



## 5.1. PERSONAL FINANCE



### VOCABULARY

#### Task 1.

Match the verbs collocating with the word *finance* to make synonymous pairs.

require | handle | improve | raise | sort out

1. obtain →
2. need →
3. boost →
4. keep in order →
5. deal with →

FINANCE

#### Task 2.

Rewrite the sentences below using the words in brackets and keeping the original meaning.

My finances are rather tight. (SITUATION)

Buying a new car put a strain on my finances. (BURDENED)

My finances are in a mess. (CONTROL)

I'm broke. (HARD)

I'm short of money. (LACK)

I'm rolling in money. (MORE)

They are used to throwing money down the drain. (WASTE)

I paid through the nose for this car. (EXCESSIVELY)

I live in a world of high finance. (MONEY)

I won't go there for love nor money. (NEVER)

### Task 3.

What does it mean that family finances are healthy or that they look shaky?

### Task 4.

Look at the words related to money people receive at work, and tick those that refer to your work situation.

remuneration  
compensation  
salary or wage  
incentives  
perks (fringe benefits)  
commission

royalties  
unemployment benefit  
sickness benefit  
salary rise  
allowance  
disability allowance

mileage allowance  
travel allowance  
health insurance  
social security  
pension



## SPEAKING

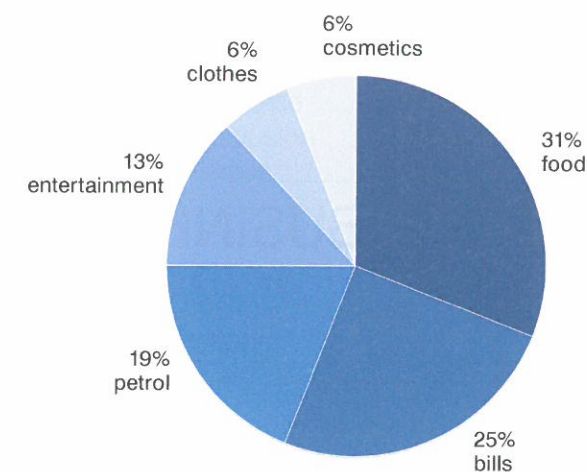
### Task 1.

Do you have budgeting skills? How do you allocate your household budget? Look at the table and pie chart presenting Anna's household budget. Think about your situation, complete the table below, and draw your own pie chart.

ANNA'S BUDGET

EXPENSES	PERCENTAGE OF TOTAL BUDGET (%)
food	31
bills	25
petrol	19
entertainment	13
clothes	6
cosmetics	6
TOTAL BUDGET	100%

ANNA'S HOUSEHOLD BUDGET



MY BUDGET

EXPENSES	PERCENTAGE OF TOTAL BUDGET
TOTAL BUDGET	100%

### Task 2.

Compare your budget with a partner, and discuss the following questions.

1. Do you plan your expenses or do you shop impulsively?
2. Are you a thrifty shopper or a shopaholic?
3. Are you a bargain hunter?
4. Do you happen to splurge? And if so, on what?
5. How do you keep track of your money?





## 5.2. BUSINESS FINANCE



### SPEAKING

#### Task 1.

What does the notion of entrepreneurship refer to? Who is an entrepreneur? Would you call yourself a person with an entrepreneurial mindset?

#### Task 2.

You are going to start a new business and you need to obtain finance. One way to access finance for your business is to meet potential investors and pitch your business idea. Your task is to think of a business you might start and then pitch to potential investors. Deliver a presentation on your business. Be ready to answer the questions of your prospective lenders. Use the phrases below.

#### Useful phrases for delivering presentations:

The subject/topic of my presentation is \_\_\_\_\_  
I'm going to divide my presentation into \_\_\_\_\_ parts.

Let's begin/start by \_\_\_\_\_  
First of all, I'll \_\_\_\_\_ and then I'll go on to \_\_\_\_\_  
Then \_\_\_\_\_  
Finally \_\_\_\_\_

Moving on now to \_\_\_\_\_  
Let me turn to \_\_\_\_\_  
The next issue I'd like to focus on is \_\_\_\_\_  
Let's look at \_\_\_\_\_  
I'd like to draw your attention to \_\_\_\_\_

What these figures clearly show is \_\_\_\_\_  
Just to give you the background to this \_\_\_\_\_  
To put this into perspective \_\_\_\_\_  
Let's consider this issue in more detail \_\_\_\_\_

As an illustration, \_\_\_\_\_ or To illustrate this point \_\_\_\_\_

A pertinent example of this is \_\_\_\_\_

To give you a relevant example \_\_\_\_\_

To sum up \_\_\_\_\_ or To summarise \_\_\_\_\_

To conclude \_\_\_\_\_ or In conclusion \_\_\_\_\_ or I'd like to recap \_\_\_\_\_

The take-home message here is \_\_\_\_\_

In other words \_\_\_\_\_

To put it more simply \_\_\_\_\_

I'm happy to answer any queries/questions.

Please feel free to ask questions.



### LISTENING & VOCABULARY

CD1  
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#### Task 1.

What are the types of business finance? Listen to Derek, a financial advisor talking about the main sources of business finance, and match his definition with the right heading below.

hire purchase and leasing  
bank overdraft  
venture capital

loans  
grants and soft loans

Definition 1 \_\_\_\_\_

Definition 2 \_\_\_\_\_

Definition 3 \_\_\_\_\_

Definition 4 \_\_\_\_\_

Definition 5 \_\_\_\_\_





**Task 2.**

When starting a business the finance you need may come from internal and external sources. Imagine you are a financial advisor and your task is to present different choices of finance for David, a young entrepreneur who decided to start his own business selling hand-made gift boxes. Use the notes below at the meeting with David.

**INTERNAL SOURCES OF FINANCE FOR START-UPS**

1. Personal sources
  - Savings and other 'nest-eggs'
  - Borrowing from friends and family
  - Credit cards
2. Retained profits
3. Share capital – invested by the founder

**EXTERNAL SOURCES OF FINANCE FOR START-UPS**

4. Loan capital
  - Bank loan
  - Bank overdraft
5. Share capital – outside investor
6. Business angels
7. Venture capital

**Task 3.**

Who are business angels? Read the definition below, and fill in the gaps with the correct form of the words in brackets.

Business angels are 1) \_\_\_\_\_ (WEALTH), 2) \_\_\_\_\_ (ENTREPRENEUR) individuals who provide capital in return for a proportion of the company equity. They take a high 3) \_\_\_\_\_ (PERSON) risk in the expectation of 4) \_\_\_\_\_ (OWN) part of a growing and 5) \_\_\_\_\_ (SUCCESS) business.

**VOCABULARY & WRITING****Task 1.**

As a business owner, you will handle money flowing into and out of your business. Look at the items below, and complete the table by grouping cash inflows and outflows.

payment from your customers  
purchase of stock  
interest on investments  
dividend payments  
receipt of a bank loan  
purchase of machinery

wages  
National Insurance contributions  
Income Tax, Corporation Tax, VAT  
operating expenses  
shareholder investments

Cash inflows

Cash outflows

**Task 2.**

Fill in the extract below with the following words.

revenue | profit | sales | income | turnover | expenses

Businesses generate 1) \_\_\_\_\_, also referred to as 2) \_\_\_\_\_ or 3) \_\_\_\_\_ from selling goods or services. After deducting total costs known as 4) \_\_\_\_\_, businesses are left with 5) \_\_\_\_\_ called net 6) \_\_\_\_\_ in other words.

