employed.
2. Even failed experiments teach us something of value.
3. Cash received is posted in the cash account.
4. You must use the formula specified by tax law.
5. A shipment of finished products usually requires quicker delivery.
6. Everyone consulted agreed that there was a shortage of goods.
7. Last week he demonstrated the improved mechanism.
8. Without increased productivity accelerated national development has seldom, if ever, been obtained.
9. The terms insisted upon are difficult to fulfill.

**Exercise 3. Insert much or many into sentences below. Translate them.**

1. Try to do as...as possible.
2. My friend didn't make...mistakes.
3. How...money have you got?
4. There isn't...milk in the bottle.
5. I haven't got...time, but I'll try to help you.
6. Have your parents been to...countries?
7. There weren't...people in the street.
8. He doesn't spend...money on his clothes.
10. You watch TV too... .

**Exercise 4. Summarize you knowledge of Attributive Clauses. Translate sentences.**

1. I know some people who could help you.
2. There's a problem that you don't understand.
3. Friday is the day we have Spanish.
4. Do you know a shop which sells good coffee?
5. Nothing that she said made any difference.
6. The people who live in Greece speak Greek.
7. The language that some people speak in Scotland is called Scots Gaelic.

**Exercise 5. Insert prepositions for, on, in, of, at where necessary.**

1. The banks close...7 o'clock...the evening.
2. He usually leaves home early...the morning and comes back late...night.
3. We arrived...London...the 13<sup>th</sup>...April and left...Oxford only...June.
4. She lived in England...three years.
5. Last summer we spent our holiday ... France.
6. The prices...the majority of goods do not change...short periods of time.

## Unit XXIV

### WORD-STUDY

**Exercise 1. Check the transcription in a dictionary, read and translate collocation listed below.**

Immediate delivery, at a future date, flexible dates, spot prices, rise in value, gold mining companies, commercial transactions, precious metals, security houses.

**Exercise 2. Make adjectives by adding the suffix –able. Remember that there is an active use of able and a passive use.**

**A. The active use of –able.**

*Model: Fruit can perish – Fruit is perishable.*

*Note that can is not always necessary in the first sentence.*

- |   |   |
|---|---|
| a. The plan <i>can</i> work.            | d. Those products <i>have</i> a value.    |
| b. Market conditions <i>can</i> change. | e. Some investments <i>make</i> a profit. |
| c. Economic conditions <i>can</i> vary. |   |

**B. The passive use of –able.**

*Model: The difficulty can be avoided.*

*The difficulty is avoidable.*

- |   |  |
|---|--|
| a. The commodity <i>can be</i> marketed.    | d. The relationship <i>can be</i> defined. |
| b. The plan <i>can be</i> tested.           | e. The product <i>can be</i> obtained.     |
| c. The flow of work <i>can be</i> measured. |  |

### UNDERSTANDING A PRINTED TEXT

#### How is gold used as an international investment?

Gold is bought and sold around the world in almost every market and currency imaginable: with Egyptian pounds in a Cairo souk, or with dollars on the sophisticated commodity exchanges of Hong Kong or Chicago. Although some gold trading is based on commercial transactions, such as an Amsterdam jeweler buying gold for inventory, most gold is purchased as an investment.

Gold investors range from powerful central banks who use gold to shore up their currencies to individuals who buy gold hoping that it will hold its value in inflationary times. Gold's role has changed over the years. Before banks and securities houses became part of the electronically interconnected global economy, gold served as a "liquid" investment that could be exchanged anywhere in the world at any given time. Now gold is perceived mostly as a "hedge" – providing a stable refuge for investors in highly inflationary times when financial instruments such as stocks or bonds tend to lose their value. When inflation is brought under control, however, gold tends to lose its luster because, unlike most other investments, there is not interest paid on gold. The only possible profit is its rise in value, called capital gain.

There are several ways of investing in gold, including buying shares in gold mining companies or gold mutual funds. Most gold instruments, however, are “spot” purchases for immediate delivery to a custodian bank that holds precious metals for the investors. Purchases are made on commodity exchanges such as a Comex in New York, or in most international banks such as Credit Suisse in Zurich where trades are executed electronically for clients around the world.

Instead of buying “spot” gold for immediate delivery, however, investors can also make an agreement to buy gold at a future date. These are called futures contracts because they are based on periodic delivery dates in the future, usually every three months. Tailor-made futures contracts, with flexible dates to fit the needs of buyers and sellers, are called forward contracts.

Spot and the futures prices, like a child riding piggyback, tend to move in the same directions, rising and falling with other precious metals in the market. If gold’s spot price increases, its futures price usually rises by the same amount. In general, the prices of precious metals such as gold, silver, and platinum tend to rise and fall together.

*Notes:*

mutual funds – взаимные фонды;

futures contract – сделка на срок, фьючерсный контракт.

## COMPREHENSION CHECK

**Exercise 1. Complete the sentences according to the information in the text.**

1. Most gold is purchased as... .
2. Powerful central banks use gold to... .
3. There are several ways of investing in gold... .
4. Instead of buying “spot” gold for immediate delivery investors can also make an ....

**Exercise 2. True or false?**

1. Nowadays gold serves as a “liquid” investment that can be exchanged anywhere.
2. Futures contracts are based on periodic delivery dates in the future.
3. Spot and futures prices tend to move in the same directions, rising and falling with other precious metals in the market.
4. The prices of precious metals such as gold, silver and platinum tend to rise and fall together.

## INCREASE YOUR VOCABULARY

**Exercise 1. Match English and Russian equivalents.**

<i>1</i>	<i>2</i>
1. global economy	1. коммерческая сделка
2. mutual funds	2. поддержать валюту
3. inventory	3. инфляционный период
4. "spot" purchases	4. запас, портфель ценных бумаг
5. commodity	5. глобальная экономика
6. custodian bank	6. взаимные фонды
7. commercial transaction	7. товар, предмет широкого потребления
8. to shore up currency	8. банк, управляющий чужими капиталами
9. inflationary times	9. фьючерсный контракт
10. futures contract	10. немедленно оплачиваемые покупки
	11. дата поставки
	12. драгоценный металл
	13. гибкие даты

**Exercise 2. Read and translate the definitions of the underlined words.**

1. Auction is a public sale at which articles are sold to the highest bidder.
2. Bargain is an agreement establishing what each party will give, receive, or perform in a transaction.
3. Bear is a person who sells shares in anticipation of falling prices to make a profit on repurchase.
4. Bonus is something given, paid or received above what is due or expected by employees.
5. Bull is speculator who buys in anticipation of rising prices in order to make a profit on resale.
6. Commodity is something that can be bought or sold, especially basic food products or fuel.
7. Dividend is a portion of a company's profits paid to its shareholders.
8. Fine is an amount of money that you have to pay because you have broken the law.

**LANGUAGE ACTIVITY****Exercise 1. Translate the sentences with the underlined Participle II as an adverbial modifier.**

1. The journal will be here until asked for.
2. When properly operated, such facilities can transport more people than individual automobiles.
3. These papers will be kept in the office until applied for.
4. The Cabinet meets when called together by the President.
5. Unless tested the machine must not be put into operation.

6. These ideas, when adopted, earn them a financial reward.

**Exercise 2. Translate the sentences and say if the underlined word is a verb or a Participle II.**

1. Ideas discussed included ways to assist this country with the necessary equipment.
2. They have accumulated unlimited wealth and power.
3. One of the richest men revealed increased profits for his two companies.
4. The systems used represented the most reliable ones.
5. 10 % of those investigated received no specialized training.
6. The documents signed caused a further trade growth between the two countries.
7. Analysts expressed mixed views over the financial problems.

**Exercise 3. Translate the sentences. Point out the type of Conditional Sentences.**

1. If they offer us their help, we'll accept it.
2. If Dorothy were more polite, she would not behave like that.
3. If he were not so absent-minded, he would not have forgotten his promise.
4. If the customer had taken part in the competition, he might have won it.
5. If anything had been wrong with the car they could have gone by train.
6. Had I known her address, I might have come in time.
7. Were she here, he could be pleased.

**Exercise 4. Insert to say or to tell in the required form.**

**Remember!**

**Say what?** Say something.

**Tell whom?** Tell somebody.

There are a few exceptions to the general rule:  
to tell the truth, to tell a lie, to tell the story.

1. To... the truth, I didn't even know he had left.
2. He...me everything.
3. Then she...goodbye and left.
4. Can you add anything to what has just been ....
5. If you... a lie I can see it at once.

**Exercise 5. Insert prepositions on, to, of, from, at, in.**

1. She is going abroad...business.
2. She seemed ashamed...her vivid foreign accent.
3. Please, prevent him...interfering with people's personal matters.
4. Despite anything he believed...justice.
5. I've never been...a loose end like this time.
6. The company has never been friendly...changes.

## Unit XXV

### WORD-STUDY

**Exercise 1. Check the transcription in the dictionary, read and translate words listed below.**

*Nouns*

option, asset, volatility, obligation, swing, racehorse, wool, likelihood.

*Adjectives*

profitable, initial, expensive, drastic, valuable, volatile, limitless, underlying.

*Verbs*

exercise, allot, value, underlie, originate, hedge.

**Exercise 2. Make the words negative by using the prefix dis-.**

*Model : satisfaction + dis – dissatisfaction*

Note: the prefix dis- usually possesses a more specialized meaning of ‘oppositeness’ or ‘opposite action’ than the negative prefixes un-, in- and non-. Use your dictionary, if necessary.

ability	pleasure	agree	obey
engaged	connect	qualify	continue
possess	comfort	invest	
locate	own	organize	

### UNDERSTANDING A PRINTED TEXT

#### What is an option?

It is always useful to keep our options open—to have the right but not the obligation, for example, to buy or sell something at a guaranteed price in the future. In a time of fluctuating costs, it is always useful to have the option to buy a product at a guaranteed price. This allows us to shop around knowing that we could always exercise our option to buy, if the price is right.

Since we use the option, or "exercise" it, only if it is profitable, it is always good to have as many options as we can. A racehorse owner with an option to buy a new thoroughbred at a certain price could use that option if the horse wins the Kentucky Derby. Or a sheep farmer in New Zealand could profit from having an option to sell wool at a guaranteed price at the end of each season.

In the financial markets, where nothing is free, options cost money. The seller of the option has to be paid for taking the risk that the option will be exercised. On the other hand, the buyer of an option runs the risk of not being able to use it within the time allotted, thereby losing the option's initial purchase price. In general, the option holder's gain is the option seller's loss, and vice versa.

