

OXFORD ENGLISH FOR CAREERS



FINANCE¹

David Baker and Richard Clark

Teacher's Resource Book

OXFORD

FINANCE ①

David Baker and Richard Clark

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- 1. Choosing jobs p.28
- 2. Personal finance p.73
- 3. Company financial services p.73
- 4. Economic indicators p.21
- 5. Economic cycles p.28
- 6. Economic sectors p.21

Grammar tests and communication activities

- Instructions for communication activities p.6
- 1. Choosing jobs p.28
- 2. Personal finance p.73
- 3. Company financial services p.73
- 4. Economic indicators p.21
- 5. Economic cycles p.28
- 6. Economic sectors p.21
- Grammar tests key p.2

- 7. Personal finance p.73
- 8. Company financial services p.73
- 9. Economic indicators p.21
- 10. Economic cycles p.28
- 11. Economic sectors p.21
- 12. Grammar tests key p.2

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Contents

Introduction p.4

Background, teaching notes, tips, and additional activities

- | | |
|-----------------------------------|----------------------------------|
| 1 Choosing jobs p.6 | 7 Banking p.36 |
| 2 Personal finance p.11 | 8 Stock markets p.41 |
| 3 Company financial services p.16 | 9 Company internal finance p.46 |
| 4 Economic indicators p.21 | 10 Company reporting p.51 |
| 5 Economic cycles p.26 | 11 Accountancy and auditing p.56 |
| 6 Economic sectors p.31 | 12 Insurance and risk p.61 |
-

Grammar tests and communication activities

Instructions for communication activities p.66

- | | |
|-----------------------------------|----------------------------------|
| 1 Choosing jobs p.68 | 7 Banking p.80 |
| 2 Personal finance p.70 | 8 Stock markets p.82 |
| 3 Company financial services p.72 | 9 Company internal finance p.84 |
| 4 Economic indicators p.74 | 10 Company reporting p.86 |
| 5 Economic cycles p.76 | 11 Accountancy and auditing p.88 |
| 6 Economic sectors p.78 | 12 Insurance and risk p.90 |

Grammar tests key p.92

Introduction

Introduction

Finance covers the basic language and concepts students need in order to be able to discuss and prepare for entry to a range of financial careers. It can be used as an introductory course for students preparing for the Cambridge International Certificate in Financial English (ICFE) or other pre-entry professional examinations.

Countdown

This is designed as a warm-up activity to the unit. It often introduces key vocabulary or concepts, and should be used to get students to focus on the topic.

In advance of the unit, you can get students to look for advertisements or recent press comments from the financial sector that relate to the topic. These might come from magazines, financial coursebooks they are using at college, from professional journals that the school subscribes to (e.g. *The Economist*, *Business Week*), or from Internet searches.

It's my job

These sections are included in each unit, and provide a descriptive text where people working in finance describe – or are interviewed about – their job. They are all based on authentic interviews and sources and are designed to be used with only minimal tasks (though students with a particular interest in a specific job can do further research). In 'It's my job', students get to read about a variety of people working in a range of different finance environments and so gain insight into the skills and commitment required.

Professional skills

These sections typically cover topics from the broader 'world of work' and therefore help to give pre-experience learners a broader appreciation of different aspects of working life. They typically involve reading and discussion of a short text.

Webquest

These sections are included in each unit, and provide an opportunity for students with internet access to research a specific area related to the overall topic of each unit. Students can give the results of their research either in

the form of a spoken presentation to the class or a written presentation, illustrated by screen dumps and extracts from the websites they have visited.

Top margin

This part of the page contains short texts, facts, statistics, and quotes. These are optional extras and can be used to add variety and interest to your lessons, or provide additional material for strong students who are 'fast finishers'.

Sometimes they have an associated question, and ways of exploiting them include asking whether your students are surprised by the facts and statistics, or whether they agree, disagree, or can identify with the quotes. There are some specific suggestions for how to use these in the Teaching notes for each unit.

There are also definitions for difficult words or phrases which are important to understand a text which appears on the same page. (The words or phrases in the text are highlighted in **bold**.)

Vocabulary

Students meet a large amount of vocabulary during the course. It is important to encourage good learning skills from the start, for example:

- organizing vocabulary into categories rather than simple alphabetical lists
- understanding the context of vocabulary and whether it is a key word needed for production, comprehension, or both
- recording examples of new vocabulary with whole expressions or sentences (so that they can see the typical grammar patterns and collocations needed to use the vocabulary appropriately)
- checking and learning the pronunciation of a word or phrase.

Encourage students to take personal responsibility for recording and storing new vocabulary items. This can be done through a personal Vocabulary Notebook in which students write down new items along with dictionary-style features such as translation, phonetic transcription, part of speech, related grammar, context and example sentence, and related words. Explain to students at an early stage how to use a learner's dictionary to support

their vocabulary learning and how to search online for definitions of technical words (there is specific guidance on this in the Teaching notes in this book).

Language spot

This focuses on the main language points that are generated by the topic of the unit, and concentrates on their practical application.

If your students need revision after completing the Language spot, direct them to the Language reference, which provides a handy check.

There is also one photocopiable Grammar test for each unit in this Teacher's Resource Book.

Listening, Reading, Speaking, Writing

These activities give realistic and communicative practice of language skills needed in finance.

- In the listening activities, students are exposed to work-based situations, including dialogues, presentations, and interviews. They also hear a variety of English accents, both native speaker and non-native speaker.
- In the reading sections, students meet a variety of finance-based texts. These cover financial concepts that they may be familiar with already from other subjects they are studying (e.g. economics, business studies), or that may be completely new to them. Support for the latter is provided in these Teaching notes. There is extra reading practice in the Reading Bank in the middle of the book (see note below).
- In the speaking sections, try to ensure use of English, particularly during activities involving some discussion. Encourage this by teaching or revising any functional language students may need. There is also one photocopiable Communication activity for each unit in this Teacher's Resource Book.
- Writing practice focuses on the types of text that students will need to produce in different kinds of jobs in finance. Typically outline models are provided and analysed, and students are then asked to write a complete text. It also allows for consolidation of the topic.

Reading bank

This is in the middle of the book and gives more in-depth skills practice in basic reading skills for different kinds of finance-related text. It can be used throughout the course, either in class, or as self-study or homework. There is also an introductory set of tips on reading techniques (especially for exam preparation), and an Answer key in the Student's Book to encourage students to check their work. The question formats are similar to the ones used in the Cambridge International Certificate in Financial English (ICFE).

Pronunciation

This practises aspects of pronunciation which are of importance for intelligibility.

You can repeat the recordings in the Pronunciation as often as you like until you and your students feel confident they have mastered a particular sound or feature.

Encourage students to look for similarities and differences between their mother tongue pronunciation and that of English.

Checklist

This allows students to check their own progress. You may want to get students to grade or assess how well they can perform each of the 'Can do' statements, e.g. 'easily', 'with difficulty', or 'not at all'.

Key words

These are the main items of finance-related vocabulary introduced in the unit. A definition of each of these words appears in the Glossary. Students may want to transfer some of the words to their Vocabulary Notebooks. You should certainly check students' pronunciation, including the stress, of words likely to be used orally.

Speaking activities

This section is at the back of the book, and contains one or more parts of the information gap activities from the speaking activities in the main units (see Speaking).

Language reference

This can be used together with the Language spot, as a handy check or revision. It lists and analyses exponents of the key structural and functional areas used in finance, such as meetings, negotiations, and presentations.

Listening scripts

This is a complete transcript of all the recordings. Direct students to it for checking answers after they have completed a Listening task, or allow weaker students to read it as they listen to a particular recording, perhaps for a final time.

Glossary

This is an alphabetical list of all the Key words. Each word is followed by the pronunciation in phonetic script, the part of speech, and a definition in English.

1 Choosing jobs

Background

The financial sector is a major employer in all developed economies today. It offers a wide range of jobs from traditional professions, like accountancy, banking, and insurance, to jobs in the finance departments of companies or the public sector. Students can choose to specialize in areas like risk management, financial controlling, or treasury, or in more glamorous professions such as equity and bond trading on stock markets, where salaries can be very high.

Students who choose to work in finance can expect good salaries and benefits since it is a highly skilled industry with many opportunities for gaining **professional qualifications**. Most employers will expect students to complete long periods of **training**. As **trainees** in fields such as the accountancy professions, they will have to prepare for public exams, or gain qualifications through **evening classes** or **day-release** programmes. This will demand **commitment** and **motivation** from students, and employers are often looking for **candidates** who have shown this kind of approach to their studies. Most employers now ask for **graduate** status for any **management training programme**, but the **skills** they are looking for are now much wider than traditional ideas of numeracy. They include

- **good relationship skills** either in **customer-facing roles**, e.g. a retail bank employee, or in building relationships with key clients for the business.
- **Networking** which can be essential in jobs like investment banking or accountancy

- **team playing**, as a lot of work is now done in project teams so that the ability to work effectively in teams is important
- **commitment and motivation**, since top jobs require long hours
- **numeracy, accuracy, and good computer skills**
- **leadership skills**, as employers with graduate programmes expect trainees to show their potential as future leaders.

It is important for students to become familiar with the vocabulary, collocations, and idioms of these skills by looking at **recruitment websites** and learning to talk about their own studies and skills with these objectives in mind.

When applying for a job, students will need to learn how to write a **curriculum vitae (CV)** (in American English a **résumé**) together with a **covering letter**. A CV is usually a one-page document summarizing the student's main qualifications, achievements, and skills. But the covering letter needs to be adapted to the demands of each particular **job advertisement**. It is intended to show the employer how the student fulfils the requirements of the company's **recruitment profile**.

Countdown

- Review students' answers to **1** with the whole class before they continue, as they will need to be clear about the different jobs in order to be able to do **2-4**.
- During **2-4**, walk around while students are speaking and make a note of any common mistakes or vocabulary problems. When they have finished **4**, do a quick class survey of their favourite jobs.