**WRITING: REPORT****Task 3.**

*Art of Giving* is a small business designing and supplying gifts. The company decided to take on a new order and experienced a cash flow crisis. Read what happened, and write a report on the company financial situation. In your writing, follow the structure and phrases below.

*Art of Giving* is a small but profitable gift designer and supplier with three full-time staff (including the owner). It outsources production, but supplies the raw materials itself to save on costs. It then finishes and packages the final product on site. *Art of Giving* does not have any loans or overdrafts. It has a long-term customer base of small gift shops and visitor centres. *Art of Giving* suddenly wins a large order to supply bespoke wall plaques for a chain of stores. The contract promises to double the turnover. The team takes on an additional employee and works flat out to meet the deadlines. Unfortunately, an impending cash flow crisis resulting from a fall in orders from existing customers goes unnoticed, and is combined with a jump in raw material costs. To make matters worse, new clients keep changing their mind about designs. A misunderstanding means the first run of goods is rejected, causing a delay in payment and increased production costs. *Art of Giving* orders additional materials to make up for the shortfall. By the time the order is complete, the business is running an expensive overdraft. Profit margins have been squeezed to the limit and it has lost several of its existing customers. A downturn in the fortunes of the retail chain means that it doesn't place any further orders.



### Report structure:

1. Introduction
2. Findings
3. Results
4. Conclusions
5. Recommendations

### Useful report phrases:

#### INTRODUCTION

The aim of this report is to examine/investigate/compare/discuss/analyse/present/  
provide/introduce \_\_\_\_\_  
The report aims to \_\_\_\_\_  
This report is intended to \_\_\_\_\_  
This report outlines \_\_\_\_\_

#### FINDINGS

A survey of \_\_\_\_\_ revealed that \_\_\_\_\_  
It was found that \_\_\_\_\_  
The results show that \_\_\_\_\_  
The analysis indicates that \_\_\_\_\_  
It is clear from customer feedback that \_\_\_\_\_  
Customer feedback has shown a need for \_\_\_\_\_

#### RESULTS

Consequently \_\_\_\_\_  
As a result \_\_\_\_\_  
It resulted in/led to \_\_\_\_\_  
This would help us to \_\_\_\_\_  
The company would benefit in the following way \_\_\_\_\_

#### CONCLUSIONS

In conclusion \_\_\_\_\_  
To sum up \_\_\_\_\_  
To conclude \_\_\_\_\_  
For the reason given above \_\_\_\_\_  
Summing up the results/Based on the results, it can be concluded that \_\_\_\_\_

#### RECOMMENDATIONS

I think it would be a good idea to \_\_\_\_\_  
It is therefore recommended that \_\_\_\_\_  
Having considered the options in question \_\_\_\_\_  
It would be advisable to \_\_\_\_\_  
In the short/long-term, we suggest you should \_\_\_\_\_  
One possible solution to this problem/issue/matter is to \_\_\_\_\_  
The solution requires \_\_\_\_\_



## VOCABULARY

### Task 1.

Imagine you have your own business. Mark is a stakeholder seeking financial information about your business. Match his questions with your business performance areas.

liquidity and gearing | shareholder return | financial efficiency | profitability

1. Is your business making a profit?
2. Is your business making the best use of its resources?
3. Is your business able to meet its short-term debts when they fall due?
4. What returns are owners gaining from their investment in the business?

### Task 2.

Do you know any financial ratios? What do they show? Match the formulas below with the correct name.

1. dividend per share
2. current ratio
3. dividend yield (%)
4. acid test ratio
5. gearing (%)

1. \_\_\_\_\_

$$= \frac{\text{Current asset} - \text{stocks}}{\text{Current liabilities}}$$

2. \_\_\_\_\_

$$= \frac{\text{Long-term liabilities}}{\text{Capital employed}} \times 100$$

3. \_\_\_\_\_

$$= \frac{\text{Current asset}}{\text{Current liabilities}}$$

4. \_\_\_\_\_

$$= \frac{\text{Dividend per share}}{\text{Share price}} \times 100$$

5. \_\_\_\_\_

$$= \frac{\text{Total dividends paid}}{\text{Number of ordinary shares in issue}}$$





## LISTENING & VOCABULARY

CD1  
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### Task 1.

Businesses which import or export goods need to bear in mind a number of key issues when making transactions in foreign currencies. Listen to Monika, a manager of an export department, and write the key points she mentioned in this regard.

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CD1  
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### Task 2.

Listen to the recording once again, and provide synonyms of the words/phrases below.

sensitive to fluctuations →  
economic climate →  
on a daily basis →  
keep track of →  
circumstances →

factors →  
set prices →  
components →  
reflect →

### Task 3.

Can you think about any foreign exchange fluctuations that could influence your personal or business finance?

### Task 4.

Read about different risks considered while handling international trade operations, and fill in the gaps below with the correct form of the words in brackets.

As an exporter of goods or services you will need to be aware of and consider insuring against the risks of:

- loss of or damage to goods in transit
- non-payment for your goods or services
- the cost of 1) \_\_\_\_\_ (RETURN) to your premises any goods that a buyer abroad refuses to accept
- political or economic 2) \_\_\_\_\_ (STABLE) in the buyer's country
- a new customer's credit 3) \_\_\_\_\_ (WORTHY)
- currency 4) \_\_\_\_\_ (FLUCTUATE)
- a fault that causes an end-customer to sue

If you are an importer, you may need to take into account:

- possible loss of or damage to goods in transit
- supplier problems, including 5) \_\_\_\_\_ (FAIL) to supply
- transport delays and potential hold-ups at ports
- the risk of 6) \_\_\_\_\_ (PERFORM) or health and safety problems
- import duties
- 7) \_\_\_\_\_ (STORE) of goods in bonded warehouses
- currency fluctuations



## VOCABULARY & SPEAKING

### Task 1.

People and businesses pay taxes. An important distinction can be made between direct and indirect taxation. Fill in the extract below with one correct word. The first letters of the words were given to help you.

Direct taxation is 1) I \_\_\_\_\_ on income, wealth and profit. Direct taxes include:

- Income Tax
- National 2) I \_\_\_\_\_ contributions
- Corporation Tax
- Capital 3) g \_\_\_\_\_ tax

Indirect taxes are levied on spending by consumers on goods and services. Indirect taxes include:

- VAT
- Excise 4) d \_\_\_\_\_ on fuel and alcohol
- Car tax
- Betting tax
- TV licence





**Task 2.**

What is the tax system in Poland? Which forms of taxes can businesses choose? Which forms of taxes do citizens pay? Use the phrases below.

**Useful phrases for describing the tax system in Poland:**

taxable income  
progressive taxation of an individual's income  
flat rate  
file an annual tax return  
transfer the tax to relevant tax authorities  
tax-free amount  
social security contributions  
Tax Ordinance Act of 1997 with amendments  
harmonised tax law

**Examples of direct taxes in Poland:**

PIT (personal income tax)  
CIT (corporate income tax)  
tax on civil law transactions  
real property tax  
forest tax  
inheritance and donation tax

**Examples of indirect taxes in Poland:**

VAT  
excise duty  
gambling tax

**Task 3.**

Look up the following terms in a dictionary, and answer the questions below.

tax return	tax burden	tax haven	tax avoidance
tax refund	tax bracket	tax evasion	

1. What does a tax return report?
2. When can you claim a tax refund?
3. Which phrase refers to a category of income subject to a particular tax rate?
4. Is Monaco, Liechtenstein or Cyprus a tax haven?
5. How can you minimise your tax burden?