There are many ways to value an option, but it really depends on the likelihood of it being used. An option that no one expects to exercise costs very little. However, an option will be more expensive if there is a good chance it will be used.

Options can be created for anything that has an uncertain future.

For example, no one knows if a stock's price will go up or down, so it is worthwhile having an option to buy or sell that stock if its price moves in the right direction. An option's value essentially depends on the movement in value of an underlying asset such as a stock or a commodity.

Two other factors that influence an option's value are volatility, the amount of movement of the underlying asset's price, and *time value*, the amount of time for which the option is valid. An option based on an underlying asset with high volatility, such as a stock with drastic swings in price, is worth more than one based on an asset that hardly ever changes in value. Likewise, an option that can be exercised for several years is more valuable than one that can be exercised for only a few months.

Investors need to be careful with options because they are much more volatile than the underlying assets on which they are based. Because an option represents the right to buy or sell a large number of shares of the underlying stock or other asset, its price moves much more quickly—in both directions—than the market in general.

Options originated in early agrarian societies where options in the form of handshake agreements allowed farmers to hedge against the fluctuating prices of commodities such as wheat or grapes. In the expanding global economy, options and international options markets have grown to include an almost limitless number of products including foreign currency options, foreign stock options, and even options on other financial instruments such as stock indexes, futures, and interest rates.

**Note:**

Option – замена одних ценных бумаг на другие.

## COMPREHENSION CHECK

**Exercise 1. Answer the questions according to the information in the text.**

1. Why is it useful to keep options open?
2. What is the seller of the option paid for?
3. What risk does the buyer of an option run?
4. Can options be created for anything that has an uncertain future?
5. What factors influence on option's value?
6. In what form did options originate in early agrarian societies?
7. What do options and international options markets include?

**Exercise 2. Fill in the gaps with the words from the text (a few, based, movement, valid, careful, valuable, the market).**

1. Volatility is the amount of ... of the underlying asset's price.
2. Time value is the amount of time for which the option is ... .
3. An option that can be exercised for some years is more ... than one that can be exercised for only ... months.
4. Investors need to be ... with options, because they are much more volatile than the underlying assets on which they are ... .
5. An option price moves much more quickly in both directions, than ... in general.

## INCREASE YOUR VOCABULARY

### Exercise 1. Match the synonyms.

1	2
1. asset	a. excess
2. expensive	b. any possession
3. option	c. strong
4. profitable	d. price
5. drastic	e. contract
6. cost	f. cartel
7. likelihood	g. useful
	h. dear
	i. fund
	j. similarity
	k. rate

## LANGUAGE ACTIVITY

### Exercise 1. Translate the sentences with the Objective Participial Construction.

1. I heard the manager coming.
2. You will probably find your sister grown.
3. She could feel her hands trembling.
4. I had my report altered.
5. I want it done by 6 o'clock.
6. I had my hair cut last week.

### Exercise 2. Summarize your knowledge of Participial Constructions. Find the Constructions in the sentences and translate them.

1. It was found that certain parts of the brain being damaged, men lost their ability to do certain things.
2. I consider myself engaged to Mr. Smith.
3. He saw her approaching the gate and entering the garden.
4. The goods having been unloaded, the workers left the port.
5. I saw the door opened.
6. I must have business letters written on the forms of the company.
7. The manager wants the goods counted and weighed.

### Exercise 3. Insert to learn, to study or to teach in the required form.

#### Remember!

To learn and to study means to get knowledge.

To teach means to give knowledge.

To study is used when we mean the process itself, to examine closely.



To learn means to master something ,to have a thorough knowledge of something we have studied, to make progress.

1. It is not enough to ... rules, it's necessary to use them correctly.
2. You know much more than I do. So I cannot ... you.
3. In a foreign language it is not enough to ... new words.
4. I should like to ... to play tennis.
5. She was a good teacher and he ... very quickly.
6. He loves mathematics but his father wants him to ... law.
7. She ... his face very carefully before answering.

### Proverbs and sayings.

Live and learn. – Век живи век учись.

A little learning is a dangerous thing. – Недостаток знаний- опасная вещь.

### **Exercise 4. *Change the sentences below by using could and might instead of would. Translate the sentences.***

1. If we hadn't taken a taxi, we would have missed the train.
2. If George were here, he would suggest a way out.
3. I would settle it with Robert if he were not so stubborn.
4. If we had let them know, they would have met us at the station.
5. If Robert were a doctor, they would listen to him.
6. If I gave a party, I would invite the Edens.

### **Exercise 5. *Insert prepositions on, at, to, of, during, in, by.***

1. .... the day of their departure quite a few ... their friends came to say goodbye.
2. We hope to pay the debt ... a few weeks.
3. I'm planning to work abroad ... a month.
4. He seemed rather anxious ... his son's destiny.
5. He used to complain ... his boss.
6. She is a genius ... maths.
7. Two billion people will be learning English ... 2010.

## Unit XXVI

### WORD-STUDY

**Exercise 1.** *Read and translate the following international words. Explain them.*

Balance, guarantee, bond, distributor, date, dividend, economies, information, invest, quota, capital, debit, dealer, option.

**Exercise 2.** *The following groups of words are all related in meaning, because they have the same roots. Notice the different suffixes indicating different parts of speech.*

<i>Verb</i>	<i>Noun</i>	<i>Adjective</i>
qualify promote employ	qualification promotion employer, employee, employment	qualified promotional employable
apply	application, applicant	applicable
authorize describe base compete	authority description basis competitor, competition	authorized descriptive basic competing
recruit staff require	recruit, recruitment staff requirement	staff required

### UNDERSTANDING A PRINTED TEXT

#### **What are puts and calls?**

The international markets are being increasingly driven by options trading, and investors in the global marketplace are offered a wide choice of options on everything from Apple Computer stocks to Saudi crude oil and Japanese yen. A coffee company, for example, may buy coffee options to protect itself from unwanted market fluctuations, knowing that in the worst case they stand to lose only whatever they spent to buy the options in the first place.

*Call* options give the holder the right to buy, or "call in," something—at a certain price and at a certain time in the future. *Put* options give the holder the right to sell, or "put" something into the option seller's hands if it is not worth keeping.

The most popular options on the international markets are those that give the right to buy or sell stocks. Stock call options, for example, give the right to buy a certain amount of shares, called the *underlying* shares, at a certain price during a

limited period of time. Naturally, a call option goes up in value when the value of the underlying shares goes up.

Stock put options give the right to *sell* shares at a fixed price if their price goes down. Put options, therefore, will go up in value when the value of the underlying shares goes down.

Who buys call options? Those who think the price of the underlying asset will go up. If the share prices go high enough, the holder of a call option can exercise the right to buy shares at a price lower than the market price. These shares can then be resold on the market for a profit. Alternatively, the holder of a valuable call option can simply sell the option to someone else, at a profit, and avoid the trouble of exercising it.

Who buys put options? Those who think the price of the underlying asset will go down. If a share price drops low enough, the holder of a put option can buy shares in the market and exercise the right to sell them at a higher price. The holder of a valuable put option can also sell the option to someone else, at a profit, to avoid the trouble of exercising it.

Call and put options give the investor a lot more bang for the buck. Instead of spending a lot of money to buy or sell the underlying assets, option investors can, for a relatively small amount of money invested, profit handsomely if the market moves in the right direction.

## **COMPREHENSION CHECK**

### **Exercise 1. *Answer the following questions.***

1. What is a put option?
2. What is a call option?
3. What is a double option?
4. Who buys call options?
5. Who buys put options?

### **Exercise 2. *True or false?***

1. The holder of a valuable put option can't sell the option at a profit.
2. If the market moves in the right direction option investors can, for a relatively small amount of money unvested, profit handsomely.
3. Those who think the price of the underlying asset will go down don't buy put options.
4. If the share prices go high enough, the holder of a call option can exercise the right to buy shares at a price lower than the market price.
5. Stock put options give the right to sell shares at a fixed price if their price goes down.
6. The most popular options on the international markets are those that give the right to buy stocks.
7. A call option goes up in value when the value of the underlying shares goes up.

## INCREASE YOUR VOCABULARY

**Exercise 1. Read and translate the following sentences paying special attention to the underlined words.**

1. Anyone who works for a company is part of the personnel of that company.
2. A staff department is a department of a company that provides a service to the managers. A staff department is not directly involved with production.
3. Recruiting refers to finding new employees or managers for the company.
4. When workers retire or quit, the personnel department must recruit new workers to fill the vacancies.
5. A company recruits internally if it wishes to fill vacancies by transferring or promoting current employees.

**Exercise 2. Read and translate the description of some terms from the text.**

Put option – an option to sell, so named because the giver or holder of the put option has the right to put for sale the security or commodity which the taker has agreed to buy at the fixed price agreed.

Call option – an option to buy, so named because the giver or holder of the call option has the right to call on the taker to sell the security or commodity at the fixed price agreed.

Put and call option – an option that gives a right both to buy and sell at the wish of the giver or holder. It is therefore called a double option.

## LANGUAGE ACTIVITY

**Exercise 1. Summarize your knowledge of the Gerund. Find Gerunds and state their tense, voice and functions. Translate the sentences into Russian.**

1. The money borrowed for purchasing the building can be paid over the next thirty years.
2. Managers use the information in financial statements as a basis for allocating financial resources.
3. Marketing now involves first determining what the customer wants and then planning and producing a product to fulfill the wants.
4. We can increase the price without suffering a decrease in sales volume.
5. By using air freight, a company can often eliminate the need for several warehouses.
6. The large bureaucracy prevents management from taking quick action to solve problems.
7. Simply being best-equipped team doesn't guarantee success.
8. He is against accepting the plan.

**Exercise 2.**

**1) Translate the sentences into Russian. Point out the Gerundial Constructions.**

1. The possibility of our ever solving the problem seemed doubtful.
2. Our reading English books in the original is always insisted upon.

3. He suggested our opening talks.
4. They insisted on Joe staying for another few days.
5. His pretending not to know the news seemed very strange.

**II) Begin the following sentences with the given expressions.**

A) Be sure of, be fond of, be interested in, be engaged in, be proud of.

B) Rely on, insist on, prevent from, succeed in, result in.

A) ... meeting his friends at the conference.

... setting his business.