Additional activity (stronger students)

If stronger students finish early, get them to find and underline key vocabulary and expressions which they might expect to find in job advertisements to record in their vocabulary books. Bring in other financial job advertisements from the press or Internet and encourage them to go online to look at job adverts.

Vocabulary

Describing a job

- As this is the first *Vocabulary* section in the course, give students general advice about how to record and learn vocabulary (see *Vocabulary* in the *Introduction* on p.4).
- For **1**, if time is limited, tell students to choose just one or two pairs or groups of words to discuss. Get them to attempt **2** before giving any explanations and, finally, use **3** to check they have fully understood the differences between the words.

0π	2	1 advise	6 set	11 prepare
		2 serve	7 issue	12 investigate
		3 answer	8 raise	13 manage
		4 forecast	9 lend	
		5 analyse	10 borrow	
3	1	serve	5 lend	9 manage
		2 answer	6 prepare	10 raise
		3 advise	7 investigate	11 set
		4 borrow	8 manage	12 advise

Top margin

- Financial markets** Bonds, which are issued by both governments and companies, are generally thought to be a safer investment than shares because the interest you receive as income is generally fixed. Shares can give a better long-term return, but only if the company (or national economy) is successful.

It's my job

- When students have completed **1**, get them to report back to the class on any disagreements. There are no definitive answers to **1** – the purpose is to get students thinking about job skills.
- Review answers to **2** and **3** with the whole class. For **3**, get students to explain which part of the text they used to decide on their answer.

0π	2	2, 4, 5, 6
		3 1T 2F 3F 4T 5F

* Tip

You could ask students to find out which of the companies they have researched operate in their country. They could also find any local news or comments about the companies on the Internet (which they could then present to the class in English).

Webquest

- Apart from the *Financial Times* link, simply entering the phrases 'best places to work' and 'finance' in a search engine will also produce some useful leads for this activity.

Additional activity (weaker students)

Go through the first question in **2** and **3** with the whole class to make sure they understand what they have to do.

Additional activity (stronger students)

See if they can produce short replies to the *yes / no* questions in **2**. For example

1 You can earn a lot. – Can you earn a lot?
Yes, you can.

* Tip

Explain that they don't have to produce a perfect copy of what they hear. Above all, students should be able to recognize when they are being asked a question (as opposed to making a statement), and that other people should realize when they are asking a question. This is more important than distinguishing between the two types of question (see the *Additional activity*).

Additional activity (weaker students)

Say the same question twice: once with a flat intonation and once with movement, as in the recordings. (Vary the order with each question.) See if they can hear the difference and can identify which of the two questions sounds like a question.

Language spot

Question types

- Get students to try to answer **1** without looking back at *It's my job*. Then explain that they can check whether the interviewer's questions are *yes / no* questions simply by seeing whether Jilly answers with 'yes' or 'no'. Finally, go on to look at the differences in structure explained in the *Language reference* section on p.119.
- For **4**, get some or all of the pairs to play the game in front of the whole class. Make notes of any errors or problems, and review them with the class at the end of the activity.

- Open**
- 1** 1, 3, 5
- 2** 1 Can you earn a lot?
2 Does an insurance broker work with insurance policies?
3 Do they work for Paribas?
4 Is she an analyst?
5 Do I / you have to socialize with clients?
6 Could the share price rise considerably?
- 3** 1 What kind / sort of products do they sell?
2 How much does she earn?
3 How many branches do you have in Spain?
4 How long does it take to train as a broker?
5 Why did you decide to become an accountant?

Pronunciation

Intonation in questions

- Explain that closed *yes / no* questions usually rise at the end. Open questions (beginning with *Wh-* questions and *How*) have a different intonation pattern and normally start high and then fall.
-  Make sure that students try to copy the model on the recording and don't exaggerate the intonation. A good technique is getting students to 'hum' the intonation pattern, focusing on the sounds, rather than the words.

- Open**
- | | | |
|-----------------|----------|--------|
| 2 1 open | 3 closed | 5 open |
| 2 closed | 4 closed | 6 open |

Reading

What can you expect from a career in banking?

- For the discussion in **1**, students will need to recycle the language presented in *Countdown* and *Vocabulary*.
- Check the pairs' answers to **2** with the whole class before you continue with **3** (reading) and **4** (role-play). Students work on **3** individually. Get them to underline the answers to the interviewer's questions in their respective texts, so that they are ready to answer the interview questions in **4**.
- Before they begin the role-play in **4**, they will need to read each other's texts.
- For **5**, which is a final vocabulary review, explain that they should look at both texts.

- Key**
- | | | |
|----------|----------------------------|--------------------------|
| 2 | 1 do you | 6 do you see / meet |
| | 2 do you start | 7 do you |
| | 3 do you | 8 do you have |
| | 4 do you do | 9 do you work |
| | 5 do you write / prepare | 10 does it take (you) to |
| 5 | 1 graduate | 4 accurate |
| | 2 trainee | 5 good team player |
| | 3 good relationship skills | 6 (well) motivated |

Listening

Reasons for going into finance

-  Students should do **1** individually, then check their answers with the whole class. Students can then compare their answers to **2** in pairs. When they have done this, play the recording again so they can check any that they didn't agree on or weren't sure about.
- Students can discuss **3** in pairs or small groups. Get them to note down their suggestions, then review their answers with the whole class.

- Key**
- | | | | |
|----------|-----------|--------------|--------------|
| 1 | Toshi 2 b | Daniella 1 c | Abdullah 3 a |
| 2 | 1 F | 5 F | 9 F |
| | 2 T | 6 F | 10 F |
| | 3 T | 7 F | 11 T |
| | 4 F | 8 T | 12 F |
- 3 Possible answers**
- to earn a big salary
 - to do stimulating work
 - to have responsibility
 - to meet and work with other people or customers
 - to learn skills and get training
 - the excitement of trading and risk
 - to help other people to build businesses

* Tip

Get students to write more example sentences of their own that match rules 1–5. You can do this either to make sure they have understood the explanations in **1**, or as a follow-up or homework activity.

Language spot

Present Simple v Present Continuous

- Students work on **1** individually. Explain that they will need to use the rules to decide on the correct answers for **2**. Refer back to these rules when you check their answers.

- Key**
- | | | |
|----------|----------------------|------------------|
| 1 | 1 Present Simple | |
| | 2 Present Simple | |
| | 3 Present Continuous | |
| | 4 Present Simple | |
| | 5 Present Continuous | |
| 2 | 2 are going up | 7 Do you want |
| | 3 am losing | 8 have |
| | 4 Do you have | 9 is thinking |
| | 5 go | 10 buy |
| | 6 am not doing | 11 are beginning |

*** Tip**

Discuss with students what they think should and shouldn't be included in a covering letter. This might vary according to business practice in their country, the type of job they are applying for, and personal preference.

*** Tip**

Ask students if they have ever been interviewed (not necessarily for a job, but in other situations as well). How did they prepare? How did the interview go?

**Additional activity
(stronger students)**

This would be a good activity to use to work on students' presentation skills, especially if you are able to make video recordings in class.

Top margin

- **Preparing for an interview.** You can use this as a lead-in activity to the final *Speaking* section in this unit, or as homework.

Writing**A covering letter**

- When they have completed **1**, get students to look at the letter again and pick out the expressions that are especially useful for a covering letter. Write them on the board, for example

I am writing to apply for ...

As you can see from my CV, ...

... this gives me a good background for the job.

I would be very pleased to have the opportunity to discuss this application further.

- They can do **2** as homework, in which case you should review common problem areas and queries in class once you have checked and corrected their individual work.

1	am writing	6	think
2	am	7	am currently working
3	have	8	have
4	like	9	prepare
5	am now studying	10	am also helping

Professional skills**First impressions**

- Discuss the three questions as a class, either as a lead-in activity before students have read the text, or as a review activity after they have read it.

Speaking**Presenting your skills to an employer**

- This final activity brings together a lot of the language and skills they have worked on throughout this unit.
- Students work on **1** and **2** individually. Make sure you allow a reasonable amount of time for this preparation stage: no less than fifteen minutes.
- Timing is also critical for **3** (the main speaking activity). Make sure that you have allocated enough time for everyone to take a turn at presenting – or continue the activity into a following lesson if necessary.

Checklist, Key words

- See suggestions on p.5. Remind students to transfer useful vocabulary and phrases to their vocabulary notebooks.

2 Personal finance

Background

Over the last twenty years, personal financial services have been transformed by a series of innovations: first, by the arrival of telephone banking and ATM cash point machines, and now by the use of online and even mobile banking. A customer can now enjoy a wide range of fast financial services by using

- **ATM machines** or cash points
- **electronic payments** by bank transfer
- **credit and debit cards**
- **standing orders** to pay regular fixed amounts
- **direct debits** to allow providers to bill customers directly from their accounts
- **current accounts, deposit / savings accounts**
- **overdraft facilities** allowing customers to spend more than they have in an account.

Banks have been forced both by competition and by government regulation to improve the quality of their services so that there are clear **procedures for handling complaints** and for controlling the type and appropriateness of the services they sell and the charges they make. Many banks in the UK, for example, have signed up to a voluntary code of good practice (**the banking code**) which guarantees certain levels of service and communication to customers (see *Webquest*). The code provides a good starting point for a discussion about levels of service, typical complaints, and complaints procedures, as well as how banks should keep customers informed about their accounts.

Unfortunately, the growth of credit has created its own difficulties as the number of customers who struggle to repay high levels of **debt**, and high interest rate charges on credit cards have become topics of national concern in many countries. Often, it is the poorest members of society who pay the highest rates or charges because they lack access to cheap credit facilities.

Countdown

- For **2**, either get students to write individual lists of suggestions, or brainstorm the whole class.

0π	1	c	4	d	6	g
	2	b	5	e	7	a
	3	f				

* Tip

Students could do **1** in groups as a game. To prepare for this, put the text on to 30 separate cards, using a different colour for a-i, 1-9, and A-I. Then jumble the cards on the table and get students to match them up. The first group to match all the cards wins.