**Task 4.**

Provide the definition of insurance using the words/phrases below.

financial compensation	provide protection	indemnify
loss or damage	insurer	premium
incur a loss	insured party	cover

**Task 5.**

With reference to business needs, there are a number of different types of insurance available. Look at the examples below, and decide which of them you recognise. Use a dictionary, if necessary.

employers' liability insurance cover	directors' and officers' liability insurance
motor insurance	public liability insurance
professional indemnity insurance	product liability insurance
buildings and contents insurance	goods in transit insurance
equipment insurance	credit insurance
health insurance for the owner-manager	travel insurance
life and health insurance for employees	

**Task 6.**

You represent an insurance company selling motor insurance. Today, you are meeting your client interested in buying a motor insurance policy. Present your offer to the client, and answer his/her questions. Use the notes below.

**Who is covered?**

you & anyone permitted to drive your car

**What is insured?**

your vehicle for an agreed value & any equipment that comes with it

**COMPREHENSIVE STANDARD insurance**

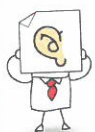
- loss of damage to your car (accidental damage, crash, flood, storm, earthquake, explosion, fire, vandalism, theft)
- up to the agreed value

**CONDITIONS**

We decide whether to:

- repair your car
- cover the reasonable cost of repairs
- pay the agreed value





## SPEAKING & LISTENING

### Task 1.

Who are auditors, and what are their responsibilities? Complete the collocations below, add your own ideas, and discuss them with a partner.

- c \_\_\_\_\_ an audit of the financial statements  
 v \_\_\_\_\_ the accuracy of financial records  
 e \_\_\_\_\_ accounting books  
 l \_\_\_\_\_ at the company policy on record keeping

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### CD1 Task 2.

Listen to Joshua, an auditor talking about the role of auditors, and answer the questions below.

1. What does an auditor do?
2. What role do GAAP principles play in the auditor's work?<sup>1</sup>
3. How does the auditors' opinion influence financial reporting?
4. How do auditors form their opinions?
5. Why are financial statements audited?

### Task 3.

What is the difference between an internal and external audit? Answer the question using the phrases below.

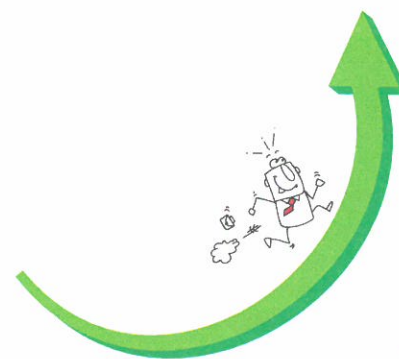
#### INTERNAL AUDIT

- › conducted by a company
- › financial operations and records monitored
- › financial statements verified
- › control problems identified

#### EXTERNAL AUDIT

- › conducted by independent accountants
- › records verified according to GAAP principles
- › accuracy of accounting records checked

<sup>1</sup> Note that the US and UK have their own GAAP: US GAAP adopted by the US Securities and Exchange Commission (SEC) and UK GAAP published by the Financial Reporting Council (FRC). Nowadays, many countries are moving to the International Financial Reporting Standards (IFRS) established by the International Accounting Standards Board (IASB).



## 5.3. CAREERS IN FINANCE



## LISTENING & SPEAKING

### CD1 Task 1.

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Marek is a student who has just graduated in finance. He arranged a visit with Rob, a career advisor at the University of Kent. Listen to Rob talking about career options graduates completing finance-related studies can take up, and answer the questions below.

1. What are CIMA, ACCA, CIPFA, ICAEW and ICAS qualifications?
2. What is the difference between retail banking and corporate & investment banking?
3. What professions does the insurance field offer?
4. Apart from accountancy, banking and insurance, what finance-related careers can graduates take up?

CIMA → Chartered Institute of Management Accountants  
 ACCA → Association of Chartered Certified Accountants  
 CIPFA → Chartered Institute of Public Finance and Accountancy  
 ICAEW → Institute of Chartered Accountants in England and Wales  
 ICAS → Institute of Chartered Accountants of Scotland

### Task 2.

Look at the professions below and describe their work responsibilities.  
 chartered accountant | stockbroker | company secretary | solicitor

### Task 3.

Can you provide at least 2 examples for each category below.

Big 4 chartered accountancy firms

high-street banks

building societies





## READING & VOCABULARY

### Task 1.

Is it possible to get into accountancy with a humanities degree? Read the story of Aisha who managed to do so, and fill in the gaps below with the correct preposition. Did you experience a similar situation, or did your career perhaps start in a different way?

My journey began at A Level where I decided against economics despite my interest. I went 1) \_\_\_\_\_ to study English and American literature at Kent because it was something I enjoyed and I had no plan 2) \_\_\_\_\_ terms of career after my degree. Journalism and teaching didn't appeal 3) \_\_\_\_\_ me so I went to the CES (Careers and Employability Service) at the end of my second year to get some advice. When accountancy was suggested I was surprised as I had always thought accountancy was limited 4) \_\_\_\_\_ finance and business degrees. Instead I discovered that accountancy firms are often keen to hear 5) \_\_\_\_\_ BA students as they like the variety of insight and creativity they bring. With this 6) \_\_\_\_\_ mind I spent my summer looking at vacancies and then at the start of my third year I began applying. Getting 7) \_\_\_\_\_ accountancy isn't straightforward. For the Big Four and medium-sized firms the process is typically:

- Online Application
- Online Tests
- Phone Interview
- Assessment Centre
- Final Interview

The most common stage for failure is the second stage; the online tests are usually a timed numerical test and then there is either a non-verbal reasoning test or an 8) \_\_\_\_\_ -tray exercise. I practised the tests before I took them and I was informed swiftly that I would have a telephone interview. After the phone interview I found 9) \_\_\_\_\_ I had been successful and I was invited 10) \_\_\_\_\_ an Assessment Centre at the London offices for PWC. Assessment Centres are actually quite fun. The people I met were all very nice and although I was the only BA student there were people who were doing science degrees instead 11) \_\_\_\_\_ business/finance subjects. After the Assessment Centre I was invited to a partner interview, the final stage of the process. I prepared for this 12) \_\_\_\_\_ researching the company, looking 13) \_\_\_\_\_ practice videos on the CES website and keeping track of financial news via BBC news and the Financial Times. The interview itself was straightforward with a brief chat 14) \_\_\_\_\_ why I was looking to do accountancy and then some more competency questions. I heard 15) \_\_\_\_\_ the next day with the wonderful news that I had been successful. Accountancy is accessible to BA students as long as you do your research and understand what the job involves. It isn't the easiest of jobs at the start as you typically do a three-year qualification such as the ACA or CTA, but after this you are fully qualified as a chartered accountant. After that the world is your oyster!

### Task 2.

Match the jobs below with the duties people holding these positions perform.

investment analyst  
insurance underwriter  
financial analyst

insurance broker  
chartered accountant  
stockbroker

- \_\_\_\_\_ → carrying out primary research on financial institutions
- \_\_\_\_\_ → looking after institutional, corporate or private clients' investment portfolios as well as buying and selling shares on the stock exchange to give the maximum return
- \_\_\_\_\_ → researching financial information about companies and giving this information to fund managers to help them manage investment portfolios
- \_\_\_\_\_ → visiting clients as part of an audit team as well as reviewing their business operations & financial records to establish the validity of the company's accounts
- \_\_\_\_\_ → arranging insurance for clients, calculating the risks they face and suggesting appropriate insurance
- \_\_\_\_\_ → deciding if an insurance proposal is an acceptable risk and what premium should be paid, preparing policies as well as dealing with insurance brokers and clients

### Task 3.

Use a business dictionary, and look up the meaning of the following words: *mergers & acquisitions*, *broking* and *underwriting*. Complete the table by putting the phrases below under the right category.

brokerage firm  
field of finance, insurance and real estate  
risk assessment  
takeover bid  
insurance policy

white knight  
commercial transactions  
hostile or friendly takeover  
securities trading  
poison pill

Mergers & acquisitions	Broking	Underwriting





## 5.4. ACCOUNTING



### SPEAKING & VOCABULARY

#### Task 1.

Have you heard any stereotypes about accountants? Brainstorm ideas with the group, and decide whether you agree with them or not. Remember to provide an argument for any opinion you give.