... working day and night at the project.

... surfing through the Net.

... having found the solution to the problem.

B) ... our going on with the work.

... working out a new televised course.

... using the Web as a tool for exchanging scientific information.

... his having done everything well.

... making a wrong decision.

**Exercise 3. Complete these sentences. Choose the correct verb. The first one has been done for you.**

1 I'd like to *inform* you of the latest news.

1 speak 2 inform 3 describe

2 Could you \_\_\_\_\_ up? We can't hear you at the back.

1 talk 2 say 3 speak

3 I'll have to \_\_\_\_\_ the place as I don't have any photographs with me.

1 explain 2 describe 3 present

4 He's going to \_\_\_\_\_ the latest results.

1 describe 2 inform 3 present

5 Let me \_\_\_\_\_ why we need to cut costs.

1 explain 2 describe 3 talk

6 We'll have time to \_\_\_\_\_ about this over lunch.

1 discuss 2 say 3 talk

7 I couldn't \_\_\_\_\_ how long it will take.

1 talk 2 speak 3 say

8 We will \_\_\_\_\_ you when the project comes to an end.

1 say 2 describe 3 tell

**Exercise 4. Insert the missing prepositions** *with, on, at, in, for, of, over.*

1. I asked to give his comments ... the event.
2. I'm afraid I'm not good ... Russian.
3. Where are you going ... your holiday?
4. London University is made ... a great number of colleges.
5. Despite anything he believed ... justice.
6. He used to fill a vase ... water every morning.
7. ... the same period we have invested heavily in a new plant.

## Unit XXVII

### WORD-STUDY

**Exercise 1.** *Check the transcription in a dictionary, read and translate the words listed below.*

*Nouns*

holder, merchant, fluctuations, marketplace, exporter, hedge.

*Verbs*

prevent, offset, fix, profit.

*Adjectives*

volatile, certain, worth, current, unwelcome.

**Exercise 2.** *Make nouns from the following adjectives according to the model and translate them.*

*Model: active + ity – activity*

(Note the loss of the letter e in active, secure, mobile and productive).

equal	+ ity
secure	
complex	
mobile	
liquid	
solid	
regular	
productive	
similar	
rapid	

### What is the currency option?

Anyone planning a trip abroad or a business venture in another country would like to know what the foreign currency will be worth when the time comes to change money. Unwelcome currency fluctuations could end up making a dinner in Paris or a BMW import prohibitively expensive.

Currency options allow individual investors, businesses, or merchants to benefit from changes in the value of foreign currencies. By buying or selling currency options, for example, it is possible to fix, in advance, exactly how many Swiss francs or Japanese yen a U.S. dollar can buy at a certain time in the future.

Just like other options, a currency option gives the holder the right, but not the obligation, to buy or sell something at a fixed price, in this case currency. The most common currency options are based on the U.S.-dollar price of Swiss francs, French francs, German marks, British pounds, and Japanese yen.

Like all investments in the international marketplace, currency options can be used for speculation. Investors who believe that a currency will go up in value can buy an option and earn big money if they are right. If a currency goes up in value, the

holder of an option to buy that currency, a currency "call" option, would profit. When the German mark rises, for example, its dollar value goes up and the holder, of a German mark call option would benefit.

Similarly, if a currency goes down, an option to sell it, a "put option, would become more valuable. A Swiss franc put option, for example, which gives the holder the right to sell Swiss francs at a fixed price in the future, will be worth a lot if the Swiss franc goes down in value on the international markets.

Currency options can also be used as a hedge to guard against unwelcome changes in foreign currency values. Exporters who earn money from all over the world often need to know what their bottom line will be in their own currency. For example, in order to prevent earnings from being hurt by currency fluctuations, a German automobile exporter can buy currency options, offsetting unwelcome price changes by fixing the mark's exchange rate at a certain time in the future. In this way, currency options allow for the world economy to grow, unencumbered by the many fluctuating currencies used by the world's trading nations.

## COMPREHENSION CHECK

**Exercise 1. Choose the correct answer according to the information of the text.**

1. What will currency option allow individual investor?
  - a) To benefit from changes in the value of foreign currencies.
  - b) Not to become a bankrupt.
  - c) To improve his knowledge about different currencies.
2. When does the holder of an option make profit?
  - a) When the currency goes down.
  - b) When the currency goes up.
  - c) When the currency doesn't fluctuate.
3. What does currency options allow for the world economies?
  - a) They allow it to be stable.
  - b) They allow it to grow
  - c) They allow it to avoid inflation.

**Exercise 2. Complete each sentence according to the information in the text.**

1. Like all investments in the international marketplace, currency options can be used for...
  - a. speculation
  - b. fixing exchange rate
  - c. currency fluctuations
2. Currency options can also be used as a ... to guard against unwelcome changes in foreign currency values.
  - a. mark
  - b. risk
  - c. hedge



3. A currency option gives the holder the right, but not the obligation, to buy or sell something at a ... price.
  - a. popular
  - b. fixed
  - c. natural
4. Exporters who earn money from all over the world often need to know what their ... will be in their own currency.
  - a. standard
  - b. bottom line
  - c. cost plus

## INCREASE YOUR VOCABULARY

**Exercise 1.** *The table shows how words are formed around the verb produce. List all the words you can make from the table and use them in suitable blanks in the sentences.*

produc	e	r	
	t	iv(e)	ity
		ion	

Note: the difference in pronunciation between produce and product.

1. The company \_\_\_\_\_ a new commodity every year.
2. The company's newest \_\_\_\_\_ is a special powder.
3. The \_\_\_\_\_ of powders met last year to discuss prices.
4. That factory is not as \_\_\_\_\_ now as it was five years ago.
5. The \_\_\_\_\_ of that factory has gone down over the last five years.
6. The manager of the factory has decided that they must increase their \_\_\_\_\_ of packets of powder.

**Exercise 2.** *Choose the answer which best completes the meaning of the sentence.*

1. Advertising is a kind of public announcement which describes the benefits of using a product or service. We can use advertising to increase the sales of our product or service. We expect to find advertising.
  - a. at school
  - b. in the factory
  - c. on the land
  - d. on TV and radio
2. There is an expression, "It takes money to make money." We know that capital can be used to make something of value. Therefore capital can refer to
  - a. a basic factor
  - b. money
  - c. raw materials
  - d. bankruptcy
3. A creditor is a person to whom the business owes money. Which of the following is most likely to be a creditor?
  - a. an entrepreneur
  - b. an employee
  - c. a banker
  - d. a factor

4. Labor changes raw materials into finished goods. Paper is an example of a finished good. The raw materials would be
  - a. physical work
  - b. wood
  - c. finished product
  - d. land
5. Distribution means getting the products from the factory to the store where customers buy them. Which of the following companies would probably be involved in distribution?
  - a. a bank
  - b. a transportation company
  - c. a supermarket
  - d. a factory

## LANGUAGE ACTIVITY

**Exercise 1.** *Summarize your knowledge of Adverbial Clauses. Translate the sentences.*

1. I'm quite comfortable where I am.
2. When you are ready to check out, tell the desk clerk to get your bill ready.
3. Since you have delivered the commodities, you may be free.
4. Whatever you should say, I'll insist on my method.
5. He walked quickly for he was in a hurry.
6. He is older than he looks.
7. However busy he is, he will find time to visit us.
8. When in Rome, do as the Romans do.
9. We packed the goods carefully lest they should be broken during transportation.

**Exercise 2.** *Summarize your knowledge of the ways of expressing future actions. Translate the sentences below.*

1. Soon the company will go bankrupt.
2. She's flying to Paris on Monday.
3. Next year is going to be different.
4. The car won't start!
5. He is to visit the company in May.
6. We are to get a wage rise next week.
7. He's meeting the accountants at 10.00 tonight.

**Exercise 3.** *Insert the missing prepositions without, to, in, for, at, between, of.*

1. I can't get used ... all sorts of tricks.
2. You'll have to choose ... these two tenses.
3. I must be home ... 10.00 p.m.
4. She is much respected ... her lectures.
5. I'm very interested ... physics.
6. Can we make bread ... flour?

## Unit XXVIII

### WORD-STUDY

**Exercise 1.** *Read and translate the collocations given below.*

A wanted outlaw, financial warrants, frontier warrants, at a certain price, over a limited period of time, bonds with lower interest rates, referred to, at a fixed time, mergers and acquisitions.

**Exercise 2.** *Here are examples of English prefixes. Some of these words are used with a hyphen. Check a dictionary to pronounce and translate the words correctly.*

<b>Prefix</b>	<b>Meaning</b>	<b>Examples</b>
anti	against	antisocial, antibiotic, antiwar
auto	of or by	autograph, autopilot, autobiography
bi	oneself	bicycle, bilateral, biannual, bilingual
ex	two, twice	ex-wife, ex-smoker, ex-boss
ex	former	extract, exhale, excommunicate
micro	out of	microcassette, microwave,
mis	small	microscopic
mono	badly/wrongl	misunderstand, misspell, misinform
multi	y	monotonous, monologue,
over	one, single	monogamous
post	many	multinational, multipurpose,
pre	too much	multimedia
pro	after	overdo, overqualified, oversleep,
pseudo	before	overeat
re	in favor of	postwar, postgraduate,
semi	false	postimpressionist
sub	again or back	precede, preconceived, predict,
under	half	precaution
	under	proponent, pro-choice, pro-labor
	not enough	pseudonym, pseudo-intellectual
		retype, reread, replace, rewind
		semicircular, semicolon,
		semiconductor
		subway, submarine, subdivision
		underworked, underused,
		undercooked

### UNDERSTANDING A PRINTED TEXT

## What is a warrant?

In the old West, a bounty hunter could seize a wanted outlaw by saying, "I have a warrant for your arrest!" A bounty hunter's warrant is similar to financial warrants in that it gives the holder certain rights. While frontier warrants gave the holder the right to arrest someone, most warrants in the world's financial markets give the holder the right to buy a company's shares at a certain price over a limited period of time. These share-purchase warrants are different from normal stock options in that they are usually issued directly by the company, often in conjunction with a bond issue or a leveraged buyout.

Warrants can be attached to a bond, providing a kicker that gives investors an incentive to buy bonds with lower interest rates. Many Japanese companies, for example, have issued bonds with equity warrants attached providing investors with an opportunity to buy the companies' shares. Like other options, warrants are used only when the price of the shares rises past the "striking price"—the price the warrant holder pays for the shares.