Vocabulary

What can you do with these services?

- Get students to complete as many of the sentences in **1** as they can before they use a dictionary.
- Use **2** and **3** to recycle the vocabulary and to check that students have properly understood the differences between the products. You can use **3** as an opportunity to point out the importance of prepositions when noting down, learning, and using new vocabulary.

0π	1	a8C	b3A	c6H	d5D	e1G	f4B	g7F	h2E
	3	1 from	4 into	7 on					
		2 in	5 from	8 for					
		3 in	6 on						

* Tip

Check that students have understood the more idiomatic language in the text. For example *It is the customers that make the job* (= 'It is the customers who make the job interesting / enjoyable'); *a guy* (= 'a man'); *We ... had a laugh* (= 'We were able to laugh about it'). Although the main focus here is on comprehension, there are several other language features in the text you might want to point out, for example, the use of comparatives in the fourth paragraph.

It's my job

- During the discussion in **1**, monitor the pairs and groups. In particular, check that they are using *would* correctly. Review any problems with the class at the end of the discussion.

Top margin

- Students could research the banking and wider financial sectors in their own countries. How do the figures compare? Is having a big financial sector a good or bad thing for a country?

Listening

Which services do you use?

- Most of the products mentioned in the form were explained in *Vocabulary*. Check students have understood the difference between a *standing order* and a *direct debit*. A standing order is where a set amount of money is paid at regular intervals (e.g. annually or quarterly) and a direct debit is where a customer authorizes a company to take payments for bills directly from their bank account.
-  Explain that in **2**, they should take notes and not try to write down everything they hear. Depending on their level, you might need to play the recording more than once and / or in sections, so that they can take notes.

- Key**
- 1** The customer uses cash withdrawals, cash machines, debit card, cheque book, direct debit, deposit account, mortgage
- 2 Advice**
- Use cash machines more rather than withdrawal at the counter.
 - Use debit card more rather than cheque book.
 - Apply for a bank credit card.
 - Open an online account to check the bank balance and make electronic payments.
 - Set up an overdraft.

Additional activity (weaker students)

If students have difficulty in coming up with advice for **3**, give them a list of possible suggestions for each of the problems (1–8) and get them to match them up. For example (1) find a cash machine; (2) go to a bank or *bureau de change*, etc.

Language spot

Suggestions and advice

-  Go through the answers to **1** before looking at the list of example expressions. Get students to think about situations where they might want to make their suggestions and advice weaker or stronger, and encourage them to think about the equivalent expressions in their own language.
- When students have completed **2**, get them to use the *Language reference* notes on p.120 of the Student's Book to check their answers.
- Monitor the pairs in **3** and go through any problems with the class.

- Key**
- | | | |
|----------|--------------------------|---------------------------|
| 1 | 1 Why don't you | 4 Perhaps you could |
| | 2 have you thought about | 5 The best thing to do is |
| | 3 how about | 6 have you considered |
| 2 | 1 open | 3 borrow |
| | 2 to pay | 4 investing |
| | | 5 protecting |
| | | 6 save |

Additional activities (stronger students)

- 1 Get the Student As to make notes of the suggestions made by the Student Bs and get the Student Bs to make notes of what the Student As have said. At the end, get them to compare each other's notes.
- 2 Get them to swap roles. The people playing the customer should answer as themselves or invent new information. The bank employees can ask other questions and give different advice.

Additional activity (stronger students)

As a homework activity, they could prepare an advice sheet of bullet points giving advice for students to post on a website called *What should you do if you are in debt?*

Speaking

Financial check-up

- This role-play gives an opportunity for recycling a lot of the language previously presented in this unit. Monitor the pairs and make notes of any problems or queries that come up during the role-play.

Top margin

- **Store cards** In the past, store cards often had higher interest rates than other credit cards and could only be used in the store that issued them. Nowadays, many UK store cards are the same as credit cards issued by banks, except they usually have some sort of 'loyalty' element, such as discounts or vouchers to be used in the issuing store. Do students have similar cards in their country? Are they a good thing?

Reading

Who is better at managing money: men or women?

- The lead-in discussion in **1** could get quite lively, so allow a fixed amount of time for it.
- Students can answer **2** and **3** individually or in pairs. When you check their answers, get them to refer to the specific parts of the text that helped them decide.

- You could follow this reading activity with a discussion about debt. Elicit suggestions and advice for someone in debt (recycling the structures covered in the *Language spot*), for example:

If you get a final demand for payment from the bank, I think you should talk to your bank immediately.

If you can't pay all your credit card bills one month, the best thing to do is always pay the minimum they ask for.

Perhaps you could get the bank to allow you more time to pay, but don't try and solve the problem by borrowing more from another bank.

Answers 2 1T 2T 3F 4T 5T

3 1 men

2 Women are poorer; women have more responsibilities for families and older parents

3 Because of their poverty

4 c

* Tip

Explain that students need to note down and learn these examples of how the adjectives are typically used, as well as the words themselves.

Additional activity (all students)

Get students to find a real article comparing different banks on the Internet and make a note of examples of the adjectives they have looked at in this section (and any new ones they find).

* Tip

The /tʃ/ sound (as in number 11 – *branches*) is difficult for speakers of some languages. Some other complex consonant sounds, e.g. /θ/ and /ð/, /ʒ/ and /ʒj/, /ʃ/ are included in the lists of examples, but are not practised in **1** and **2**. This is because these sound distinctions are difficult, and are not needed for comprehension. They are, however, occasionally used in some of the vocabulary covered in this course, e.g. /dʒ/ in *mortgages*.

Vocabulary

Talking about customer service

- When students have completed **1**, explain that listing words with their opposites is a good way of noting down and learning vocabulary. A good learner's dictionary like the *Oxford Advanced Learner's Dictionary* will list opposites (as well as synonyms – words with a similar meaning) as part of the definition.
- In **2**, point out that *secure* and *risky* are normally used to describe online banking services, rather than banking services in general.
- When students have completed **3**, get them to look at how the words are used in context in the article, i.e. the verbs and the prepositions they are typically used with. For example, **to be rude / polite to customers**; **[they] were well-informed about the accounts they offered**; ... **make their services secure from hackers**.

0π	1	1b	2d	3c	4a	5f	6e	
	2	1	2, 4, 6, a, d, e			2	3, 4, 5, a, c, f	3
	3	1	expensive			5	well-informed	9
			2	cheap		6	polite	10
			3	rude		7	efficient	11
			4	inefficient		8	slow	

Pronunciation

-s endings

- First, model the three different pronunciations for the class. Get them to copy the sounds you make.
- 🎧 Students can do **1** individually or in pairs. Then do the checking from the recording in **2** as a whole class. Students could mark each other's answers.
- Review the different suggestions they make for **3** by writing the words on the board in three columns. Show them how they can check their answers by looking at the IPA in their learner's dictionary.

0π	1	1	/s/	5	/ɪz/	9	/z/
		2	/ɪz/	6	/s/	10	/s/
		3	/s/	7	/z/	11	/ɪz/
		4	/z/	8	/ɪz/	12	/z/

*** Tip**

Although the main focus of this task is dealing with complaints, if you have time, get students to identify and note down the key 'complaining' expressions in Lucy Galloway's original letter, e.g. *I am writing to complain about ...; I would like to know what you propose to do to correct the mistake; As a minimum, I think you should ...*

Additional activity (stronger students)

Elicit other expressions that have a similar function to the ones in lists 1–8 and a–h and write them on the board. For example

- a The problem was caused by a computer error
- c May I apologize again for ...
- d We hope that you will accept £30.

Get students to write an alternative letter to Ms Galloway, and tell them you will give them credit for using alternative expressions correctly.

*** Tip**

Get students to think of which products they could sell to each of the life stages they have listed.

Writing**Handling customer complaints**

- The skill practised in **1** – extracting the key facts – is very important for handling complaints, and for other kinds of correspondence. Get students to do this individually, and then compare their answers with a partner.
- The final writing task, **3**, can be set as homework.

0-π 2 1b 2g 3e 4a 5h 6d 7c 8f

Webquest

- This activity practises the skill of looking for specific information on websites. Check students' answers in class, using the current information on the British Bankers' Association website.
- After they have investigated the Banking Code, get students to find out about the corresponding banking regulator in their own country. What are the key differences between what happens in their country and the British Banking Code?

Professional skills**Customer relationship management**

For question 2, examples of typical changing needs might be

- students (needing loans and free banking to encourage them to become future customers)
- people starting work: renting or buying their first house or flat
- people who have built up investments and savings
- people who are retired (or preparing for retirement).

Checklist, Key words

- See suggestions on p.5. Remind students to transfer useful vocabulary and phrases to their vocabulary notebooks.

3 Company financial services

Background

A large international company today performs a wide range of financial activities. It needs payment systems to buy and sell goods, to pay salaries, rent, and administration costs. It needs working capital to provide money for daily activities and it needs long-term capital for investment. It also needs to manage pension funds, tax, and insurance. Some of these activities are performed **in-house** by the company's own departments, but others require the specialization of **external service providers**, like auditors, fund managers, and tax advisors.

In-house departments include

- **treasury**, which manages cash flow supported by the company's commercial bank
- **financial controlling**, which controls the budgets, making sure that spending is in line with the budget forecasts
- **internal accountants**, to put together all the figures and compile the internal management accounts for managers to make decisions.

External providers include

- **investment banks**, which give advice on raising capital from the financial markets, and advise on the right mix of funds between shares, bonds, and loans
- **commercial banks**, which provide company accounts and systems of payment

- **external auditors**, who check that the figures are accurate and the accounts comply with accounting standards
- **accountancy companies**, whose advisory departments advise on tax planning, investment, or restructuring
- **pension fund managers**, who make the investment decisions for the pension funds
- **insurance providers**, who provide protection against risks.