#### Task 2.

Financial information reported by companies should be true, accurate, valid and reliable. Is it always the case? Have you heard about any examples of creative accounting or cooking the books?

#### Task 3.

Can you name the examples of financial statements? Complete the sentences below.

The three main financial accounting statements are:

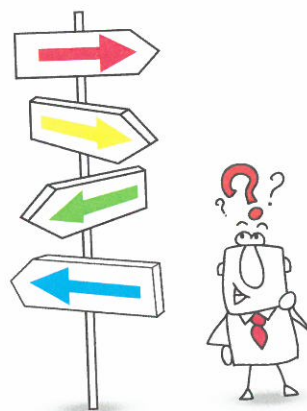
1. The \_\_\_\_\_ and \_\_\_\_\_ account (or \_\_\_\_\_ statement) for the reporting period
2. A \_\_\_\_\_ sheet for the business at the end of the reporting period
3. A cash \_\_\_\_\_ statement for the reporting period

#### Task 4.

Accounting information is communicated using financial statements. What is the purpose of producing financial statements? Complete the sentences below.

There are two main purposes of financial statements:

1. To report on \_\_\_\_\_ of a business
2. To show how the business \_\_\_\_\_



### GRAMMAR: ARTICLES

#### Task 1.

Read the extract about two basic financial statements, and fill in the text with the correct article *a*, *the* or *(-)*.

1) \_\_\_\_\_ balance sheet shows at 2) \_\_\_\_\_ particular point in time what resources are owned by a business (assets) and what it owes to other parties (liabilities). It also shows how much has been invested in 3) \_\_\_\_\_ business and what the sources of that investment finance were. It is often helpful to think of a balance sheet as 4) \_\_\_\_\_ snap-shot of the business – a picture of the financial position of the business at a specific point.

By 5) \_\_\_\_\_ contrast, the profit and loss account provides a perspective on a longer time-period. If 6) \_\_\_\_\_ balance sheet is a digital snap-shot of the business, then think of the profit and loss account as the DVD of the business activities. The story of what 7) \_\_\_\_\_ financial transactions took place in a particular period – and (most importantly) what 8) \_\_\_\_\_ overall result of those transactions was.

#### Task 2.

Look at the phrases used in accounting, and fill in the gaps below with the correct article, if necessary.

1. assets and \_\_\_\_\_ liabilities
2. double \_\_\_\_\_ entry accounting
3. cooking \_\_\_\_\_ books
4. being in \_\_\_\_\_ black
5. breaking \_\_\_\_\_ even



### LISTENING & READING

CD1  
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#### Task 1.

You probably recognise aloe as a plant. And what about aloe in accounting? Listen to Professor Potter talking about ALOE to his students, and decipher the acronym. What has ALOE to do with accounting?

A \_\_\_\_\_  
L \_\_\_\_\_  
O \_\_\_\_\_  
E \_\_\_\_\_



**Task 2.**

Read an example which one of the students presented to Professor Potter to make sure he understood the accounting equation correctly, and complete the text with the words below.

liabilities | assets | owner's equity | operating costs

I am opening up a hardware store in a building that I inherited. I know that I have to have \$30,000 to purchase inventory, \$15,000 to purchase shelving, and an additional \$10,000 in the bank for beginning 1) \_\_\_\_\_. I had \$20,000 of my own money saved, and I borrowed \$35,000 from the bank. If I'm looking at this correctly, then my 2) \_\_\_\_\_ are the \$30,000 in inventory plus the \$15,000 in shelves I bought and installed plus the \$10,000 in cash that is in the bank for beginning operations. That means my total assets are \$55,000. I borrowed \$35,000 to get the store going, so that's what I owe, which is a liability. The \$20,000 is what I personally invested in the business, so that is my 3) \_\_\_\_\_. My assets equal \$55,000, and the sum of my 4) \_\_\_\_\_ and owner's equity equals \$55,000. Both sides of the accounting equation are equal. So, I balance.

**READING & VOCABULARY****Task 1.**

What are the rules in the accounting industry? What does the abbreviation GAAP stand for? Look at the text below, and find out.

Hi there! Let me introduce myself. My name is GAAP, and I am an accounting superhero! I bet you wonder why, don't you? First of all, I should tell you that GAAP is actually my nickname. My full name is Generally Accepted Accounting Principles. My name refers to a specific set of guidelines that have been established to help publicly-traded companies create their financial statements. Publicly-traded companies are companies that have made stock in their organisation available for sale to the public.

**Task 2.**

GAAP is made up of 10 basic accounting principles. Match the principles below with their definitions.

monetary unit assumption  
conservatism  
cost principle  
full disclosure principle  
materiality principle

going concern principle  
matching principle  
economic entity assumption  
time period assumption  
revenue recognition principle

1. The \_\_\_\_\_ means that any activities of a business must be kept separate from the activities of the business owner.

2. The \_\_\_\_\_ means that only activities that can be expressed in monetary units can be included in accounting records.
3. The \_\_\_\_\_ means that business activities can be reported in distinct time intervals. These intervals may be in weeks, months, quarters, or in a fiscal year. Whatever the time period is, it must be identified in the financial statement dates.
4. The \_\_\_\_\_ refers to the historical cost of an item that is reported on the financial statements. Historical cost is the amount of money that was paid for an item when purchased and is not changed to account for inflation.
5. The \_\_\_\_\_ means that all information that is relative to the business be reported either in the content of the financial statements or in the notes to the financial statements.
6. The \_\_\_\_\_ refers to the intent of a business to continue operations into the foreseeable future and not to liquidate the business.
7. The \_\_\_\_\_ refers to the manner in which a business reports income and expenses. This principle requires that businesses use the accrual form of accounting and match business income to business expenses in a given time period. For example, a sales expense should be recorded in the same accounting period that sales income was made.
8. The \_\_\_\_\_ addresses the manner in which revenue, or income, is recognised. This standard requires that revenue be reported on the income statement in the period in which it is earned.
9. The \_\_\_\_\_ refers to the measure of importance of a misstatement in accounting records. For example, if the price of an asset is understated by \$10.00, will that misstatement have enough effect on the financial statements to matter? This is a gray area in accounting standards that requires professional judgment to be used.
10. The last principle that makes me up is \_\_\_\_\_. It is the principle that calls for potential expenses and liabilities to be recognised immediately if you are unsure whether they will actually occur or not, but potential revenue not to be recognised until it is actually received.

**Task 3.**

Match the verbs collocating with the phrase *accounting standards* to make synonymous pairs.

maintain | achieve | apply | set | improve

1. establish →
2. raise →
3. use →
4. sustain →
5. meet →

**ACCOUNTING STANDARDS**



## FINANCIAL SKILLS & VOCABULARY

### Task 1.

Analyse a sample document below, and decide whether it is a cash flow statement, profit and loss account or balance sheet. Fill in the gap below with the right name.