Warrants are like coupons in that they can be removed from bonds and sold separately. Bonds that are rated with their warrants still attached are referred to as *cum*, the Latin for "with," and those without their warrants are referred to as *ex*, the Latin for "without."

Another alternative for making bonds more attractive is to allow investors to "convert" the bond into a company's stocks. In contrast to a detachable equity "warrant" giving investors the right to buy stocks with their own funds, a convertible bond gives the right to exchange the bond itself, at a fixed price and at a fixed time, into a certain amount of the company's shares. The purpose of warrants and convertible bonds is to offer investors a future reward—usually in the form of the company's shares—

for accepting a lower interest on the company's bonds. Obviously, a country or international organization which does not have any shares would never be able to issue warrants or convertible bonds.

In the international markets, warrants are bought and sold in many different currencies, most

notably Swiss francs, U.S. dollars, and Japanese yen. Many of the warrants traded on the New York Stock Exchange, for example, were issued in U.S. dollars by American companies looking for funds to finance mergers and acquisitions. Investors who buy these equity warrants are given the right to buy the merged company's shares at a point in the future, assuming they become more profitable.

The real value of a warrant is its time factor. When a company issues a warrant to buy its shares, it is providing a window of opportunity for investors to wait for the share prices to rise. The more time the investor has to exercise a warrant, the more valuable it is.

### **Notes:**

mergers and acquisitions – слияние и поглощение компаний

equity warrant – варрант, дающий право на покупку акций

## COMPREHENSION CHECK

**Exercise 1. Answer the questions according to the information in the text.**

1. What right do frontier warrants give to the holder?
2. What right do most warrants give to the holder in the world's financial markets?
3. What's the difference between share-purchase warrants and normal stock options?
4. What's the "striking price"?
5. Can warrants be removed from bonds and sold separately?
6. What is the purpose of warrants and convertible bonds?

**Exercise 2. True or false?**

1. Warrants attached to a bond give investors an incentive to buy bonds with lower interest rates.
2. Like other options, warrants are used only when the price of shares rises up to the "striking price".
3. Warrants are like coupons in that they can't be removed from bonds and sold separately.
4. A country or international organization which doesn't have any shares are able to issue warrants or convertible bonds.
5. Many of the warrants traded on the New York Stock Exchange, for example, were issued in US dollars by American companies looking for funds to finance mergers and acquisitions.
6. Investors, who buy these equity warrants are given the right to buy the merged company shares when they become more profitable.
7. When a company issues a warrant to sell its shares, it gives an opportunity for investors to wait for the share prices to rise.

## INCREASE YOUR VOCABULARY

**Exercise 1. Match the antonyms.**

1.	2.
1. theoretical	a. local
2. private	b. selling
3. individual	c. complex
4. mineral	d. organic
5. simple	e. collective
6. buying	f. public
7. national	g. practical
	h. economic
	i. offsetting
	j. monetary

**Exercise 2. Read, translate and remember the definitions of the underlined words and examples with them.**

Asset: (often plural) anything of value to a company. Anything which can be sold or converted into cash.

The partners each own a share of the assets of the partnership.

Inventory is a current asset because it will be sold during that business year.

Bankrupt: unable to pay one's debts and legally released from the liability.

His business went bankrupt because of poor management and bad financial decisions.

Bills: debts; money which must be paid to someone for a service or product received.

The bill for my telephone service arrives today.

Most suppliers want you to pay the bill within thirty days.

Board of directors: a group of persons elected by stockholders to run a corporation.

The board of directors has decided to pay a dividend of \$5 per share.

Capital: the money which owners or stockholders invest in a business.

We need some capital in order to purchase new production equipment.

Chief executive officer: the top manager or director of a company.

The board of directors has hired a new chief executive officer for the corporation.

Channel of distribution: the route or way that a product travels from the manufacturer to the consumer. It includes all the middlemen, transportation companies, warehouses, and others.

The channel of distribution for convenience goods such as cigarettes can involve several middlemen.

Commission: the money or fee which a salesman receives for making a sale.

A salesman usually receives a commission for each sale. The more he sells, the more money he receives.

Some salesmen receive commissions as high as 20 % of the sales price.

Convenience goods: products that are usually inexpensive and purchased at the most convenient location.

In a large store, convenience goods are often found close to the checkout stand.

Examples of convenience goods are cigarettes, chewing gum, and soft drinks.

Distribution: refers to the business activity that delivers products to locations convenient for the customer.

Distribution is an important consideration for the Coca-Cola Company. If a potential customer cannot easily find a Coke, he may purchase a Pepsi instead.

Features: characteristics of a product.

The salesman was demonstrating the features of the microwave oven.

Flexibility: ability to adapt and change.

General purpose machines have greater flexibility than specialized machines.

Smaller companies sometimes have greater flexibility than large corporations because changes involve fewer people.

Franchise: legal permission from a large company to use their name or logo and to sell their products.

You need to purchase a franchise from McDonald's if you want to open a MacDonald's restaurant.

Franchisee: one who buys a franchise.

Franchisor: one who grants a franchise.

Merchandise: goods for sale at a store or in transport to a place of sale.

The fire at the store caused considerable damage to the building and the merchandise.

## LANGUAGE ACTIVITY

**Exercise 1. Summarize your knowledge of the Infinitive. Point out the forms and functions of the Infinitives. Translate the sentences into Russian.**

1. Investors are willing to purchase bonds issued by this company.
2. Utility companies issue bonds to finance expansion projects.
3. Lighting and plumbing equipment are to be removed by the seller.
4. All businesses need to record financial transactions in order to know whether or not they are profitable.
5. If a company needs to have cash it can sell some of its securities.
6. Debts are divided into two groups: debts to be paid during the present business year; debts to be paid over many years.
7. After a product has been manufactured, the next step is to find out which methods and routes should be used to bring it to market.
8. Vertical integration should allow a parent company to control costs and maximize profits.

**Exercise 2. Summarize your knowledge of link-verbs. Translate the sentences.**

1. He looks ill.
2. His son has become a good programmer.
3. It's getting dark in December.
4. She turned red when she heard the news.
5. Stop the car! Dan feels sick!
6. The stone felt cold and rough against her cheek.
7. He was growing bored.
8. The leaves turn bright red in autumn.

**Exercise 3. Insert to expect or to wait for in the required form.**

These verbs are synonyms but they are not interchangeable. To wait denotes a physical function. To expect denotes a "mental function, it means to think or believe."

1. – What discount do you ... to get from the company?  
- We ... at least a 5% discount.
2. Please ... me here.
3. Come in, please. The President ... you.
4. I didn't ... you today, I thought you were coming tomorrow.
5. We didn't ... that the company would increase their order to 25 machines.
6. We ... the bus for half an hour.
7. Why are you so late? I ... you for an hour and a half.

**Exercise 4. Insert prepositions by, in, at, with, about, of, for where necessary.**

1. He promised to come back ... 5 p.m. ... the following day.

2. ... heavy heart the boy set to work again.
3. I will think ... the matter and give ... you my decision tomorrow.
4. Technical colleges give advanced courses ... scientific and engineering subjects.
5. They spent three years ... a teachers' training college.
6. A new law was adopted ... our Parliament.
7. Are you still working ... the same company?



## Unit XXIX

### WORD-STUDY

**Exercise 1. Read and translate the collocations listed below.**

A neighborhood bank, extra loans, needy countries, grace period, a regional development bank, to foster economic growth, public utilities.

**Exercise 2. The prefix in- (and its variations) does not always have a negative meaning – often it gives the idea of “inside” or “into”. Translate the following examples:**

internal, import, insert, income, incurve, incorporate, indent, include.

### UNDERSTANDING A PRINTED TEXT

#### WHAT ARE THE REGIONAL DEVELOPMENT BANKS?

When a neighborhood bank decides to provide extra loans to build local homes and businesses, the whole community usually benefits from the increased economic activity. In the same way, the world's regional development banks provide development funds for needy countries. These development loans serve to channel funds from the rich countries to the "have-nots."

Development banks are not ordinary profit-oriented banks; they do not take traditional deposits but are funded by large capital commitments and loans from the developed countries such as the United States, Japan, and Switzerland. These funds are then lent at a low rate of interest to needy countries. Development bank loans often include a grace period of two to seven years before the borrower starts to pay back the original amount borrowed, called the principal. This provides time for a project, a hydroelectric dam for example, to start making money before the principal payments begin.

The biggest of the regional development banks is the Inter-American Development Bank (IADB), based in Washington, D.C. Funded primarily by countries in the Western Hemisphere, the IADB provides loans for development projects in the poor countries of Latin America.

The Asian Development Bank (ADB) was set up in 1966 to foster economic growth in Asia and the Pacific region. Headquartered in the Philippines, the ADB provides most of its loans for agricultural projects in countries such as Indonesia, the Philippines, Pakistan, and Thailand.

The African Development Bank (AfDB), the smallest of the development banks, is based in Abidjan in the Ivory Coast. Its loans are used mainly for public utilities, transportation, and agricultural projects in the poorest regions of Africa.

The European Investment Bank (EIB) provides funds for local projects in Western Europe, such as the Channel tunnel. Following the decision of the Eastern European countries to enter the free-market economy, the European Bank for Reconstruction and Development (EBRD) was set up in London in 1990 to provide

massive amounts of development aid to countries such as Poland, Hungary, Czechoslovakia, Estonia, Latvia, and Lithuania.

## COMPREHENSION CHECK

**Exercise 1. Point out the passage containing information about.**

1. development banks work;
2. the European Investment Bank working in Western Europe;
3. the smallest of the development banks, the African Development Bank.
4. the Asian Development Bank headquarter in the Philippines;
5. the biggest one- the Inter-American Development Bank based Washington, D.C.

**Exercise 2. Complete the sentences with the following words and collocations:** *public utilities, profit-oriented, a grace period, to channel funds, the Channel tunnel, to foster, the pacific region.*

1. The AfDB loans are used mainly for ... , transportation and agricultural projects.
2. Development bank loans often include ... of two to seven years before the borrower starts to pay back the principal.
3. These development loans serve ... from the rich countries to the “have-nots”.
4. The ADB was set up in 1966 ... economic growth in Asia and ... .
5. Development banks are not ordinary ... banks.
6. The European Investment Bank provides funds for local projects in Western Europe, such as ...