The current global trend is for companies to **outsource** more and more of these financial operations. The finance department may well transfer responsibility for routine activities like paying salaries (the **payroll**) or **travel expense accounts** to external specialists, either in their own domestic market or **offshore** to places like India. Some advantages of **outsourcing** include

- **cost reduction**, not just cheaper salary costs but, for example, group discounts in hotel or airline bookings, collection of air miles, etc.
- **eliminating repetitive tasks**, e.g. payroll and travel expenses, allowing managers to focus on their main responsibilities
- gaining access to **specialization**, for example, more advanced software
- improving **customer service and quality**.

* Tip

Draw a mind map on the board with the word 'supermarkets' at the centre. Elicit some of their main activities – selling goods to customers, buying from importers, investing in new stores, paying salaries – and put these in circles around the centre and ask students what kind of financial services they need to perform these activities.

Countdown

- Brainstorm the whole class for ideas for **1**. Write their suggestions on the board, then compare with the list of services listed in **2**.

0π 2 1d 2c 3f 4b 5e 6a

Listening

Scheduling appointments

- 🎧 Get students to answer **1** and **2** individually. They can then compare their answers in pairs. If they disagree about any of the answers, play the recording once more so they can check who was right.

Op 1 and 2

Monday: 9 a.m. Russell at KPMG – tax planning for the new store location
 Tuesday: 2 p.m. John Kerry at Goldman Sachs – issuing shares to fund the takeover of Freshfoods
 Wednesday: 3 p.m. AXA Commercial Insurance – talk about the cost of flood insurance
 Thursday: 10 a.m. RBS Commercial Division – negotiate an increase in our overdraft facility
 Friday: 4 p.m. Fund management division at Merrill Lynch – attend the fund management presentation on pension planning

*** Tip**

When they are doing the role-play in **4**, encourage students to use a range of different 'agreeing' and 'offering to help' expressions from the ones modelled in this section.

Language spot**Requests and offers**

-  Students do **1** individually. When you have checked their answers, get them to match 1–7 in **1** with the different categories of request in the *Language reference* on p.120.
- Tell students to use the table at the bottom of the page to note down their answers to **2** and **3**. In **3**, they should decide on the register of the expressions they have noted down, using the F / I columns. (Get them to use the *Language reference* on p.121 to check their answers to **3**.)
- Students do the matching activity in **4** individually, then check their answers by acting out the requests and responses. Get them to note down any they disagree on, then review answers with the class.

Op 1	2 Could you	4 I'd like you to	6 Would you mind
	3 Would you	5 Can you	7 don't forget to
2	1 Sure		6 Certainly
	2 Shall I		7 Should I
	3 Yes, of course		8 No problem
	4 Would you like me to		9 Do you want me to ask
	5 OK, leave that with me		
3	1I 2I 3F 4F 5I 6F 7F 8I 9I		
4	1e 2b 3a 4d 5c 6f		

*** Tip**

Point out how the speaker's intonation rises slightly at the end of each sentence in **1**. This helps signal to the listener that a request is being made.

Also point out the words within each sentence that are stressed (*Russell, Tuesday, Pete*). These words contain the most important detail in each request (in **1** and **3** this is the name of the person, in **2** it is the day of the meeting).

Pronunciation**Intonation in requests**

-  There are three main teaching points about intonation in making requests covered here.
 - The listener needs to realize that the speaker is making a request, and not a statement.
 - The listener needs to understand the key details of the request.
 - The request should sound polite, and not like a command or order.
- Points a and b are covered in **1** and **2**. Point c is covered in **3** and **4**.

Op 3 1P 2R 3P 4P 5R 6R

Additional activity (weaker students)

Allow students time to prepare their questions and responses before they begin the role-play. You can allow them to make notes, but ideally not to write out their questions and responses in full.

* Tip

Rather than giving them the answers yourself, encourage students to use a dictionary to check their answers. (A good learner's dictionary will flag phrasal verbs in its definitions.)

Use **2** to check that they have properly understood the meaning of the expressions.

Additional activity (stronger students)

For homework, get students to imagine they were the journalist interviewing Dave Carter for the press. Get them to write up an article for the newspaper 'What kind of financial services does a modern supermarket need?' Direct them to the *Listening script* for support.

Additional activity (stronger students)

Get them to research adverts for jobs in investment banking and finance jobs in industry on the Internet. Do the job descriptions match the points that came up in the interview with Lucille and the class discussion?

Speaking

Making requests

- Students need to have completed both of the two previous sections (*Language spot* and *Pronunciation*) to get the best out of this activity. Allow about three minutes for each conversation, and tell them when it's time to swap roles. Monitor the students' conversations and review any problems with the whole class once they have completed the role-play.

Vocabulary

Phrasal verbs for office tasks

- Explain to students that they will encounter a lot of these phrasal verbs in authentic documents, articles, etc., so it's important to learn the most commonly used ones, especially those relating to finance.
- Get students to do the matching in **1** individually; they can then check each other's answers in pairs.

0-π	1	1e	2c	3a	4d	5f	6b
	2	1	deal with		3	put together	5
		2	work out		4	break down	6
							fill in
							go through

Listening

A finance department and its service providers

- Students answer **1** individually; then get them to check each other's answers in pairs, noting any differences. Even stronger students will probably need to listen to the interview more than once in order to be able to complete the table.
- In **2**, they practise the skill of making short notes of what they hear. Make sure they have read all the questions carefully before you play the recording again, as this will help them focus only on the information they need to answer the questions.

0-π	1	1	RBS		5	AXA Insurance
		2	funding		6	auditing
		3	investment bank		7	PricewaterhouseCoopers
		4	financial controller's department			
	2	1	We can put all our money from around the world in one account.			
		2	They know a lot about financial markets.			
		3	Borrow money from the bank, issue bonds, or issue shares.			
		4	The budgets for each division.			
		5	Protection against closing operations because of a fire or flood.			

It's my job

- Discuss **1** in class. Elicit ideas about differences between the two kinds of work. If students aren't sure about their suggestions, encourage them to use speculative language, e.g. *Working in industry might be more interesting than working for an investment bank.*

- Students answer the questions in **2** individually, then review answers with the whole class.

Key 2 2 the challenges of big projects, the diversity of people, managing risk

Top margin

- You can use this dictionary definition as a lead-in to the *Reading* and *Webquest* activities on this spread, which are on the theme of outsourcing.

Additional activity (all levels)

You could set one of the five questions in **3** as a short essay for homework, especially if you haven't got time to discuss them all in class.

Reading

Outsourcing financial services

- Students work individually on **2**; review answers with the whole class by asking students to say which specific part(s) of the text they used to answer each of the three questions.
- When students are reporting back on their discussions in **3**, focus primarily on the topics, but make a note of any language problems they have in reporting (e.g. use of *would* in question 1, *can* in questions 3 and 4, and Present Perfect and Past Simple in question 5), and deal with them at the end.

Key 2 1 paying salaries, business travel arrangements, managing paperwork on exports, managing pension funds
2 It cuts costs, improves the quality of service, frees managers from administration and routine work.
3 Workers are frightened and fear job losses.

Webquest

- If you have time, students could give short class presentations of their findings. The final discussion about outsourcing could be done with the whole class, rather than just in pairs.

* Tip

Make sure that students keep the notes they have made of their meeting, as they will need to refer to them for the final *Writing* section in this unit.

Additional activity (all levels)

As well as (or instead of) reporting their decisions to the class, students could also write a short report for Sergio, detailing their decisions and explaining the reasons for each of them.

Speaking

Controlling business expenses

- Students with no direct experience of business trips should still be able to come up with suggestions for **1**.
- Once students have read the instructions for **2**, get them to make their notes. Get them to work on their own initially, then compare questions in pairs, groups, or as a whole class.
- When students have done **3**, get each pair to report back on their decisions to the class.

Open 2 Possible answers

- 2 Should staff use the central reservation system?
- 3 Do staff have to submit bills and invoices?
- 4 Is there a limit for accommodation and meals?
- 5 Do staff have to give air miles back?
- 6 Are staff allowed to fly business class? If so, when?
- 7 Are staff allowed to accept gifts?

Language spot**Modals of obligation and permission**

- Get students to read the initial explanation and do **1**. They can do **2** individually to check they have understood. If they have any queries, get them to refer to the *Language reference* section on p.121.

Open 1 necessary: 3, 10
permitted: 1, 5, 6

2 1 needn't
2 mustn't, must
3 must

not necessary: 2, 4, 7
not permitted: 8, 9

4 are not allowed to, must
5 must not
6 is not permitted

Writing**A memo**

- Go through the first point in the memo with the whole class, so they understand what they have to do in **1**.
- Prepare for **2** by having a quick review of the key vocabulary they might need in order to have a discussion about this topic. Words might include: *privacy, confidentiality, access, to block (a site), to log (sites visited), to monitor (emails)*.
- Students can either write the final memo in **2** as homework or in pairs in class. If you want to do the latter, make sure that both students in each pair have made proper notes of their discussion of questions 1, 2, and 3.

Open 1 Possible answers

- 1 must make; 30 days; must
- 2 is prohibited; if staff have a written letter from their line manager
- 3 must present; claims will be refused
- 4 are not allowed; must; €150
- 5 can / may; flying long distance; must use economy class
- 6 can't / are not allowed to
- 7 must not; €50; are not allowed / are prohibited
- 8/9 Staff must declare all gifts received; Staff are not allowed to book flights for other family members including partners; Staff can't accept any offers of free holidays from clients.

Checklist, Key words

- See suggestions on p.5. Remind students to transfer useful vocabulary and phrases to their vocabulary notebooks.

4 Economic indicators

Background

Economic indicators give us the statistics we need to understand the structure and performance of an economy as a whole; what economists call the **macro-economic** level.