BUSINESS NAME  
\_\_\_\_\_ as of DATE

#### Fixed assets

Intangible assets  
Tangible assets  
Investments

#### Current assets

Stock  
Debtors  
Trade debtors  
Prepayments and accrued income

Cash at bank and in hand

#### Creditors: amounts falling due within one year

Bank loans and overdrafts  
Trade creditors  
Other creditors including tax and social security  
Accruals and deferred income

#### Net current assets

#### Total assets less current liabilities

Creditors: amounts falling due after more than one year  
Bank loan

#### Net assets

Capital and reserves  
Called up share capital  
Profit and loss account

#### Shareholders' funds

### Task 2.

What does a balance sheet contain? Read the explanatory notes below, and fill in the gaps with the correct word. The first letters of the words were given to help you.

One word might be used more than once.

A **balance sheet** shows:

- fixed 1) a \_\_\_\_\_ – long-term possessions
- current 2) a \_\_\_\_\_ – short-term possessions

- current 3) l \_\_\_\_\_ – what the business owes and must repay in the short term
- long-term 4) l \_\_\_\_\_ – including owner's or shareholders' capital

**Fixed assets** include:

- 5) t \_\_\_\_\_ assets – e.g. buildings, land, machinery, computers, fixtures and fittings – shown at their depreciated or resale value where appropriate
- 6) i \_\_\_\_\_ assets – e.g. goodwill, intellectual property rights (such as patents, trademarks and website domain names) and long-term investments

**Current assets** are short-term assets whose value can fluctuate from day to day and can include:

- stock
- 7) w \_\_\_\_\_ in progress
- money owed by customers
- cash in 8) h \_\_\_\_\_ or at the bank
- short-term investments
- prepayments – e.g. advance rents

**Current liabilities** are amounts owing and due within one year. These include:

- money owed to suppliers
- short-term loans, overdrafts or other finance
- 9) t \_\_\_\_\_ due within the year – VAT, PAYE (Pay As You Earn) and National Insurance

**Long-term liabilities** include:

- creditors due after one year – the amounts due to be repaid in loans or financing after one year, e.g. bank or directors' loans, finance agreements
- capital and 10) r \_\_\_\_\_ – share capital and retained profits, after dividends (if your business is a limited company), or proprietors capital invested in business (if you are an unincorporated business)



## LISTENING & VOCABULARY

CD1  
35

### Task 1.

What is the relationship between a balance sheet and profit and loss account? Listen to Rebeka, a manager of the accounting department, and answer the question.





### Task 2.

Fill in the definitions of key items on a profit and loss account with the terms below.

gross profit  
cost of sales  
revenue  
finance expenses

profit before tax  
operating profit  
distribution and administration expenses

- \_\_\_\_\_ shows the total value of sales made to customers.
- \_\_\_\_\_ are the direct costs of generating the recorded revenues, e.g. the cost of raw materials.
- \_\_\_\_\_ is the difference between revenue and cost of sales.
- \_\_\_\_\_ are operating costs and expenses that are not directly related to producing the goods or services.
- \_\_\_\_\_ records how much profit has been made in total from the trading activities of the business, also known as earnings before interest and tax (EBIT)
- \_\_\_\_\_ include interest paid on bank and other borrowings, less interest income received on cash balances.
- \_\_\_\_\_ is calculated as operating profit less finance expenses.



## 5.5. BANKING



### VOCABULARY & SPEAKING

#### Task 1.

What types of bank accounts do you know? Complete the phrases below.

cu \_ \_ \_ nt account (UK) or c \_ \_ \_ king account (US)  
\_ \_ \_ osit account (UK) or sa \_ \_ \_ gs account (US)

#### Task 2.

What machine do you use to get money using a plastic card? Complete the sentences below. The first letters of the words were given to help you.

Every week, I withdraw money from a/an 1) A \_\_\_\_\_. It stands for an 2) A \_\_\_\_\_ t \_\_\_\_\_ m \_\_\_\_\_. Other words people use to describe it are the following:

- 3) c \_\_\_\_\_ m \_\_\_\_\_
- 4) c \_\_\_\_\_ p \_\_\_\_\_
- 5) c \_\_\_\_\_ d \_\_\_\_\_

#### Task 3.

Fill in the sentences below with one correct word.

1. Everybody holding a bank account is an account \_\_\_\_\_.
2. When applying for credit you have to fill in the credit \_\_\_\_\_ form.
3. Before granting credit every bank checks our credit \_\_\_\_\_.
4. I work in a bank as a \_\_\_\_\_. Every day I give out and take in money.
5. I decided to \_\_\_\_\_ an account with the bank recommended by my colleague.
6. Can I use a car as a \_\_\_\_\_ for my loan? Is it acceptable as a security?
7. Home buyers borrow money in the form of a \_\_\_\_\_.
8. Every month my bank sends me a \_\_\_\_\_ showing how much money I put into my account and how much money I have taken out of it.
9. I spent too much this month. My bank account is \_\_\_\_\_.
10. I still can afford a new PC. My bank account is in the \_\_\_\_\_.
11. I use electronic bank \_\_\_\_\_ to send money from one bank account to another.
12. Which bank \_\_\_\_\_ do you pay to your bank for its services?



**Task 4.**

Match the words to make correct phrases.

- |               |               |
|---------------|---------------|
| 1. standing   | a) laundering |
| 2. accrued    | b) order      |
| 3. instalment | c) bonds      |
| 4. bank       | d) fees       |
| 5. facility   | e) solvency   |
| 6. treasury   | f) assessment |
| 7. money      | g) due        |
| 8. repayment  | h) period     |
| 9. company    | i) balance    |
| 10. foreign   | j) interest   |
| 11. joint     | k) currency   |
| 12. risk      | l) account    |
| 13. online    | m) banking    |

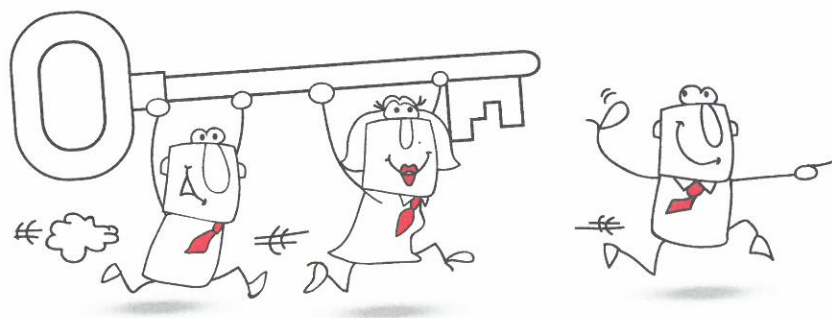
**Task 5.**

What banking services do you use? Are you satisfied with your bank or have you thought about switching to another one?

**Task 6.**

When choosing a business account, different services and costs should be considered. Look at the examples below, and discuss whether they are crucial when running a business.

- facilities – e.g. automatic money transfers, debit and credit cards or telephone banking
- interest rates – particularly if you're usually in credit
- overdraft charges – particularly if you're often overdrawn
- monthly fees
- additional account charges – e.g. for statements, cheques and cash payments
- additional services – e.g. small-business advice

**LISTENING & VOCABULARY****CD2 Task 1.**

How can people benefit from switching business bank accounts? Listen to arguments provided by Rebeka, David, Monika and Moris. Can you think of any other benefits? Now, make a list of counterarguments proving disadvantages of switching business bank accounts.

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**Task 2.**

How can you benefit from using online banking? Read the examples below, and fill in the gaps with the correct preposition.