## INCREASE YOUR VOCABULARY

**Exercise 1. Match the synonyms.**

1.	2
1. usual	a. credit
2. needy	b. poor
3. loan	c. help
4. income	d. ordinary
5. amount	e. supply
6. provide	f. profit
7. aid	g. quantity
	h. local
	i. utilities
	j. massive

**Exercise 2. Read and translate the sentences below in which the underlined words are explained.**

1. Business is the activity of making and distributing goods and services.
2. Labor is the use of mental or physical work to produce goods.

3. Capital means not only wealth, but all the things that workers use in production and distribution which are purchased with money.
4. Entrepreneurship is the activity of controlling and directing the other three factors.
5. An innovative company is one which continues to provide new goods and services.

**Exercise 3. Match the words with their definitions.**

- |                  |   |
|------------------|---|
| 1. initiate      | a. something which must be paid                                 |
| 2. profit        | b. having new products and ideas                                |
| 3. labor         | c. begin new business activity                                  |
| 4. business      | d. person who directs the business                              |
| 5. innovative    | e. land   |
| 6. entrepreneur  | f. what workers provide   |
| 7. raw materials | g. a business activity  |
| 8. venture       | h. money the entrepreneur receives                              |
| 9. loss          | i. money which buys machines and tools                          |
| 10. capital      | j. products   |
| 11. goods        | k. things which business provides in addition to goods          |
| 12. services     | l. describes a company with not enough money and too many debts |
| 13. bankrupt     | m. the result of expenses being more than sales                 |
| 14. company      | n. the activity of producing goods                              |
| 15. debt         | o. a business   |

**LANGUAGE ACTIVITY**

**Exercise 1. Translate the sentences containing the Objective Infinitive Constructions. Point out them.**

1. She wished the ceremony to be delayed.
2. They found this method to be the most economical.
3. President Kennedy liked to hear his staff argue different points of view on the issue.
4. She can make the existing system work.
5. These measures enable fabrication costs to be reduced.
6. She knew him to have been expecting the visitor.

**Exercise 2. Translate the sentences containing the Subjective Infinitive Constructions. Point out them.**

1. He was supposed to know the law.
2. The meeting is thought to be of great importance.
3. The problem is unlikely to be settled.
4. She proved to be right.
5. The data are certain to confirm his idea.
6. These devices turn out to be faulty.
7. Scientific cooperation is sure to benefit both of the countries.

**Exercise 3. Summarize your knowledge of the emphatic structure “It is ... who (whom, that). Translate the sentences.**

1. It was in London that I first met him.
2. It was the secretary that/who sent Mary the photos last week. (not the boss)
3. It was the photos that the secretary sent Mary last week. (not drawings)
4. It was last week that the secretary sent Mary the photos. (not yesterday)
5. It's not the tea that I want, it's coffee.
6. It's you that's in the wrong.
7. It's me that's responsible.

**Exercise 4. Insert prepositions *on, in, at, of, by, into, with, out, to*.**

1. She is away ... the moment. She may have moved ... the country.
2. All his efforts were ... vain.
3. My uncle was a thin, small man ... no will at all.
4. She spent very much money ... her dresses.
5. He will have finished all the exams ... the end ... summer.
6. We were shocked to know that someone had broken ... our home while we were at the University.

## Unit XXX

### WORD-STUDY

**Exercise 1. Check the transcription in a dictionary, read and translate the words listed below.**

#### *Nouns*

solidarity, government, institution, trouble.

#### *Verbs*

supervise, concentrate, channel, rebuild.

#### *Adjectives*

temporary, significant, regional, favorable.

**Exercise 2. Match the equivalents of the given collocations.**

- a) floating debt, debt-ridden, development loans, underdeveloped countries, war-torn country, in turn, favourable rate, debtor countries, to reduce subsidies, standby loans, in the last resort.
- b) резервные кредиты, страны-должники, благоприятный курс, истерзанная войной страна, в свою очередь, уменьшать субсидии, кредиты развития, преодолеваемая долгами, текущая (краткосрочная) задолженность, слаборазвитые страны, в крайнем случае.

### UNDERSTANDING A PRINTED TEXT

#### **What are the World Bank and the IMF?**

While reforming Poland's debt-ridden centrally planned economy at the end of the 1980s, the Solidarity government received many large loans from the West, including development loans and assistance from the World Bank and the International Monetary Fund. These "sister" institutions, located across the street from each other in Washington, D.C., serve many roles, including supervising the world economy and providing "last resort" assistance to economies in need.

The International Bank for Reconstruction and Development (IBRD), referred to as the World Bank, provides development aid to the world's poor and underdeveloped countries. The International Monetary Fund (IMF), concentrates on providing advice and temporary funds for countries with economic difficulties.

The major role of the World Bank, the world's biggest development bank, is to provide a helping hand to countries in need. Its first activity, after being set up in Washington, D.C., in 1945, was to channel funds from the United States and other nations into rebuilding Europe after World War II. For example, its first loans were used to rebuild war-torn Holland, Denmark, and France. The World Bank now provides most of its loans to countries in the Third World, and receives a significant portion of its funding from the now wealthy nations it was initially designed to assist. Like the regional development banks, the World Bank receives its funds from its rich member countries, which in turn provide it with the credit to borrow cheaply on the

world's capital markets. This allows the World Bank to provide these funds at extremely favorable rates to needy countries.

In order to address the underlying causes of poverty in many developing nations, the World Bank often relies on the International Monetary Fund to encourage debtor countries to make difficult economic reforms. The IMF is also funded by wealthy member countries such as Japan, France, and the United States. It serves to supervise the international monetary system and acts as a safety net for economies in trouble.

Like a doctor called in at the last minute, the IMF is often asked to resuscitate ailing economies. This "structural adjustment" process is a crucial first step before receiving development assistance from other sources. Acceptance of an IMF plan is usually seen as a sign that a nation is prepared to seriously address its economic ills, paving the way to long-term funding from the World Bank and other sources.

The economic medicine prescribed by the IMF is often painful. For example, it often calls for debtor governments to reduce subsidies to failing state industries and insists on strict anti-inflationary measures such as increasing the prices of basic goods and services. During the difficult restructuring processes, the IMF often provides temporary "standby" loans to keep the country afloat until more long-term funding can be arranged.

## COMPREHENSION CHECK

### Exercise 1. *Answer the following questions.*

1. The Solidarity government received development loans and assistance from the World Bank and the International Monetary Fund, didn't it?
2. What's the role of the World Bank?
3. What are the functions of IMF in countries with economic difficulties?
4. What war-torn European countries were the first to get loans from the World Bank?
5. Is the IMF funded by wealthy member countries?
6. Is the "structural adjustment" process of ailing economies painful for nations?

### Exercise 2. *Chose the correct word (or collocations) to complete the sentences.*

1. The World Bank now provides most of its loans to...
  - a) countries in the Third World
  - b) Russia
  - c) Holland
2. The World Bank receives a significant portion of its funding from...
  - a) the USA
  - b) countries of West Europe
  - c) the now wealthy nations
3. The IMF is also funded by wealthy member countries and serves to...
  - a) supervise the international monetary system
  - b) give in rent premises
  - c) offer a loan for subscription

4. The World Bank often relies on the IMF to encourage debtor countries to... .
  - a) pay debts
  - b) reduce subsidies to failing state industries
  - c) make difficult economic reforms
5. During the difficult restructuring process the IMB often provides temporary ... to keep the country afloat.
  - a) “standby” loans
  - b) corporation securities
  - c) long-term loans
6. The World Bank provides these funds at extremely favourable rates to ... countries.
  - a) Latin America
  - b) needy
  - c) free-market

## INCREASE YOUR VOCABULARY

**Exercise 1.** *Translate the following sentences paying attention to the words consisting of the root “econom” and a suffix.*

1. The science of economics is based upon the facts of our everyday lives.
2. Economists study our everyday lives and the economic system in which we live.
3. They try to describe the facts of the economy in which we live and to explain how it all works.
4. The economist’s methods should be strictly objective and scientific.
5. People are usually very economical with money they earn.
6. The people in that town live very economically.
7. The economic system of a country is usually called the national economy.

**Exercise 2. a) Match synonyms.**

1.	2.
1. underlying	a. pay off
2. profit	b. quantity
3. redeem	c. basic
4. amount	d. use
5. protect	e. defend
6. exercise	f. income
7. holder	g. loan
	h. owner
	i. goods
	j. economy

***b) Match antonyms.***

1	2
1. employer	a. credit
2. debit	b. employee
3. legalize	c. demand
4. industrial	d. single
5. plural	e. agricultural
6. supply	f. outlaw
7. lend	g. purchase
	h. customer
	i. borrow

**LANGUAGE ACTIVITY**

**Exercise 1. Translate the sentences. Point out Objective and Subjective Infinitive Constructions.**

1. The message is certain not to have been sent.
2. Everyone is sure to welcome new initiatives.
3. He ordered various tests to be made.
4. The visit is stated to be of great importance.
5. No one expected him to solve the problem.
6. He proved to be right.
7. We cannot allow all these achievements to be thrown away.

**Exercise 2. Translate the sentences with the For Infinitive Construction.**

1. He asked for the documents to be sent by post.
2. The main problem is for this material to be published in this journal.
3. It will be difficult for the president to veto these funds.
4. It is not sufficient for the commodity to be produced, it must be sold.
5. This argument serves as a convenient excuse for failure to keep equipment up-to-date.
6. Everybody waited for the lecture to begin.
7. For a company to prosper in the long run, it must be a good job of satisfying customers social and economic demands.

**Exercise 4. Read and translate the story paying special attention to “to be going to” construction.**

**Mr. Going-To-Do**

Mr. Baxter lives near Mr. and Mrs. Jones. Mr. and Mrs. Jones call Mr. Baxter Mr. “Going-To-Do” because he always says that he’s going to do something and never does it.

Every Saturday Mr. Baxter comes to the Jones. He always says that he’s going to do something. “I’m going to wash my car today.” Mr. Jones usually says, “Are



you?” He knows that Mr. Baxter isn’t going to wash his car. Mr. Jones usually says, “Well, excuse me, Ben, I’m going to do some work.”

Then Mr. Baxter goes to the kitchen. He knows that Mrs. Jones always makes a cherry pie on Saturday morning. He says to Mrs. Jones, “I’m going to paint my kitchen today.” Mrs. Jones says, “Are you, Ben?”