They are usually presented in the form of **trends** on a graph to show the development of a statistic over time, for example, movements in inflation. Most economists will be interested in the **growth rate** as shown by GDP (Gross Domestic Product), typically 3 or 4% at the peak of a strong growth phase of a developed economy. Anything above that will usually generate inflation pressures and lead central banks to put up interest rates. This means that companies will have to pay more interest on money they borrow from the banks so there will be less incentive to invest. Danger signals to look out for among indicators would be an economy which is growing very quickly with rising inflation and interest rates, or an economy with a big trade deficit in its balance of trade.

The key indicators of an economy are

- **inflation rate** – usually abbreviated to RPI (Retail Price Index) or CPI (Consumer Price Index)
- **interest rates**

- **unemployment rate**
- **balance of trade** – if exports exceed imports, it is **in surplus**; if imports exceed exports, it has a **deficit**
- **population** – are figures for immigration and emigration growing or declining?
- **exchange rate** – the value of the currency measured against other currencies
- **GDP** – used to measure the growth rate of a national economy.

The language of trends is also an effective way of presenting the vocabulary of financial statistics even at the **micro level** of an individual company's performance.

Students will need this vocabulary if they work on statistics in the finance department of a company – as accountants, controllers, or treasurers, or if they work on the stock markets.

The unit builds a platform of these key trend verbs and adverbs and then uses them to build a simple report on the economy of a developing country.

A typical **structure** for this kind of financial **report** usually includes the **executive summary**; the **objectives of the report**; the **findings**; **presentation of trend changes**; a **cause analysis**; and a **recommendation / conclusion**.

* Tip

Get students to try to answer the questions before they are given (or research) the answers, and encourage them to guess if they don't know precise figures.

Countdown

- Before class, research the answers to the questions in **1** yourself. Or, if students have Internet access in class, get them to research the answers themselves.
- Use the photos in **2** as prompts to elicit the names of the economic indicators (see the Key for ideas). Write suggestions on the board.

○π 2 Possible answers

Money: exchange rate / salaries / savings / personal debt / interest rates

Population chart: immigration / emigration

Unemployment line: unemployment (short-term, long-term, youth) / job creation

Supermarket: prices / inflation

* Tip

Make sure students use the word *point*, give the numbers after the point as separate figures, and name the currency or amount after the figure. British English often uses 'oh' as a substitute for zero. Also check they know the abbreviations **m** and **bn** (million and billion *not* millions and billions), for example
US\$ 13.353 m is read 'thirteen point three five three million US dollars'
US\$ 1.07 is read 'one point oh / zero seven US dollars'.

Additional activity (weaker students)

Get students to find some numbers with decimals from the Internet, newspapers, or textbooks, and get other students (a) to write down the number accurately, and (b) to guess what the number represents.

Additional activity (stronger students)

Get students to compare the economy of their own country with that of Turkey and Poland. (If they come from one of these countries, ask them to find the latest figures.) They can then either give a short presentation or write a short essay. Students can use the data that you gave them (or that they researched) in *Countdown*, together with any other information they need to make the presentation.

Reading

Interpreting data

- In **2**, students practise reading figures with decimals.

Key 1 1f 2d 3h 4g 5a 6e 7b 8c

- 3**
- Turkey
 - Poland
 - Turkey
 - Poland
 - Turkey has very high inflation and interest rates, which means it will be expensive for companies to borrow money to invest.

Vocabulary

Describing trends 1

- Even if stronger students already know this core vocabulary, it is important to revise it as it is so important for talking about finance.
- This is a good point to introduce the idea of using synonyms to provide variety, especially in a written text. (We could just use *rise* and *fall* all the time, but this would become repetitive.) This point about synonyms can then be further developed in the *Vocabulary* section on p.30.

- Key**
- a falls ↓, rise ↑
 - b increases ↑, go up ↑
 - c decrease ↓, goes down ↓
 - d fall ↓, drops ↓
 - to increase, rise, go up
to decrease, fall, go down, drop
 - a sharply, steeply, dramatically
 - b slightly
 - c steadily

Professional skills

Tips for presentations

- Discuss **1** and **2** as a whole class and then compare students' answers with the suggestions in the text. You could divide the board into two and note down good examples in one half and mistakes in the other.

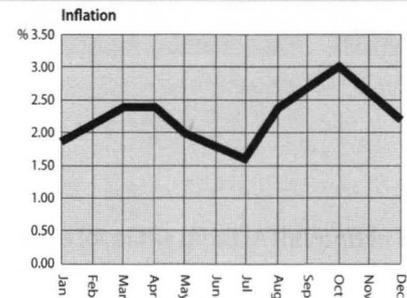
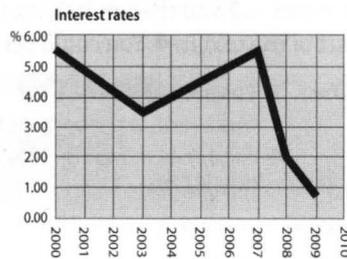
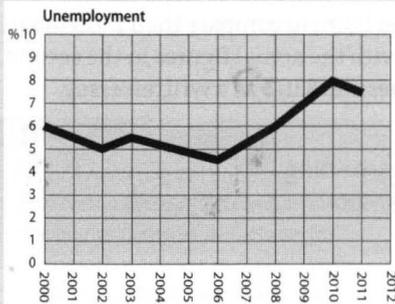
Listening

Presenting figures

- Following on from the earlier *Reading* section, there is more numbers practice in **1**, but this time students are practising reception rather than production. Check for obvious problems in noting down numbers, such as confusing *five* and *nine* (which have the same vowel sound).
- Check with the whole class that they have noted down the correct figures in the table **before** they listen again and complete the graphs in **2**. Get them to read out their answers for further practice of saying numbers. They should do **2** individually, but allow time to review answers with the whole class at the end.

Key 1 Unemployment: 2000, 6%; 2002, 5%; 2003, 5.5%; 2006, 4.5%; 2008, 6%; 2010, 8%.
 Interest rates: 2000, 5.5%; 2003, 3.5%; 2007, 5.5%; 2008, 2%; 2009, 0.75%.
 Inflation: January, 1.8%; March, 2.4%; May, 2%; July, 1.6%; August, 2.4%; October, 3%.

2



Vocabulary

Describing trends 2

- This extends the work on synonyms for words describing change and movement begun in the *Vocabulary* section on p.29 and prepares students to give a spoken presentation of their own graphs.
- Check students' answers to **1** with the whole class before they go on to **2**.

Key 1 fluctuated, rocketed, reached a peak, plunged, hit a low, levelled off, recovered, surge

- | | | |
|-------------------------|------------------|--------------|
| 2 1 levelled off | 4 reached a peak | 7 recovered |
| 2 rocketed/surge | 5 plunged | 8 fluctuated |
| 3 rocketed/surge | 6 hit a low | |

Speaking

Presenting data

- Before you start, draw students' attention to some of the phrases used in *Listening* to introduce and close a graph presentation and to sequence a description: *then, after that, over the next two years*. Replay if necessary, or direct students to the *Listening script* to find and underline these expressions. Discuss how they contribute to a good presentation.
- This activity gives students further practice of presenting graphs. Both sets of instructions are at the back of the Student's Book.

Additional activity (stronger students)

Set students the project of researching changes in family spending in their own countries. Online newspaper articles are often a good source for this. They can then give either a written presentation or a talk in class.

Additional activity (stronger students)

Students can practise the final section of explanation on **Causes** in pairs by asking each other and answering questions about the seven sentences in **2**. For example, sentence 1:

What's behind the sharp increase in spending on leisure since the 1970s?

This is due to an increase in people's disposable income.

* Tip

For weaker students, give them enough time to prepare their questions and help them with possible ways of interpreting them as necessary.

* Tip

Get students to highlight or underline the specific parts of the text they used to answer each question. This will help them and you to check their answers.

Reading

Life in modern Britain

- This text recycles the language presented previously in this unit (i.e. movements and trends, figures, and percentages) and encourages students to think about how indicators give us a picture of a way of life in a country.
- Discuss the initial question in **1** with the whole class, then students read the first text individually. In pairs, get them to compare their individual answers in **3** and then match them with the actual figures in the second part of the text in **4**. You could set question 3 in **5** as a written essay.

Key **1** Possible answers
food, rent, transport, clothes, heating
4 food: 15%; housing: 19%; transport: 16%; clothing: 5%;
leisure: 7%

Language spot

Describing change and cause

- Go through the initial examples with the class. (You could also get them to find examples in the texts in the previous *Reading* section.)
- Students can answer **1** and **2** individually, then check each other's answers in pairs. If they don't agree on any of the answers, get them to look at the *Language reference* explanation on p.122.

Key **1** F: 3, 5, 6, 7, 8 NF: 1, 2, 9 Both: 4
2 1 has increased 5 has risen
2 grew 6 fell
3 decreased 7 have seen
4 has gone up

Speaking

Explaining trends and their causes

- This activity gives further practice in giving and noting down figures, asking questions, and giving explanations. Make sure there is a checking stage where they go through each other's figures before they go on to **2**.

Reading

An analyst's report: Kazakhstan

- This activity gives practice in answering questions from a table of figures (**1**) and a longer piece of text (**2**). For both exercises, get students to work individually, then check answers in pairs or with the whole class.

Key **1** 1 GDP has increased dramatically from \$30.8 bn to \$107 bn.
2 The inflation rate peaked at 8.8% in 2007, but fell to 7.3 % in 2009.
3 The exchange rate was 147.8 to the USD in 2009.
2 1 1 m barrels of oil a day
2 3 m barrels of oil a day

- 3 sharp increase in the currency; boom in consumer spending; increase in imports and levels of debt
- 4 Introduced a free market, private pension plan, stable banking system, and privatized its electricity and banking sector.
- 5 private
- 6 private sector
- 7 Banking in Russia is dominated by one state-controlled bank, Sberbank, while in Kazakhstan banking is owned by the private sector.

* Tip

Students will need to have done the previous *Reading* section, as they will need to use the analyst's report as a model for their own report. However, especially with stronger students, encourage them to use their own language as well. If you are setting the actual writing task (2) as homework, allow time to go through any queries and problems with the whole class in a future lesson.