Online banking allows you to:

- check your balances and view statements online
- move money 1) \_\_\_\_\_ accounts
- make payments 2) \_\_\_\_\_ suppliers
- set 3) \_\_\_\_\_ regular payments such as salaries
- order chequebooks and statements
- download account information to analyse 4) \_\_\_\_\_ your computer

**Task 3.**

What types of plastic payment cards are available on the market? Which of them do you use? Match the examples of the cards below with their uses. Use a dictionary, if necessary.

charge cards | purchasing cards | credit cards | prepaid cards | travel cards | debit cards

1) \_\_\_\_\_

- allow purchases up to a specified limit
- offer an interest-free period
- allow a minimum repayment each month, but charge interest on the balance
- incur no interest if the bill is paid in full by the specified date
- can be issued to employees, with an approved spending limit



2) \_\_\_\_\_

- allow a period of credit, but must be paid off in full each month
- can be issued to employees
- allow you to set spending limits
- may charge an annual fee

3) \_\_\_\_\_

- are issued in conjunction with a business current account
- might be cheaper than cheques
- can only be used by signatories
- may offer a greater degree of control - you can only spend what's in your account
- have less flexibility than other cards

4) \_\_\_\_\_

- enable businesses to manage and monitor spending
- can be provided preloaded to employees to pay expenses
- are available in different currencies as an alternative to travel cards
- usually come with fees and charges such as issuing costs, management fees, and transaction or ATM withdrawal fees

5) \_\_\_\_\_

- offer a convenient way of paying business travel expenses when travelling
- operate in the same way as other business credit or charge cards
- offer additional benefits such as travel insurance or currency facilities

6) \_\_\_\_\_

- are generally restricted to big businesses or public-sector bodies
- are issued by banks and companies such as Barclaycard and American Express
- cut down on paperwork and the need for purchase orders



## READING & VOCABULARY

### Task 1.

Evan is an entrepreneur who has started an import-export business and needs international banking services. Read the text below, and choose the correct word for each gap.

International banks can 1) \_\_\_\_\_ Evan with the same banking services that he can get at any hometown bank. Evan can deposit money in checking, savings and money market accounts. Evan can also 2) \_\_\_\_\_ loans and lines of credit for his business. Evan's international bank can also provide some specialised services that Evan's import-export business may need. An international bank can provide trade financing, such as lending, letters of credit and export credit.

A letter of credit is an 3) \_\_\_\_\_ that a buyer, like Evan, can request from his bank that guarantees that the bank will make a payment for goods purchased once the conditions found in the letter are 4) \_\_\_\_\_. For example, in order for payment to be received, the seller may have to produce certain shipping 5) \_\_\_\_\_ as proof that the goods have been shipped to Evan. Export credit is a line of credit given to an importer by a bank in the exporter's country. For example, Evan's bank may give Evan a line of credit in China to 6) \_\_\_\_\_ his import of goods from a Chinese manufacturer.

Evan's bank can also help with foreign exchange. Foreign exchange 7) \_\_\_\_\_ to the exchange of one country's currency 8) \_\_\_\_\_ the currency of another. For example, Evan may be importing goods from a member of the European Union. The foreign manufacturer doesn't want to be paid in dollars, but 9) \_\_\_\_\_ wants to be paid in euros. Evan's bank can exchange the amount of dollars in Evan's bank account to the 10) \_\_\_\_\_ number of euros to complete the transaction.

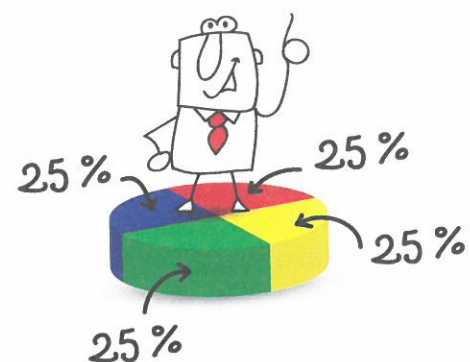
- |                  |                 |              |               |
|------------------|-----------------|--------------|---------------|
| 1. a) ensure     | b) secure       | c) deliver   | d) provide    |
| 2. a) obtain     | b) gain         | c) gather    | d) allocate   |
| 3. a) mean       | b) instrument   | c) value     | d) offer      |
| 4. a) obtained   | b) achieved     | c) met       | d) made       |
| 5. a) documents  | b) papers       | c) pieces    | d) bills      |
| 6. a) gain       | b) familiarise  | c) guarantee | d) facilitate |
| 7. a) responds   | b) refers       | c) relocates | d) retains    |
| 8. a) at         | b) with         | c) for       | d) over       |
| 9. a) regardless | b) nevertheless | c) instead   | d) indeed     |
| 10. a) requisite | b) demanded     | c) required  | d) necessary  |

### Task 2.

Refer back to the text in Task 1, and fill in the following collocations with the correct verb.

- \_\_\_\_\_ money
- \_\_\_\_\_ trade financing
- \_\_\_\_\_ a payment
- \_\_\_\_\_ goods
- \_\_\_\_\_ a line of credit
- \_\_\_\_\_ dollars to euros





## 5.6. MARKET TRENDS



### VOCABULARY & SPEAKING

#### Task 1.

What types of markets do you know? Complete the list below.



#### Task 2.

Think about the industry you work in, and describe the market for your company's products/services using the words below.

The market can be \_\_\_\_\_  
 competitive  
 booming  
 thriving  
 sluggish  
 steady  
 rising  
 depressed  
 shrinking

The market can \_\_\_\_\_  
 open up  
 boom  
 pick up, rally  
 slump  
 be up or down  
 expand, grow  
 shrink  
 collapse

#### Task 3.

Fill in the sentences below with the correct preposition.

1. Is there a market \_\_\_\_\_ designer clothes in Poland?
2. Our new device came \_\_\_\_\_ the Russian market just a month ago.
3. Do you offer products \_\_\_\_\_ the market price?
4. Can you name a few companies \_\_\_\_\_ the upper end of the market?
5. My company is now launching its new cosmetics line \_\_\_\_\_ the market.
6. Recently, there has been a growing demand \_\_\_\_\_ luxury watches.
7. Chinese companies saturated the market \_\_\_\_\_ their cheap products.
8. My logistics company is attempting to sew \_\_\_\_\_ the TSL market in Poland.
9. According to recent figures, there has been an upturn \_\_\_\_\_ the market recently.
10. Which measures do you use to adjust your production \_\_\_\_\_ demand?



### READING

#### Task 1.

What are financial, capital and money markets, and how do they work? Read the notes below, and find out. Then, fill in the gaps with the following items traded there.

1. corporate bonds, municipal bonds, and US Treasury bonds
2. equities (or stocks), bonds, and currencies
3. negotiable certificates of deposit (CDs), bankers' acceptances, commercial paper, and municipal notes
4. financial securities
5. shares of publicly traded companies and mutual funds

#### FINANCIAL MARKETS

In the broad sense of the term, financial markets are any marketplace where buyers and sellers participate in the trade of assets, such as 1) \_\_\_\_\_. Financial markets usually have transparent pricing, basic regulations and governing bodies, costs and fees, and market forces determining the prices of securities that trade.

#### CAPITAL MARKETS

A capital market is a market where individuals and institutions trade 2) \_\_\_\_\_. When companies and firms in the public and private sectors want to sell ownership or raise capital in their institutions, they can do it through the capital markets. A few of the most common capital markets are the following:

1. Stock markets  
 If you have an individual retirement account, a 401(k), or another type of investment account, you almost certainly are invested in some fashion in the stock market. Exchanges, such as the New York Stock Exchange, NASDAQ, and London Stock Exchange, are a few of the biggest. These markets and exchanges allow investors to buy and sell 3) \_\_\_\_\_. They are one of the most vital areas of the market economy because they provide companies with access to raise funds and investors with a piece of ownership in the company.