Then Mr. Baxter sits down at the kitchen table and Mrs. Jones puts some cherry pie in front of him. “Well, thank you,” he says. “I’m not going to eat it because I’m going (to go) on a diet.” And he always eats the cherry pie.

The Jones know that Mr. Baxter isn’t going to wash his car, and he isn’t going to paint his kitchen. They sometimes say to their son, “Are you going to do something? Then do it. Don’t be Mr. “Going-To-Do.”

**Exercise 4. *Insert the missing prepositions to, for, in, at, from, with, against.***

1. He left the island ... good.
2. The manager arranged everything ... good time.
3. We’ve just borrowed 70 pounds ... Mr. Smith.
4. I gave him a five-dollar bill to get us ... the station.
5. I looked ... him ... admiration.
6. Nelson’s big opportunity came when Britain declared war ... the French in 1793.

## **APPENDIX**

### **Business Communication**

#### **I. Introduction. Writing and Speaking – Your Keys to Business Success.**

Business Communication may be defined as the whole process of interchanging ideas and feelings which organize and operate business enterprise. Business writing and business speaking are but part of this total, living process of business communication and must be adapted to this process.

Writing and speaking skills are the twin success keys of modern business. Never before have they meant so much. Today's management is intensely communication minded.

Business writing and speaking may be defined most simply as the expression in standard, natural, idiomatic language of those written and oral messages which advance production and build business profits. Business writing produces the letters, memorandums, reports, directives, procedures, bulletins, manuals, advertisements, publicity, and business articles which organize, manage, and promote business enterprise. Business speaking composes the interviews, conferences, addresses, and other oral expression that gets out production and markets goods and services.

Those who must prepare written communication have a special responsibility for its appearance. The communicator must always be master of his communication and must see that the appearance of that message conforms to the high standards of modern business practice. Standard parts of the business letter you may find in Internet.

#### **II. The job campaign**

The job campaign is primarily a problem in communication. One's ability, character, education, experience and personality have meaning only when these qualifications solve problems for a prospective employer. Through application letters, data summaries and interviews, each applicant must open the door to a career and persuade those in authority to put him to work at the highest level of responsibility possible.

Long before one approaches a prospective employer, he must determine his own qualifications, (analysis of Self), the kind of work he wants to do in life (deciding a career) and the educational preparation he will need to do that work. The second step of an applicant must be analyzing the job market. The prospective employer usually asks:

1. Does he appear to be the kind of man we would like to have here?
2. Does he have the qualifications needed to do this job?
3. Does his communication in the job campaign show interest, thoroughness, reliability and good sense?
4. Does he have an ability to get along with others?
5. Is everything in his data sheet, letters and interviews true?

Personnel men are in considerable disagreement on the best method of preparing a resume or data sheet, but all agree that it is always necessary in getting the better jobs offered on the job market. The terms *resume* and *data sheet* are often used interchangeably. The data sheet varies in objectivity and order of presentation.

**Exercise 1. Read resume and write about yourself, according to given below resume.**

**RESUME**

Maria Andronikova

**Personal Information**

8-ya Krasnoarmeyskaya, 6, bld. 12

Saint-Petersburg, Russia

Tel: 7(812) ...

Mobile: .....

**Objective**

Pursuing challenging career opportunities in the sphere of corporate finance where I can apply my current experience, develop professional knowledge and skills and become a member of a dynamic highly-expertised team.

**Working Experience**

- JSC “Roselectroprom Holding” (January 2004 – present time)

Position: Chief Accountant in charge – January 2004 – June 2005

Responsibilities: Deputy Chief Accountant – June 2005 – present time  
Compilation of financials, quarterly and annual statutory reporting per RAS (Russian Accountant Standards);  
Managerial accounting and reporting;  
Tax accounting, optimization and statutory reporting<sup>1</sup> (VAT and Profit tax<sup>2</sup>);  
Account executive of Accounts Payable<sup>3</sup>, Accounts Receivable<sup>4</sup>,  
Fixed Assets<sup>5</sup>, and Payroll<sup>6</sup>;  
Financial analysis and Budgeting, Cash flow planning.

Experience gained: Working in time-pressured, intellectually challenging environment, expertise in RAS accounting and

reporting, managerial accounting and tax accounting skills, analytical skills, financial management skills, business communication skills.

- “Service-Test” Ltd (August 2002)

Position: Cash officer

Responsibilities: Cash operations accounting, cash and sales register<sup>7</sup> maintenance

- JSC “New Era” (March 2002 – July 2002)

Position: Financial Director Assistant

Responsibilities: Planning and control over payment schedule module in “ Galaktika System”, budgeting, document management.

### General Education

2000-2005

Saint-Petersburg State University of Economics and Finance;  
Faculty of Accounting and Analysis; Major in Analysis.

1996-2000

Gymnasium №209 with specialization in humanities and foreign languages (English and German)

### Additional Education

November 2005

Professional training seminar “Making the Transition to IFRS in Russia. Restatement of Russian Financial Reports in accordance with IFRS”

October 2005-present time

Saint-Petersburg State University of Economics and Finance:  
Post-graduate study; Faculty of Accounting and Analysis.

November 2004-present time

IAB Certification program (Intermediate and Advanced Level),  
The Union of Industrialists and Businessmen.

February 2004

Professional training program of accounting in ERP system  
Galaktika 7.1., JSC “Galaktika”

December 2003-February 2004

IELTS, British Counsel in St. Petersburg

September-January 2002

Saint-Petersburg State University of Economics and Finance:  
Business English Certificate Course (BEC II).

Skills and knowledge

Personal skills:

Analytical skills, effective learning skills, team working skills,  
personal planning and time management skills;

Computer skills:

Windows 95/NT/98/2000/Me/XP, Microsoft Office, Web

Applications;

Language skills:

Russian-native, English-advanced, German-intermediate.

Personal qualities

Hardworking flexible, accurate, goal-oriented, strong team player, responsible and creative.

**Notes:**

<sup>1</sup>statutory reporting – отчетность по российским стандартам

<sup>2</sup>Profit tax – налог на прибыль

<sup>3</sup>Accounts Payable – кредиторская задолженность

<sup>4</sup>Accounts Receivable – дебиторская задолженность

<sup>5</sup>Fixed Assets – основные средства

<sup>6</sup>Payroll – зарплата

<sup>7</sup>sales register – книга продаж

**Exercise 2. Read the following Curriculum Vitae and write about some of your friends.**

CURRICULUM VITAE

<b>Name &amp; Surname</b>	Kerem Braun
<b>Date of Birth</b>	08.10.1967
<b>Place of Birth</b>	Turkey, Malatya
<b>Marital Status</b>	Married-has 1 son called Kerem
<b>Nationality</b>	Turkish
<b>Profession</b>	Civil Engineer
<b>Education</b>	
March 2001-May 2002	Carlson School of Management University of Minnesota and EMBA Program (WU Wien MBA)
Degree obtained	MBA

Sept.1985-June 1990	Middle East Technical University of Ankara (METU), Turkey Civil Engineering Department, Faculty of Civil Engineering June 1990 METU is considered to be the most difficult University in Turkey in terms of entry and study. All studies are in English with special emphasis on the theory than the practice BScCE
Degree obtained Sept.1979-June 1985 Education	TED Ankara College, Middle and High School  One of the oldest and most respected private schools of Turkey; all lessons are taught in English.
<b>Professional Experience</b> Jan.1994-Present	President and Chairman of Board of Desna Construction Ltd., Ankara and its affiliates in Russia, Ukraine and Kazakhstan
June 1992-Dec. 1993 Division.	ENKA Construction Ltd. Overseas Projects  Minsk, Byelorussia Civil engineer
March 1991-June 1992	ENKA Construction Ltd. Cost Control and Planning dept. Engineer at a 5-star Hotel Project in Sirte, Libya
July 1990-March 1991	Civil Engineer at business development dept. at ENKA headquarters
June 1988-June 1990	Intern work (16 hours/week) at different duties at a JV of ENKA with Bechtel Overseas Inc.
<b>Languages</b>	Fluent English and Russian, Turkish as native language
<b>Hobbies and Professional Interests</b>	Basketball, swimming and reading books in management and strategy
<b>Personal Achievements</b>	- Member of 1982-1983 and 1984-1985 Champion Team at High Schools and Junior Basketball Teams Championships, Turkey - Best junior forward of the year 1983, Turkey - Being in top 1% at 1985 University Entrance Exam among 650.000 participants, Turkey.

### III. Business letters

The various organizing, processing managing and transport efforts of the businessman and industrialist lead to and grow out of the sales process. Everyone engaged in business, whether active in the sales process or not, must orient his work to the fact that some day, somewhere, what he is doing will have to be sold. So we shall show you how business letters of different types must be written.

#### ***I. Introducing your firm (the body the message of a letter).*** *(First of all describe the firm and its goals)*

...Foundation, which was recently established under the name of (...), aims to give engineering community in all countries of the world attractive information on the state of the science and technology in the country.

We pride ourselves on providing all our customers with the highest quality production and personalized service. So that you may know a little more about our Company, I am taking the liberty of enclosing a booklet, which we have recently published, giving the history, organization and plans of our Company.

Please let me know what information would be of interest to your Company and whether you would like to receive any of our catalogs...

#### ***II. Official Invitations***

All visits exchange begin from invitations. (May I have the pleasure of inviting you... (may I cordially invite you) to visit our firm?)

- We should like to arrange for a visit of Mr. N (name, position) to Russia.

- We are looking forward very much to welcoming you here as a guest of our firm ...

Usual form in accepting official invitation:

- Mr. N thanks the (name of institushion or person) for its kind invitation to (occasion) to be held at (address) on (day, date) which he has pleasure in accepting.

Usual form in refusing official invitations:

-Mr. N thanks the (name of institution or person) for its kind invitation to (occasion) to be held at (address) on (day, date), but regrets he is unable to accept owing to ...(his poor health, a prior engagement, etc.)

*Dear Dr. Novikov*

*I wish to inform you that the X International Conference on "Russian Accountant Standards" will be held in St. Petersburg 18-20 August.*

*It is my honour and privilege to invite you and your wife to participate in the work of the Conference. I am happy to inform you that the organizing Committee will cover your and your wife's traveling expenses and hotel accommodation fees.*

*We are looking forward to your accepting this invitation and seeing you and your wife at the Conference.*

*Trusting to hear from you soon,*

*Sincerely yours*

### ***III. Request***

A request usually consists of request-phrase, reason for request and expression of gratitude.