Additional activity (weaker students)

You could choose the countries, find the relevant websites, and provide some of the figures in advance. Make sure you leave enough for them to do: they should be able to find some figures for themselves on the websites, and then do 2 and 3 with other class members.

Additional activity (all students)

Choose a current financial news story and get students to compare how it is reported in different newspapers and on different websites. They could do this as homework and report back to the class. With weaker students, get them to concentrate on whether the facts are reported consistently. With stronger students, ask them to compare the style of language and to see if they can identify the attitude of the writer.

Writing

A report

- This gives students a chance to re-use a lot of the input in this unit in a single activity: writing a financial report.
- Begin by getting students to read the introductory explanation and examples. They then do the matching activity in 1, either individually or in pairs. Go through the answers to this before they write their reports.
- Encourage them to include examples of both 'personal judgement' reported opinions, and passive forms in their report. You might also want to set a minimum and maximum word limit.

0π 1 1e 2b 3a 4d 5c

Webquest

- For classrooms without Internet access, students can do the research for 1 at home and then bring in their notes to use for the data exchanging and discussion 2 and 3 in the following class.

It's my job

- Get students to scan the text and underline the main features of the job. Focus on the key verbs: *researching*, *keeping up to date (with)*, *to monitor*, *to be accurate*, *to get a story*.
- The final question concerning newspapers vs. online news would also be a good topic for an essay or a class debate.

Checklist, Key words

- See suggestions on p.5. Remind students to transfer useful vocabulary and phrases to their vocabulary notebooks.

5 Economic cycles

Background

A typical **economic cycle** in a developed economy usually lasts for five years. This represents the time between two peaks of activity, so a cycle will show both a **recession** and **recovery** phase peaking at the top of the cycle.

Economic cycles occur because of fluctuations in the **supply** of goods (what is produced) and in the **demand** for goods from consumers. As an economy moves out of recession into a growth phase, typically factories increase production, creating new jobs. But after a period of time, as all **capacity** is fully used and it becomes expensive to build new factories, companies take the opportunity to increase prices so as to exploit the strong demand. This creates inflation pressures and fears of **overheating**, leading to a **boom**. Central banks react by increasing interest rates to **cool demand** and deliberately slow the economy to a sustainable non-inflationary growth rate (typically around 0.5%). As a result, economic production slows and the economy moves towards low growth or even recession. (i.e. two quarters of negative growth). Once demand is stable, the banks can then cut rates in order to begin the cycle of growth again.

Recessions are characterized by a number of features: increases in unemployment, low interest rates, low levels of consumer demand, and falling prices, especially for commodities. **Recoveries** usually involve rising levels of consumer demand, increases in employment

opportunities, rising commodity prices, and increasing interest rates as the recovery takes hold.

Surprisingly, even after the credit crisis of 2007–9, there is still no single world institution responsible for managing stability in the world economy. But there are two institutions, the **IMF (the International Monetary Fund)** and the **World Bank**, which play an important role in resolving crises and promoting long-term development. Both institutions were created after the Second World War to try and avoid any repeat of the disastrous economic policies, such as protectionism, which caused the Great Depression of the 1930s.

The IMF has a leading role in providing emergency funding to countries that are experiencing financial crises, such as a **devaluation** of their currency, or **balance of payment problems** when they cannot pay the interest on their debts. It also produces highly respected reports every year on the performance of the economies of its member countries which provide guidance and technical advice to governments to help them manage their economy. But its role is purely advisory.

The World Bank, by contrast, plays a significant role in **development economics**, helping developing countries to finance long-term **infrastructure projects**, e.g. dams, irrigation systems for agriculture, water and sewerage systems, or transport networks.

* Tip

The words describing the economic cycle in the table in **3** question 3 will be used throughout the unit, and students need to learn them. Ask them which of the words describe their own economy or sector, or the economics of countries such as the USA or China, at the moment.

Countdown

- Get students to do **1** individually, then review their answers with the whole class. Get them to identify the stages in the graph (the peaks, the lows, and the time period between two peaks on the horizontal axis).
- In **2**, get students to think about how prices affect supply and demand. When prices go up, demand falls. This creates imbalances in the economy which create economic cycles.

0π	1	1	c	
	2	a	recession	b recovery
	3	a	- M	!
		b	+ S	
		c	- M	
		d	+ S/M	!
		e	- S	
		f	+ S/M	

*** Tip**

Stronger students might want to try to describe the probability of the things in the list happening. The language needed to do this is covered in the *Language spot* which immediately follows this section.

Speaking**Recession and recovery**

- Before they do **1**, get students to describe what they see in the photos.
- Get the students to do **2** in pairs and then review their answers with the whole class. (Tell them to keep these notes, as they can be used again in the *Language spot* that follows this section – see *Additional activity* below.)
- In **3**, check that students have matched the effects and explanations correctly before they go on to do the final activities in **4** and **5**.

Key 1	a recovery (construction work)	
	b recovery (sales)	
	c recession (closed-down factory)	
	d recession (closing-down sale)	
	e recovery (busy factory)	
2	a 2, 4, 6, 7, 10	
	b 1, 3, 5, 8, 9	
3	Student A: recession (on p.113)	Student B: recovery
	1 falls because b	1 rises because c
	2 rises because a	2 falls because e
	3 falls because c	3 rises because a
	4 fall because d	4 rise because d
	5 fall because e	5 rise because b

Additional activity
(weaker students)

For extra practice, get students to return to the notes they made in the previous *Speaking* section (**2**). Get them to write new sentences with modal verbs and probability adverbs to say how probable they think the outcomes they noted down are. (You could set this as homework.)

Additional activity
(stronger students)

There is a lot of material available on the Internet comparing the Great Depression with the recent Credit Crunch. You could set students the task of researching different points of comparison from the ones listed here.

Language spot**Predictions: probability**

- Students answer **1** individually. Check their answers before they do **2** and go through the *Language reference* notes with them if they are unsure. Review the different suggestions each pair made for **2** with the whole class, writing up the sentences on the board.

Key 1 1L 2I 3P 4P 5C 6C 7L 8P

Top margin

- These figures are a useful source of discussion and can either be used as a lead-in or a follow-up to *Listening* on this page, and especially the discussion in **4**.

Listening**The 'Great Depression'**

-  Students work individually. For weaker students, pause the recording at relevant points to help them do **2**. Review answers with the whole class and refer to the listening script on p.128 if there are any common mistakes.

Key 2 1c 2e 3a 4b 5d
3 1F 2T 3F 4F 5F 6F 7T

Additional activity (all levels)

Get students to find the five most useful expressions in the text which they think they are likely to see again, and record them in their vocabulary book. Compare their choices.

* Tip

In all the examples in **1**, the letters are pronounced separately, except for **5** – OPEC, which is pronounced /'əʊpek/. Look out for VIP, which is pronounced with separate letters in English, but which is pronounced /vi:p/ in some other languages. Explain that native speakers might not immediately understand this pronunciation.

Additional activity (stronger students)

Get students to give (or research) examples of finance-related – or commonly used – abbreviations and acronyms from their own language. They should then give the letters in English, translate them, and explain what they represent.

Reading

Managing the world economy

- If students have problems with vocabulary, get them to try to work out the meaning from the context before you give them the answer. Then get them to answer the five questions individually. When reviewing their answers in class, get them to say where they found their answer.

- Key**
- 1 to avoid the mistakes that caused the Great Depression
 - 2 The IMF aims to maintain stability in the world economy; the World Bank lends money to developing countries to assist development.
 - 3 the World Bank
 - 4 the IMF
 - 5 The IMF is criticized for ignoring conditions of poverty and imposing western solutions; the World Bank for focusing on big infrastructure deals and ignoring local needs.

Pronunciation

Abbreviations and acronyms

-  Get students to answer **1** individually or in pairs; check their answers before continuing to **2**. Then do **2** with the whole class. If you are using the recording to check answers in **3**, pause after each sentence.

- Key**
- 1 International Monetary Fund
 - 2 Chief Executive Officer
 - 3 European Union
 - 4 Gross National Product
 - 5 Organization of Petroleum Exporting Countries
 - 6 Retail Price Index
 - 7 Very Important Person
 - 8 Extraordinary General Meeting

Webquest

- If students are doing the research at home, get them to make notes and bring them to the next class.
- The International Bank for Reconstruction and Development (IBRD) aims to reduce poverty in **middle-income and creditworthy poorer countries** by promoting sustainable development through loans, guarantees, risk management products, and analytical and advisory services. It raises most of its funds **on the world's financial markets**.
- The International Development Agency (IDA) aims to reduce poverty in **the world's poorest countries** by providing interest-free credits and grants for programmes that boost economic growth, reduce inequalities, and improve people's living conditions. The IDA is funded largely by **contributions from the governments of its richer member countries**.

Additional activity (stronger students)

There is an interesting theme in the interview of how Eric spends his day, e.g. 'hard thinking' v routine work; doing what he was trained for (i.e. being an economist) and other work (administrative and diplomatic). The questions *Is it better to try to do the job you were trained for, or should you be flexible?* and *Do administration and meetings stop people from doing real work?* would be good discussion points or essay topics.

It's my job

- In **1**, the students should focus on the question of motivation: why people prefer to work in international organizations promoting development of countries rather than in the private sector, which is profit orientated. When students have listened to the interview a couple of times, use the *Listening script* on p.129 to review any words and expressions that they had difficulty understanding.

Top margin

- The text on *Microfinance* is a useful follow-up to the *Reading* and *It's My Job* sections on development economics. Students who are interested could do more research on this and similar projects on the Internet.

Vocabulary

The economic cycle

- This section builds on the basic vocabulary presented in *Countdown*. When going through the table in **1**, draw students' attention to the verbs that collocate with the nouns, e.g. *experience an upturn*, *suffer a recession*.
- When students have completed **2**, get them to read the whole text again, this time focusing on general meaning and other useful vocabulary.