## 2. Bond markets

Have you ever loaned money to a friend or family member? How about taken a loan and paid someone back the amount you borrowed, plus a little interest? When large companies or government institutions need to do this, they participate in bond offerings. A bond is a debt instrument in which an investor loans money to a corporate or government entity which borrows the funds for a specific period of time at a predetermined interest rate. This money being borrowed is used to build parks, repair roads, build schools, or simply expand operations. These markets where bonds are bought and sold are often referred to as the debt or fixed-income market. The main categories of bonds are 4) \_\_\_\_\_.

## MONEY MARKETS

Although there are certainly exceptions, when people invest in the stock and bond markets, they are usually planning on leaving their money invested for longer periods of time than just a few days. When someone needs instant access to their money or a company doesn't need a long-term loan, they are better served in the money markets. The money market is a segment of the financial market in which financial instruments with high liquidity and very short maturities (less than a year) are traded. Money market securities consist of items such as 5) \_\_\_\_\_. Much like the cash in your purse or billfold, these money market investments are also called cash investments because of their short maturities and ability to convert funds to cash quickly.

## Task 2.

Have you heard about or tried Forex? How do people make money on the Forex market?

## BUSINESS &amp; FINANCIAL SKILLS

## Task 1.

Look at the verbs used to describe upward or downward trends, and put them under the right category in the table below.

increase	expand	drop	surge
diminish	decrease	go down	contract
improve	fall	shrink	accrue
abate	deepen	reduce	dwindle
recover	slump	mount up	rise
decline	inflate	deteriorate	hit
go up	rocket	soar	grow

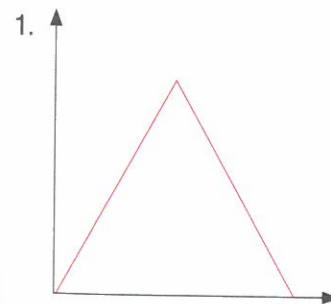
UP

DOWN

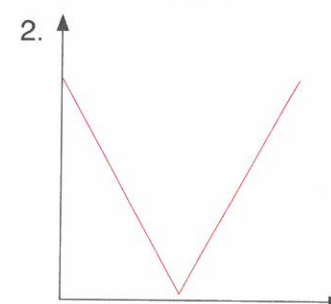
## Task 2.

Which phrases below would you use to describe the following graphs?

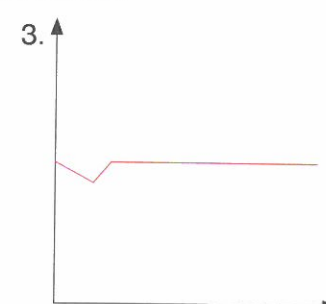
top out  
stabilize  
bottom out  
level off



even out  
stay at the same level  
reach a peak  
reach a low point



remain stable  
reach a maximum  
remain constant  
hit bottom



## Task 3.

Look at the adjectives below, and form correct adverbs out of them.

dramatic →  
large →  
significant →  
considerable →  
marked →

gradual →  
progressive →  
steady →  
slight →  
enormous →

exponential →  
massive →  
substantial →  
rapid →  
sharp →



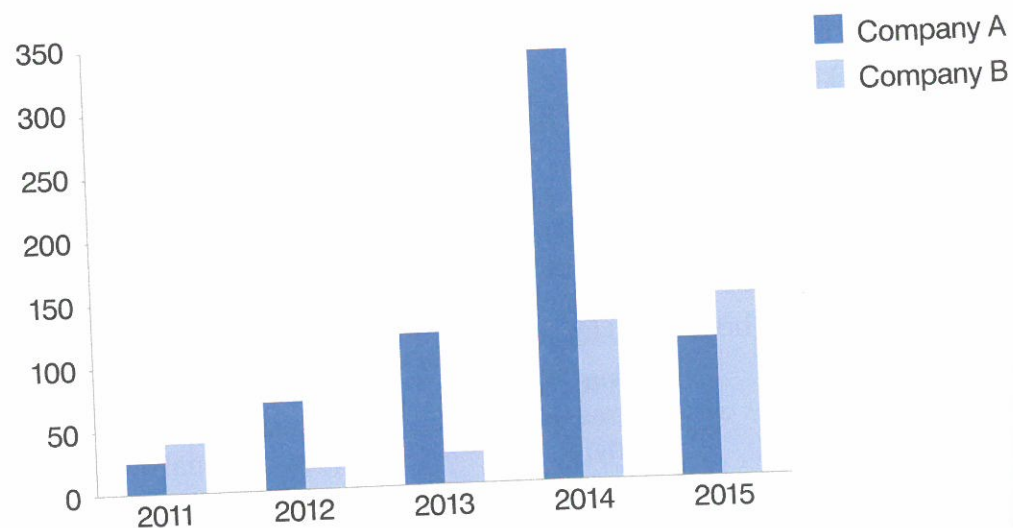
#### Task 4.

Fill in the sentences below with the correct preposition.

1. This year's figures show a decrease \_\_\_\_\_ 25%.
2. Companies have reported a decrease \_\_\_\_\_ sales.
3. There was a huge rise \_\_\_\_\_ unemployment.
4. Poland is enjoying the biggest increase \_\_\_\_\_ entrepreneurial activity for years.
5. Recent economic changes have brought \_\_\_\_\_ a decrease in the number of dissatisfied citizens.
6. This year saw an increase in the number \_\_\_\_\_ Interns in our company.
7. The unemployment rate has risen \_\_\_\_\_ 3%. It was 12% a year ago. Now, it's 15%.
8. Inflation now stands \_\_\_\_\_ 5%.
9. Did your company achieve an increase \_\_\_\_\_ profits last year?
10. Has inflation risen \_\_\_\_\_ 5%? Yes, it's 5% now.
11. The increase \_\_\_\_\_ our sales is around 4%.
12. Have you reported any increase this year? Yes, there has been an increase \_\_\_\_\_ 3%.
13. The new regulations led \_\_\_\_\_ a slight increase in the number of satisfied employees.
14. Poland has experienced an increase \_\_\_\_\_ unemployment.
15. The prices of these T-shirts fluctuate \_\_\_\_\_ 25 and 32 Polish zlotys.
16. \_\_\_\_\_ the last three months of the year, we reported a marked increase in our sales figures.
17. Has the unemployment rate stabilized \_\_\_\_\_ 5%?

#### Task 5.

Look at the graph below showing the sales figures (number of units sold) of two companies, A and B, over the last five years, and present the graph using the phrases from previous tasks and the phrases below.



The graph shows, indicates, illustrates, reveals, represents \_\_\_\_\_  
It is clear from the graph \_\_\_\_\_  
It can be seen from the graph \_\_\_\_\_  
As the graph shows \_\_\_\_\_  
As can be seen from the graph \_\_\_\_\_  
From the graph, it is clear \_\_\_\_\_



#### WRITING: INFORMAL EMAIL

#### Task 6.

You work in a sales department for Company A and your main responsibility is to analyse data and provide regular reports to your manager on the company sales performance. You are going on a maternity leave soon and you need to delegate your tasks to a colleague. Write him/her an email presenting your responsibilities, giving instructions on compiling sales reports and wishing him/her good luck at work. In your writing, use the phrases below.

#### Useful phrases for informal email writing:

Dear \_\_\_\_\_

Hi/Hello \_\_\_\_\_

I hope you're well.

Glad to hear that \_\_\_\_\_

This time I'm writing to \_\_\_\_\_

As you know \_\_\_\_\_

As you've heard \_\_\_\_\_

By the way, do you know how to \_\_\_\_\_

Oh, and another thing is \_\_\_\_\_

I'm sure you'll manage to \_\_\_\_\_

I hope you will \_\_\_\_\_

I wish you good luck.