(... I am making use of this opportunity to approach you with a request). Would you be so kind as to send me the statistical year book for this year ... if it is available. I need it badly for my research in economical development ... I shall be very grateful to you if you can ....

*Dear Sir*

*I am writing to inquire about the Congress which is to be held in St. Petersburg in August, 9. I would be grateful if you would send me detailed information concerning the program of the Congress.*

*I would be interested in presenting a paper if my work is related to the scope of the Congress.*

*Your sincerely*

*Boris B. Stolbov.*

### ***IV. Claim, protest!***

The writer must keep himself calm and awaken in his reader a spirit of helpful cooperation.

- We are very much disappointed to find out that the bags are torn, dirty and not full.

It is necessary you should take part in drawing up the statement .... After drawing up the statement, you may write:

- Under the circumstances I have to ask you to accept the responsibility for damages caused for

... and I demand compensation for the damage (loss, repair) .... You may receive an answer: - "I must reject your claims as unfounded. The question of liability shall be dealt with in amicable negotiations."

### ***V. Gratitude, thanks.***

Gratitude, thanks or appreciation should always be expressed to the person that was so kind as to help, serve to the person asking for it. For example:

Thank you very much for sending me a reprint of your article ...

- I want to thank you dearly for all that you have done for me ....

- Please, accept my sincere appreciation for all your efforts.

*Dear Francis*

*Thank you very much for the book which arrived yesterday. You have no idea how grateful I am for all the troubles you have taken. My work will be much easier now. Please, let me know what I can do for you. Thank you again,*

*Your grateful friend.*



## ***VI. Regret, apology***

When the receiver of a letter is unable to perform what he is asked to do, or when he wishes to decline an invitation, proposal or offer, he (she) should express his regret, apology or refusal in a most courteous and polite manner:

- We offer an apology for ....
- I am sorry that ....
- I sincerely regret that ...

*Dear Dr. Smirnov*

*I fell so sorry I kept you waiting so long for my letter. I must apologize for not sending you the reprint earlier, because I had to leave Minsk on business for a whole month. It gives me great pleasure to send you reprint now, I hope you will find it helpful in your experiment.*

*I am looking forward to hearing from you soon*

*with best regards,*

*Yours sincerely.*

### **Exercise 1. Translate the following letters into English.**

1. Дорогой м-р Паркер!

Организационный Комитет имеет честь официально пригласить Вас принять участие в работе симпозиума по проблемам окружающей среды, который состоится в Москве с 10 по 15 февраля 2007 г. Симпозиум будет проходить в виде пленарных заседаний и дискуссий за круглым столом. Программа симпозиума прилагается.

Мы надеемся, что Вы примете приглашение, и мы будем иметь удовольствие видеть Вас на Симпозиуме.

С искренним уважением,

2. Дорогой проф. Гончаров,

Я пишу Вам с просьбой предоставить материалы по Вашей экспериментальной методике, чтобы сравнить ее с нашей. Я был бы так же очень благодарен, если бы Вы сочли возможным сообщить, какое оборудование Вы использовали.

С нетерпением жду Вашего ответа.

Искренне Ваш

3. Дорогой Джон!

Я чрезвычайно благодарен тебе за все, что ты для меня сделал, и особенно за материалы, которые ты мне прислал.

Я понимаю, сколько времени ты потратил на меня и мои проблемы. Зная, как ты занят, я особенно ценю твою помощь.

С благодарностью

4. Дорогой д-р Петров,

Я очень сожалею, что не мог вовремя дать отзыв на Вашу работу. Меня не было в Санкт-Петербурге в течение 2-х месяцев. Если еще не поздно, я могу дать устный отзыв, позвонив в редакцию журнала.

Еще раз простите за причиненное неудобство.

Жду Вашего ответа

С уважением

We hope that communication skills can bring you many career advantages!

## Dictionary

### A

abroad (adv) – за границей  
accelerate (v) – ускорять  
accept (v) – принимать  
access (n) – доступ  
according to (prep) – согласно  
account (n) – счёт в банке  
account (v) – отчитываться, (for) –  
объяснять, выясняться  
achieve (v) – достигать  
acquisition (n) – приобретение,  
поглощение (компания)  
add (v) – складывать, добавлять  
in addition  
advantage (n) – преимущество  
agree (v) – соглашаться  
agreement (n) – соглашение  
ail (v) – недомогать, болеть  
although (adv) – хотя  
allot (v) – предоставить, установить,  
определить  
allow (v) – позволять  
almost (adv) – почти  
among (prep) – среди  
ancient (adj) – древний  
amount (n) – сумма  
announce (v) – объявлять  
appliance (n) – прибор, бытовая  
техника  
area (n) – площадь  
artificial (adj) – искусственный  
assets (n, pl) имущество, активы,  
фонды, fixed assets – недвижимое  
имущество  
attract (v) – привлекать, притягивать  
available (adj) – доступный  
avoid (v) – избегать  
awkward (adj) – нелепый

### B

background (n) – фон

bankruptcy (n) – банкротство  
barrier (n) – барьер  
beach (n) – пляж, побережье  
bear (v) – носить  
behavior (n) – поведение  
belong (v) – принадлежать  
benefit (n) – польза, доход  
bill (n) – счёт, долговое  
обязательство  
board (n) – совет  
bond (n) – облигация, долговое  
обязательство  
border (n) – граница  
borrow (v) – брать в займы  
borrowing (n) – заём  
both – оба  
both ... and (conj) – как ... так и  
bottom (n) – низшая точка, уровень  
(цен)  
bounty (n) – субсидия,  
поощрительная премия  
budding (adj) – многообещающий  
building (n) – здание  
bulb (n) – лампочка  
bureau (n) – бюро, офис  
buy (v) – покупать  
buy-out (n) – выкуп  
leveraged buyout – выкуп  
контрольного пакета акций за счёт  
кредита

### C

calculate (v) – считать, подсчитывать  
capita (per capita) – душа, на душу  
населения  
care (n) – забота  
care (v) – заботиться  
cash (n) – наличные деньги,  
наличность  
cause (v) – причинять, вызывать  
certain (adj) – определённый  
certify (v) – удостоверять  
cheap (adj) – дешёвый

circulation (n) – оборот  
 claim (n) - требование  
 coconut (n) – кокосовый орех  
 coin (n) – монета  
 commitment (n) – затраты, вложения, поручение  
 commodity (n) – товар  
 common (adj) – общий  
 compare (v) – сравнивать  
 compete (v) - конкурировать  
 completely (adv) – полностью  
 confidence (n), in – доверие к ...  
 conscious (adj) - сознательный  
 consequently (adj) – следовательно  
 considerable (adj) - значительный  
 consist (v) – состоять из (of)  
 constant (adj) - постоянный  
 consumer (n) – потребитель  
 content (n) - содержание  
 contribute (v) – вкладывать  
 convert (v) – превращать  
 convince (v) - убеждать  
 cost (n) – стоимость, цена  
 course (n) – течение, ход  
     over the course – в течение  
 crown (n) - корона  
 currency (n) – валюта

## D

damage (v) – наносить ущерб  
 dealer (n) – дилер  
 debt (n) – долг  
 decide (v) – решать  
 decision (n) – решение  
 decline (n) – спад производства, упадок  
 declare (v) – объявлять  
 deduct (v) – вычитать  
 define (v) – характеризовать, давать точное определение  
 delay (v) – задерживать, откладывать  
 demand (n,v) – требование, спрос, требовать  
 deposit (n) – депозит  
 depreciation (n) - обесценивание

derive (v) – происходить из  
 designation (n) - обозначение  
 describe (v) - описывать  
 determine (v) – определять  
 differ (v) – отличаться  
 difference (n) – отличие  
 discount (n) – скидка  
 dismantle (v) – сорвать мантию, обнажить  
 diverse (adj) – разнообразный  
 diversify (v) – разнообразить  
 domestic (adj) – отечественный, относящийся к внутреннему рынку  
 downside (adj) - нежелательный  
 draw (v) – чертить, рисовать  
 dubious (adj) – сомнительный

## E

early (adv) - рано  
 earn (v) – зарабатывать  
 earnings (n) – доходы  
 efficient (adj) – эффективный  
 either ... or ... (conj) – или ... или ...  
 eliminate (v) – исключать, устранять, ликвидировать  
 employ (v) – принимать, нанимать  
 encourage (v) – воодушевлять, ободрять  
 endowment (n) – пожертвования  
 enough (adv) – достаточно  
 enterprise (n) – предприятие  
 environment (n) – окружающая среда  
 equipment (n) – оборудование  
 equity (n) – доля акционера, акция, маржа  
     ~ capital – собственный капитал  
     ~ fund – инвестиционный фонд  
 erect (v) – возводить, сооружать  
 essential (adj) - основной  
 even (adv) – даже  
 event (n) – событие  
 eventually (adv) – со временем  
 exceed (v) – превышать

excessive (adj) – значительный, объёмный  
 exchange (v) – обменивать  
 exclude (v) – исключать  
 expand (v) – расширяться  
 expansion (n) – расширение  
 expect (v) – ожидать  
 expenditure (n) – расход, затраты  
 expense (n) – расход  
 expensive (adj) – дорогой

## F

factor (v) – отделять  
 ~ out - выявлять  
 fail (v) - терпеть неудачу, обанкротиться  
 favour (n) – услуга  
 favour (v) – содействовать, поддерживать, одобрять  
 fend (v) – враждовать  
 few (adv) – немного  
 fight (v) – бороться  
 finally (adv) – наконец  
 flee (v) – исчезать  
 flow (n) – поток  
 flow (v) – течь  
 fluctation (n) – колебание, изменение (направления спроса)  
 following (adj) – следующий  
 force (n,v) – сила, вынуждать  
 foreign (adj) – иностранный  
 forever (adv) – навсегда  
 foster (v) – способствовать развитию  
 free (adj) – свободный  
 frontier (n) – предельный уровень  
 fuel (n) – топливо

## G

general (adj) – общий  
 ~ public – широкая публика  
 goal (n) - цель  
 goods (n) – товары

grace (n) – отсрочка (платежа)  
 grain (n) – зерно  
 grow (v) – расти  
 growth (n) - рост  
 guess (v) – гадать