0π	1	1 to decline	4 a recession	
		2 to enjoy	5 buoyant	
		3 a downturn	6 to cool	
2	1 grew	8 contracted	15 experienced	
	2 growth	9 recession	16 buoyant	
	3 downturn	10 sluggish	17 recovery	
	4 recession	11 experiencing	18 cool	
	5 demand	12 demand	19 sluggish	
	6 weak	13 sluggish	20 recession	
	7 sluggish	14 grew	21 stimulate	

* Tip

Remind students to reread their reports carefully before they hand them to you. It is difficult to check everything at the same time, so explain that they should do separate checks: once for structure and general sense (especially to make sure that they have correctly used the language covered in the three *Language spots*); once for grammar, spelling, and punctuation; and once for accuracy (they should refer to the table of figures for this).

Writing

An internal report

- Tell students to use the report in *Vocabulary 2* as a model for their report, but encourage them to use their own language as well.
- Go through the first example (USA) together from the table in order to give them a model. The vocabulary for growth, economic cycle, and supply and demand was all practised in the previous *Vocabulary* section. Remind students of the use of the Present Continuous to describe current growth and the economic cycle, the 'due to' structure to describe causes which they used in the Unit 4 *Language spot* (p.32), and the probability language from *Language spot* (p.37) for the forecast.

* Tip

Don't focus on the 'opinion' language used on the discussion board yet: this is looked at in more detail in the following *Speaking* section.

Additional activity (weaker students)

If you think students lack the background knowledge to answer the questions in **1**, get them to do some initial research on the Internet beforehand. Or simply delay this until they have completed **2**.

Additional activity (stronger students)

There is some scope for discussion in the answers to **1**. For example, it is usually a country's central bank that decides on its interest rate, but the central bank may or may not be controlled by the government, depending on the country. These ideas can be explored further in *Speaking*.

Additional activity (stronger students)

If students have opinions of their own, and have the background knowledge to back them up, they can have the discussion in **3** speaking as themselves, rather than 'in character'.

Reading

Who controls the economy today?

- When you check the answers for **1**, make sure that weaker students understand the role of the five institutions (a–e). You could ask them 'How do each of these institutions influence the economy?' and then feed them some ideas so that they will be able to participate in the meeting discussion in *Speaking*. Some ideas would be:
 - **Governments:** Control borrowing and public spending; regulate all the other institutions; (in some countries) can devalue currency
 - **Financial markets:** Reflect what's happening in the real world; work internationally; can affect individual governments
 - **Central banks:** Can step in during crises; have political power; employ top economists
 - **Multinationals:** Pay corporation tax to governments, enabling them to spend/borrow; can threaten to relocate
 - **Banks:** Lend to businesses as well as people. Therefore they indirectly affect employment and exports.

Answers: **2** a Sophie b Raoul c Carla d Mika e Jeff

Speaking

Expressing and responding to opinions

- For question 2 of **1**, check that students understand the six categories of opinion and agreement (a–f). (If it's a monolingual class, you could get them to give examples in their own language.) Explain that 'qualified agreement' (e) essentially means 'Yes, but ...' Point out that in f (disagreement) the expressions begin with *I'm afraid ...* (or *I'm sorry, but ...*). This is because direct disagreement can sound impolite.

Answers: **1** 2 a 'soft' opinions: *It seems to me*
 b normal opinions: *I think ..., in my view ...*
 c strong opinions: *I'm convinced ..., I'm sure ...*
 d agreement: *I agree with you ..., I think you are right*
 e qualified agreement: *I take your point, but ...*
 f disagreement: *I'm afraid I don't agree with you ..., I'm afraid I can't accept that ...*

Professional skills

How to behave in meetings

- Get students to note down the sentences they have changed in **1**, and review them with the whole class. Put students' suggestions for **2** on the board and discuss them with the class.

Checklist, Key words

- See suggestions on p.5. Remind students to transfer useful vocabulary and phrases to their vocabulary notebooks.

6 Economic sectors

Background

A modern economy is made up of three different sectors:

- **the primary sector**, which produces raw materials and natural resources, e.g. agriculture, exploration industries, like oil and gas, and extractive industries, like mining.
- **the secondary sector**, which processes these materials into finished products, e.g. car production or food processing. This sector is usually subdivided into **heavy industry**, like steel or chemical production, which requires a lot of capital investment and energy, and **light assembly industries**, like textiles and clothing.
- **the service sector (or tertiary sector)**, which provides support activities for both consumers and industry. This includes our everyday consumer services like retailing (shops), financial and insurance services, telecoms, tourism, or education, as well as professional services for businesses, such as advertising and marketing, consultancy and financial markets, and transport and logistics for the movement of goods.

In a modern developed economy like the USA, by far the biggest sector is made up of services, which usually account for about 70% of employment and income. According to classical theories of development, all economies pass through a development phase in which primary sector activity slowly declines as trade increases

and capital accumulates and people begin to invest in industrial production in pursuit of profit. Then, as consumer wealth and leisure grows, the demand for services increases and more and more activity becomes focused on the provision of specialized support services like retailing and finance.

By contrast, fast **developing economies**, like China or India, which are growing at a rate of about 8% per year, still have large agricultural sectors accounting for about 40% of employment, and services are only beginning to develop.

A developing / emerging economy needs many things to be able to develop. Specifically, it needs financial capital for investment; improved infrastructure such as roads, rail, water, and sewage systems; education and training to upgrade its people's skills; a legal, financial, and institutional framework that provides stability; and a business culture that rewards risks.

In today's world, even developed economies suffer from the continuing loss of employment as companies move production offshore to cheaper developing economies, meaning that they have to learn new ways of attracting companies to locate in their regions. A country or a region needs to recognize its key strengths (which sectors of the economy give it **competitive advantages** over other countries) and focus its activities on these leading areas to maximize its opportunities in the global economy.

Countdown

- Apart from **2**, the questions in this section will probably need some prior research. You could set students this research as homework to prepare for the lesson before you begin this unit.

- π **2** 1 secondary sector
 2 primary sector
 3 service sector
3 The service sector is biggest in the USA.
4 *BP* (primary); *Nike* (secondary); *McDonalds* (service); *Ford* (secondary); *Citigroup* (service); *Google* (service); *Nestlé* (secondary); *Hilton Hotels* (service); *Rio Tinto* (primary)

Additional activity (stronger students)

Get students to name other industries and then categorize them.

Vocabulary

Industries and sectors

- Check the pairs' answers to **2**. Then elicit suggestions from the whole class for **3**, and write them on the board. Students can answer **4** individually or work in pairs.

0π 1	a steel production (secondary)	
	b transport and logistics (service)	
	c agriculture (primary)	
	d textiles and clothing (secondary)	
	e food processing (secondary)	
	f mining (primary)	
	g advertising (service)	
	h oil exploration (primary)	
	i retailing (service)	
	j car manufacturing (secondary)	
4 1	1 agriculture	6 steel production
	2 oil exploration	7 textiles and clothing
	3 mining	8 transport and logistics
	4 car manufacturing	9 advertising
	5 food processing	10 retail

* Tip

Suggest to students that they note down the syllable stress (and other pronunciation features) of new words they list in their vocabulary books.

Pronunciation

Syllable stress in nouns and adjectives

- This section is designed to make students generally aware of syllable stress in English. Point out the first paragraph of the explanation: there are no absolute rules and they need to concentrate on learning the stress placement of words they use regularly.
-  Reassure students that they will probably be understood even if they stress a syllable incorrectly. But explain that knowing and using the correct stress for words they regularly use will help them with their listening comprehension, and will stop listeners from being distracted from what they are saying because the pronunciation is not what they expect to hear.

0π 1	1 transport <u>a</u> tion	6 compet <u>i</u> tion
	2 purch <u>a</u> sing	7 competitiv <u>e</u>
	3 <u>i</u> ndustry	8 <u>a</u> dvertising
	4 <u>i</u> ndustrial	9 <u>a</u> griculture
	5 industrializ <u>a</u> tion	10 agricultur <u>a</u> l
2	advertising, agricultur <u>e</u>	

Top margin

- **China overtakes Germany** This can be used either as a lead-in or follow-up to the *Reading* section. You could get students to look at the **current** ranking of the size of countries' economies, and the press comment relating to it, on the Internet. They could then give a presentation or write an essay about what they find out.

*** Tip**

Make sure that students have looked at the model in the first paragraph and first line of the table carefully and understand what they have to do before they begin reading their respective texts.

*** Tip**

Students could do **2** as preparatory homework and **3** in class. If you don't think you will have time to complete **3** in class, you can leave it out or only do part of it.

Reading**Competing in the global economy**

- This reading activity is a little more extensive than previous reading tasks. It practises three main skills: (1) identifying different categories of information from a single text; (2) putting that information in note form; and (3) asking and answering questions about the information collated from the text.
- In **3**, point out that students can ask general questions as in the Student Book examples. When the pairs have completed **3**, get them to check each other's tables to see if they have noted down the information correctly. You can also let them read their partner's text at this point.