Good luck with your work.

If you happen to have any problems, feel free to email/call me.

Hope to hear from you soon.

Best wishes \_\_\_\_\_

All the best \_\_\_\_\_

Love \_\_\_\_\_

Monika (closing the email with your first name)





## LISTENING &amp; VOCABULARY

CD2

2

## Task 1.

Listen to a piece of news about the car industry in the UK, and describe the trend in car sales.

## Task 2.

Read the piece of news you have just listened to, and replace the italicised words with their synonyms.

## Vehicle Finance Drives Strong Car Sales

UK car sales are *buoyant*. In October last year the Society of Motor Manufacturers (SMMT) *reported* a 9.5 per cent year-on-year *increase* in new registrations. At the *close* of 2014 a total of 2.48 million cars had been sold in the UK; an increase of 10 per cent which far *exceeds* the *growth* of the UK economy as a whole.

The *sales figures* are supported by strong underlying manufacturing performance as more than 1.5 million vehicles were produced in the UK last year – the highest number since 2007. That *equates* to one car being made in the UK every 20 seconds.

buoyant →  
report →  
increase →  
close →

exceed →  
growth →  
sales figures →  
equate →

## Task 3.

Upward and downward market trends are referred to as the bull and bear market respectively. Complete the table below by putting the following phrases under the right category.

rising prices  
pessimism  
bearish investors  
investor confidence  
earning profits

gains among blue chip companies  
selling shares  
bullish investors  
falling prices  
optimism

Bull market

Bear market

## BUSINESS &amp; FINANCIAL SKILLS

## Task 1.

How can we present data graphically? Look at different forms below, and decide which of them you use.

single line graph

multiple line graph

paired bar chart

percentage bar chart

stacked bar chart

pie chart

flow chart

bubble diagram

## Task 2.

Look at the phrases below, and provide their meaning in English.

vertical axis →  
horizontal axis →  
curve →  
solid line →  
dotted line →

broken line →  
shaded area →  
unshaded area →  
coloured segment →

## Task 3.

Draw a graph showing changes in your job satisfaction over a specified period of time. Describe your graph using the vocabulary you practised in this section.







## 5.7. ECONOMIC CLIMATE



### SPEAKING & VOCABULARY

#### Task 1.

How do people know that a country's economy is doing well or the opposite? Can you think of any economic indicators used to gauge the state of the economy?

#### Task 2.

The adjectives below are used to describe the economy. Decide whether they refer to a positive or negative course of action, and tick the correct option in the table below.

ECONOMY	positive	negative
booming		
buoyant		
ailing		
flagging		



### READING & SPEAKING

#### Task 1.

Read some background notes on the UK economy, and fill in the gaps with the verbs below in the correct grammatical form.

sell | run | rank | exceed | retain | bring | join | enjoy | contribute

- ▶ The UK has the 2nd largest economy in the European Union behind Germany.
- ▶ The UK is the seventh largest world economy and is a member of the G7, a group which 1) \_\_\_\_\_ together the Finance Ministers of the seven largest developed economies in the world – UK, US, Japan, Italy, Germany, France and Canada – to discuss economic policy.

- ▶ In 2011, the UK 2) \_\_\_\_\_ 3% to global output and 4% of global trade in goods and services.
- ▶ In terms of per capita income, the UK is 3) \_\_\_\_\_ in the top fifteen nations and it also has one of the highest levels of human development as measured by the United Nations index.
- ▶ Britain 4) \_\_\_\_\_ economic growth from 1992 through to 2008 but in 2009 the economy suffered a recession. Real GDP fell by five per cent in 2009 and started a weak recovery during 2010-12.
- ▶ Over a quarter of the UK's GDP comes from 5) \_\_\_\_\_ goods and services overseas (exports).
- ▶ The value of imports 6) \_\_\_\_\_ exports; this means the UK 7) \_\_\_\_\_ a trade deficit with other countries.
- ▶ The UK is the largest exporter of creative services in the world.
- ▶ The UK is inside the European Union and is a founder member of the World Trade Organisation.
- ▶ The UK 8) \_\_\_\_\_ its own currency having decided not to 9) \_\_\_\_\_ the single currency area (or eurozone).

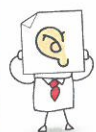
#### Task 2.

Search the official websites of such international organisations as the World Bank Group (WB Group) or the Organisation for Economic Co-operation and Development (OECD), and find reports presenting an economic outlook for Poland. Based on Task 1, describe the Polish economy. Remember to use relevant collocations you formed above and the phrases below.

#### Useful phrases for describing the Polish economy:

the largest economy in Central Europe  
 accession to the EU in 2004  
 catch up with other EU countries  
 access to EU structural funds  
 improve economic performance  
 GDP growth increased/declined  
 GDP per capita  
 unemployment rate  
 recovery of economic activity  
 aging society  
 public debt  
 budget deficit  
 red tape  
 brain drain  
 foreign trade and FDI  
 rising/falling business confidence  
 (poorly) developed infrastructure  
 booming ICT sector  
 (strong) talent pool  
 start-up ecosystem





## LISTENING & SPEAKING

### CD2 Task 1.



3 Listen to Professor Jenkins talking about the economy from the macroperspective, and describe the role of households, businesses, government and the international sector in economic activity.

### Task 2.

How would you describe the economic climate in Poland? Is it conducive to doing business and attracting investors?



## GRAMMAR: QUESTIONS & QUESTION TAGS

### Task 1.

Fill in the gaps below, and form correct questions using the following words.

where | who | why | how often | how far | how big | which | whose | what  
| how long

- \_\_\_\_\_ is China becoming the largest economic power in the world?
- \_\_\_\_\_ country has the highest rank of economic freedom?
- \_\_\_\_\_ has Poland pursued a policy of economic liberalisation?
- \_\_\_\_\_ has Greece undergone an economic downturn?
- \_\_\_\_\_ can I find statistics on our economic performance?
- \_\_\_\_\_ did the government announce with reference to the tax system reforms?
- \_\_\_\_\_ do you pay income tax in Poland?
- \_\_\_\_\_ initiated a heated debate on our poor economic performance?
- \_\_\_\_\_ responsibility is to shore up public finances?
- \_\_\_\_\_ region is the most conducive to entrepreneurship in Poland?
- \_\_\_\_\_ is our budget deficit compared with other transition economies?
- \_\_\_\_\_ does the Prime Minister travel on business?
- \_\_\_\_\_ is our pension system so weak?
- \_\_\_\_\_ does it take to enact business-friendly reforms for entrepreneurs?
- \_\_\_\_\_ countries suffered from the global economic meltdown?

### Task 2.

Add question tags to the sentences below.

- Our government cooperates with China, \_\_\_\_\_
- The Prime Minister is on business now, \_\_\_\_\_
- We never compete with our trading partners, \_\_\_\_\_
- The country suffered from a recession, \_\_\_\_\_
- We used to be in close cooperation with Norwegians, \_\_\_\_\_

- The investors are becoming more and more interested in our country, \_\_\_\_\_
- The government hasn't changed our tax system yet, \_\_\_\_\_
- We don't use our full economic potential, \_\_\_\_\_
- The oil prices need to drop, \_\_\_\_\_
- Let's reformulate our investment policy, \_\_\_\_\_
- We can't find new business partners from Latvia, \_\_\_\_\_
- We undertook closer cooperation with the Swedish government last year, \_\_\_\_\_
- I'm late for the sitting, \_\_\_\_\_
- You keep abreast of the latest economic information, \_\_\_\_\_
- The economy has undergone major changes recently, \_\_\_\_\_