## H

happen (v) – произойти  
 hard (adv) – трудно, с трудом  
 hazard (n) – риск, опасность  
 health (n) – здоровье  
 healthy (adj) – здоровый  
 heartbeat (n) – пульс  
 high (adj) – высокий  
 honest (adj) – честный  
 however (cj) – однако

## I

identity (n) – личность  
 illegal (adj) – незаконный  
 imbalance (n) – дисбаланс  
 imply (v) – подразумевать  
 improve (v) – улучшать  
 incentive (n) – мотив  
 incline (v) – склоняться  
 include (v) – включать  
 income (n) – доход (личный)  
 increase (v) – увеличиваться  
 industry (n) – промышленность, производство  
 indicate (v) – показывать  
 influence (v) – влиять  
 initial (adj) – первоначальный  
 inscribe (v) – подписывать  
 institution (n) – установление, учреждение, организация  
 insurance (n) – страховка  
 interaction (n) - взаимодействие  
 interbank (adj) – межбанковский  
 interchangeable (adj) – взаимозаменяемый  
 interest (n) – процент, доля, выгода  
 ~ rate – ссудный процент  
 inventory (n) – запас, резерв;  
 портфель ценных бумаг

invest (v) – вкладывать  
investment (n) – капиталовложение  
involve (v) – включать в себя  
island (n) – остров  
issue (v) – выпускать  
item (n) – пункт, статья

## J

judge (n) – судья  
juice (n) – сок

## K

keep (v) – держать, удерживать  
keep track (v) – отслеживать  
key (n) – ключ

## L

label (v) – давать название  
last (adj) – последний  
law (n) – закон  
lead (v) – вести  
leave (v) – оставлять  
lend (v) – давать взаймы  
let (v) – позволять  
level (n) – уровень  
liability (n) – обязательство, ответственность  
light (n) – свет  
like (prep) – подобно  
limit (v) – ограничивать  
link (v) – связывать  
loan (n) – заём  
look for (v) – искать  
lose (v) – терять  
low (adj) – низкий  
lower (v) – снижать

## M

machinery (n) – машины  
maintenance (n) – уход, содержание  
market (n) – рынок  
maturity (n) – срок погашения  
долговых обязательств  
mean (v) – значение  
means (n) – средства

measure (v) – измерять, определять  
(n) – мера  
merger (n) – поглощение, слияние  
(компаний)  
mint (v) – чеканить  
monetary (adj) – валютный,  
кредитно-денежный  
movie (n) – фильм

## N

narrow (adj) – узкий  
necessary (adj) – необходимый  
neither ... nor ... (conj) – ни ... ни  
nightmare (n) – кошмар  
notice (v) – замечать

## O

obvious (adj) – очевидный  
offset (n) – возмещение, компенсация  
once (conj) – как только, когда  
opportunity (n) – возможность  
option (n) – опцион, выбор; право  
выбора  
- put option – опцион «пут», право  
продать ценную бумагу  
- call option – опцион «колл», право  
купить ценную бумагу  
- put and call option – двойной  
опцион  
origin (n) – происхождение  
otherwise (adv) – иначе  
outlaw (n) – лицо или организация,  
объявленные вне закона  
outpace (v) – превзойти  
overcome (v) – преодолеть  
overstate (v) – преувеличивать  
owe (v) – задолжать  
own (v) – владеть  
(adj) – собственный  
ownership (n) – собственность

## P

part (n) – часть  
in part – частично  
participate (v) – участвовать

particular (adj) – особенный  
 partnership (n) – товарищество  
 pay (v) – платить  
     (n) – зарплата  
     ~ back – оплатить, вернуть  
 деньги  
     ~ for itself – платить за себя  
 pension (n) – пенсия  
 perceive (v) – понимать, осознавать  
 persistent (adj) – стойкий  
 precious (adj) – драгоценный  
 predict (v) – предсказывать  
 price (n) – цена, курс (акций),  
 рыночная цена  
 primarily (adv) – в первую очередь  
 principle (n) – номинал векселя,  
 рыночная цена  
 private (v) – частный  
 produce (v) – производить  
 promote (v) – способствовать,  
 продвигать  
 protect (v) – защищать  
 provide (v) – обеспечивать  
 purchase (n) – покупка  
 purpose (n) – цель

## R

raise (v) – поднимать  
 range (n) – ряд, число  
 rapid (adj) – быстрый  
 rate (n) – скорость  
 ratio (n) – отношение  
 real estate (n) – недвижимость  
 receive (v) – получать  
 recourse (n) – ресурс  
 redeem (v) – выкупать, погашать  
 reduce (v) – уменьшать  
 refer (v) – относиться, ссылаться  
 reflect (v) – отражать  
 refuge (n) – приют, убежище  
 refusal (n) – отказ  
 relate (v) – иметь отношение к  
 relevant (adj) – уместный

reliable (adj) – надёжный,  
 достоверный  
 remain (v) – оставаться  
 replace (v) – замещать  
 report (v) – сообщать, заявлять  
 represent (v) – представлять  
 responsible (adj) – ответственный  
 restrict (v) – ограничивать  
 result from (v) – происходить из  
 result in (v) – приводить к  
 resuscitate (v) – оживлять,  
 воскрешать  
 repercussion (n) – последствие  
 require (v) – требовать  
 retain (v) – сохранять, удерживать  
 retained

## • earnings(adj)

– нераспределённая прибыль  
 retired (adj) – в отставке  
 retirement (n) – выход на пенсию  
 return (n) – прибыль, оборот  
 revenue (n) – доход (государства)  
 reward (v) – вознаграждать  
 right (n) – право  
 royal (adj) – королевский  
 rule (n) – правило  
 run (v) – бежать, работать, вести  
 дело

## S

sacrifice (n) – жертва  
 salary (n) – зарплата  
 securities (n; pl) – ценные бумаги  
 sell (v) – продавать  
 set (n) – набор  
 set up (v) – заложить, начать  
 settle (v) – селиться  
 severe (adj) – тяжёлый, резкий  
 shape (n) – форма  
 share (n) – акция  
 shareholder (n) – акционер  
 shore up (v) – поддерживать  
 shortened (adj) – укороченный  
 sign (v) – подписывать

since (cj) – так как  
 size (n) – размер  
 skilled (adj) – умелый, опытный  
 slow (adj) – медленный  
 speed (n) – скорость  
 spend (v) – тратить, проводить  
 spending (n) – трата, расходы  
 spread (n) – разница, разрыв (между ценами)  
     (v) – распространяться, распределять  
 spree (n) – внезапная вспышка, рост  
     shopping spree – увеличение объёма закупок  
 stage (n) – стадия  
 stake (n) – доля, часть акций  
 stamp (n) – марка  
 stand (n) – ларёк  
 stand by (adj) – резервный  
 start (v) – начинать  
 state (n) – государство, штат  
     (v) – устанавливать  
 statement (n) – сообщение, отчёт  
 stimulate (v) – стимулировать  
 stock (n) – акция  
 stock exchange (n) – фондовая биржа  
 store (n) – магазин, лавка  
 subject (v) – подвергать  
 subsidy (n) – субсидия, дотация  
 substitute (v) – заменять  
     (n) – заменитель, аналог  
 subtract (v) – вычитать  
 such (prep) – такой  
 suffer (v) – страдать  
 suit (n) – тяжба  
 summary (n) – краткая информация, сводка  
 supply (n) – предложение, снабжение  
     (v) – обеспечивать  
 supporter (n) – поставщик  
 surplus (n) – излишек, прибыль  
 survey (n) – отчёт, исследование

## T

tally (n) – группа, единица счёта  
 tangible (adj) – осязаемый, материальный  
 tax (n) – налог  
 taxation (n) – налогообложение  
 tend (v) – иметь тенденцию  
 therefore (adv) – следовательно, поэтому  
 though (cj) – хотя  
 threat (n) – угроза  
 threaten (v) – угрожать  
 tool (n) – инструмент, средство  
 topple (v) – падать, опрокидываться  
 total (adj) – тотальный  
 trade (n, v) – торговля, торговать  
     ~ surplus – активное сальдо  
 treasury (n) – казна  
     ~ bonds – долгосрочные казначейские обязательства  
 treat (v) – трактовать, рассматривать  
 treaty (n) – договор  
 tribe (n) – племя  
 trick (n) – хитрость, обман  
 trouble (n) – беда, затруднение  
 turmoil (n) – беспорядок

## U

uncertainty (n) – неуверенность, неопределённость  
 underlying (a) – лежащий в основе, основной  
 understate (v) – преуменьшать  
 undertake (v) – предпринимать  
 update (v) – модернизировать  
 use (v) – использовать  
 usually (adv) – обычно  
 utilities (n, pl) – предприятие общественного пользования;  
     Акции и облигации предприятий общественного пользования



## V

value (n) – цена, ценность, активы  
book ~ чистые активы  
фирмы  
valuable (adj) – ценный,  
значительный  
vary (v) – изменяться  
vehicle (n) – транспортное средство  
violate (v) – применять насилие  
volatile (a) – неустойчивый (о рынке)  
volatility (n) – изменчивость,  
непостоянство  
voter (n) – избиратель

## W

warrant (n) – ордер, гарантия,  
доверенность, купон, расписка,  
полномочия  
way (n) – путь  
wealth (n) – богатство  
wear out (v) – изнашивать  
weight (n) – вес  
weigh (v) – взвешивать  
whatever – чтобы ни  
whereas (cj) – тогда как  
whether (conj) – ли  
whole (adj) – весь, целый  
win (v) – побеждать  
within (adv) – внутри, в пределах  
word (n) – слово  
worth (v) – стоить  
worthless (adj) – обесцененный

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### **The Department of Foreign Languages**

The department of foreign languages was established on 20 September 1931. At that time the first new structural subdivision was singled out and the first head of the department, the associate –professor Falk K.I. (1931-1941) was assigned.

13 teachers worked at the department, namely, 7 teachers of English and 6 teachers of German.

The department of foreign languages was headed by:

1941-1951 senior teacher Mitskevich Z.P.

1953-1973 senior teacher Lisikhina B.L.

1973-1993 senior teacher Dygina M.S.

Professor Markushevskaja L.P. has headed the department since 1993.

At present the department consists of four sections: English, French, Russian and German, 30 teachers working in the staff.

More then 60 manuals were published at the department. The electronic versions of English Grammar, Computer in Use, Optics have been designed. It helps students to improve their knowledge working on computers.

Much attention is given to working out different tests for distance education.

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