2 Student A: Chinese economy (on p.110)

- | | |
|-------------------------------|----------------------------|
| a electronics | l software |
| b textiles | m customer services |
| c consumer products | n has increased |
| d low-cost workforce | o rise in living standards |
| e cheap land | p boom in Internet usage |
| f old state-sector industries | q their own capital |
| g poor infrastructure | r flexibility |
| h bureaucracy | s independence |
| i electric power | t finance |
| j raw materials | u technical knowledge |
| k marketing | |

Student B: UK economy

- | | |
|--------------------------|----------------------|
| a steel | i financial services |
| b car industry | j computing |
| c specialist engineering | k marketing |
| d added-value | l highly qualified |
| e niche | m expertise |
| f heavy | n financial markets |
| g mass manufacturing | o road and rail |
| h job | |

3 Student A: UK economy (on p.111)

- | | |
|------------------------------------|--|
| a farming | n car industry |
| b energy-related activities | o decreased by 5% from 20% to 15% of GDP |
| c 60 | p financial services |
| d oil, gas, and coal | q computing |
| e 1 | r marketing |
| f small farms not profitable | s highly qualified workforce |
| g production will fall sharply | t concentration of expertise in south east |
| h steel | u financial market |
| i car industry | v road and rail |
| j specialist engineering companies | |
| k high added-value products | |
| l niche markets | |
| m steel | |

Student B: Chinese economy

- | | |
|-------------|-------------------------------------|
| a rice | g consumer products |
| b wheat | h foreign investment and technology |
| c meat | i land |
| d machinery | j state-sector industries |
| e water | |
| f textiles | |

k	infrastructure	p	rise in living standards
l	electric power	q	boom in Internet use
m	raw materials	r	their own capital
n	software	s	finance
o	customer services	t	technical knowledge

* Tip

Explain that *but* can be used in a similar way to *although*, except that it is normally only used within a sentence and not at the start of it (except in informal speech). There is an explanation in the *Language reference*.

Additional task (all levels)

Get students to write three more sentences describing contrasts. They should use the linking words studied in this section and the tables of information about the UK and China on p.46–47.

* Tip

You can check students' understanding of the expressions in **4** by asking them concept questions, for example

Which expression does the speaker use to present two options which are both possible?

Answer: *On the one hand ... , On the other hand ...*

Which two expressions are used to give reasons to support an option?

Answers: *There are a number of reasons for this. / I'd like to remind you of a number of other key points.*

There is an extended version of this kind of activity in *Speaking 3* at the end of this unit.

Language spot

Contrasting information

- Get students to look at the linking words used to contrast information (*although*, *despite*, and *however*) in the three example sentences, and then complete the rules in **1**. If they are not clear, refer them to the *Language reference* on p.123. Then use **2** to check they have understood.

Oπ	1	1	Despite		
		2	Although (+ but)		
		3	However		
2	1	1	Although	3	Although
		2	Despite	4	However

Listening

Investment decisions

- In **3**, you may need to play the recording more than once and / or pause at appropriate moments to give students a chance to note down their answers. Check their answers in class. (NB Students will need to refer back to the completed table in **3** in the following *Writing* section.)
- In **4**, students listen to some extracts from the discussion and complete the sentences. When they have finished, check their answers in class. Write the expressions on the board, and make sure that they understand how they are used.

Oπ	2	<i>Factors mentioned:</i> wage costs, cost of land, suppliers, recruiting trained workers
	3	<i>Labour costs:</i> China: \$2 per hour; UK \$30 per hour <i>Cost of land:</i> China: \$2m; UK: \$10m <i>Suppliers:</i> China: delivery time 45 mins; UK: 2 hours (savings: \$100,000 per year) <i>Recruitment:</i> China: lack of skilled workers <i>Quality levels:</i> China: defect levels 30 per thousand; UK: 2 per thousand <i>New product development:</i> China: develop new products and to compete successfully; UK: daily contact with production teams
	4	1 I think the best option is ... [There are] a number of reasons [for this]. 2 [I'm] strongly in favour of [China]. 3 [I'm not] in favour of ... [I'd] like to remind you of a number of other [key points] 4 On the one hand ...; On the other hand ...; 5 [Is] that a fair [summary]?

Writing

Reports: comparing options

- This section follows on from the previous *Listening* activity and continues the theme of the *Language spot* by introducing more linking words used to contrast information. NB Students need to have filled in the table in the previous *Listening* section **3** to do the writing task.
- First, go through the explanation and example sentences with the class. Check that students have understood by asking them to produce other sentences with *while / whereas* and *by contrast*.
- Then get them to complete the report using the table in *Listening 3*.

Webquest

- Get students to bring their notes (and relevant website addresses or print-offs) to class, so that they can discuss their answers to **1** and **2** in pairs before they start preparing their own webpage in **3**.

Top margin

- **Why choose Frankfurt Rhine-Main region?** Get students to look at this advertisement after they have completed *It's my job*. Ask what they think of it. Have the most important benefits been included? How could the advert be improved / expanded?

It's my job

- For **1**, elicit a few suggestions from the pairs and write them on the board. Keep the discussions in **1** quite short, as there is an opportunity for a much more thorough discussion in **3**, once students have read the text in **2**. (All the answers for the question in **2** are in Matthias's second reply.)

Speaking

The road to development

- Students can do the ranking activity in **2** and the matching activity in **3** individually or in pairs. Then compare their answers to **2** and check their answers to **3** with the whole class.
- Monitor the groups' discussions in **4** and deal with any questions or problems with the whole class when they have finished.

- **3** presenting an option 5, 6
giving reasons 1
adding a second option 4, 9, 11
rejecting a proposal 3, 10, 12
approving a proposal 2, 7
presenting the positive and negative side of an option 8

Additional activity (stronger students)

Get students to use the information they find to write a recommendation report using the same framework as the one in the *Writing* section above, but comparing two different options: their own country and a rival country. Before writing their report, they would need to do research on the comparison criteria (a-f) in the table, and could also include any other interesting points of comparison they find.

* Tip

Students who have completed the *Webquest* on p.49 should have lots of ideas for both **1** and **3**. If they haven't done this, you might need to be ready to give extra ideas, especially for weaker students.

Additional activity (stronger students)

All three questions in **3** would be good topics for a written essay.

* Tip

If you think students will have difficulty in coming up with ideas for **1**, prepare some specific examples of successful developing countries and what they have achieved, and get students to compare them.

Checklist, Key words

- See suggestions on p.5. Remind students to transfer useful vocabulary and phrases to their vocabulary notebooks.

7 Banking

Background

Since the **credit crisis** of 2007–9, the banking sector has undergone significant changes in terms of **ownership**, **regulation**, and **business models**. Reluctantly, the state has now become a major player in both the US and European banking systems. It is useful to separate at least six categories of bank which can be distinguished by their activities and target customer groups.

Retail banks are focused on the ordinary customer with local **branches** in most major towns. They offer a full range of financial services for everyday life.

Commercial banks mostly focus on small or medium-sized companies and provide a range of accounts for managing a company's cash flow, as well as overdraft facilities, loans, and specialist forms of finance, such as factoring and leasing.

Investment banking fundamentally focuses on the world of large, often multinational, companies, since its role is to provide services and advice on large financial transactions. When a company wants to issue shares or bonds on the financial markets, it will use an investment bank which will manage the operation and sometimes **underwrite** the offer by promising to buy the securities that are not bought or 'taken up' by other investors in the

markets. Investment banks also have strong **advisory departments** which are experts on M&A (Mergers and Acquisitions) activities, as well as **fund management** operations which manage funds for investors.

Mutuals (for example, **building societies** in the UK), unlike retail banks, are not public limited companies, but are owned by their members (every customer becomes a member) who have the right to vote for the board of directors. Their core business has traditionally been that of providing savings, loans, and mortgages.

The powerful new players in banking are the **Internet banks** and **supermarkets**. Supermarkets, in particular, create a big challenge for the traditional retail banks because they are now beginning to enable customers to carry out many simple banking transactions in their stores.

When looking at core banking activities, the role of a **loan officer** is a useful starting point because loan officers take responsibility for one of the bank's core functions: **lending** to customers. Banks, of course, will always be concerned to protect their loans by demanding guarantees (= **security**) from customers about what they can offer if they don't repay (= **default on**) the loan.

Additional task (stronger students)

Ask students if they know how investment banks differ from retail banks. Investment banks serve large companies and specialize in advice and trading on financial markets. Retail banks provide all the banking services an ordinary customer needs. Some banks (e.g. *Citigroup*) currently function in both ways, while others (e.g. *Goldman Sachs*) function exclusively as investment banks. Get them to identify which category the banks in the list belong to, and come up with other examples of both.

Countdown

- As an alternative to **1**, you could get students to research some or all of the banks before you begin this unit in class, e.g. *What services do they offer? Where do they operate?*
- All four questions in **3** would be good topics for essays or class presentations, as well as class discussions, especially for stronger students.

1 China = ICBC (Industrial and Commercial Bank of China)
Spain = Banco Santander
Russia = Sberbank
USA = Citigroup, Goldman Sachs
Japan = Mitsubishi UFJ Financial Group

- 2** ICBC. A larger bank has more capital and this usually allows it to borrow money more cheaply on the financial markets and gives it greater stability in a crisis. Smaller banks are usually more specialized and concentrate on one type of customer group or business.

Listening

Types of bank in the UK

-  Students answer **1** individually; they can then check answers in pairs. Review answers to **2** with the whole class, referring to the *Listening script* if necessary.

- Key**
- 1**
- 1 individual customers
 - 2 small / medium companies
 - 3 international companies
 - 4 individual customers
 - 5 individual customers
 - 6 individual customers
- 2**
- 1 Mutualls are owned by their members (every customer who uses them). Public listed companies are owned by shareholders who have bought shares.
 - 2 Supermarkets have a lot of cash and customers visit them regularly.
 - 3 It is cheaper to manage services online.

Additional activity (all levels)

Practise the pronunciation of the expressions in the table before you go on to do **3**. Remind students that a lot of the expressions use the question intonation they first looked at in Unit 1. See if they can say which of the questions are open (e.g. *Could you be more specific?*), and which are *yes / no* closed questions (e.g. *Is that right?*).

Speaking

Checking, clarifying, reformulating

-  Students do **1** individually. They listen to extracts from the conversation in *Listening* and complete the sentences. You may need to pause the recording after each expression. Students can then check answers in pairs, before doing **2**.
- Monitor the conversations in **3** and check they are using the correct expressions for each stage in the conversation.

- Key**
- 1**
- 1 Is that clear?
 - 2 understand you
 - 3 that is to say
 - 4 I didn't get that ... go over it again
 - 5 the point I was trying to make
 - 6 are saying that
 - 7 got it right
- 2**
- 1 that clear
 - 2 you are saying that
 - 3 understand you
 - 4 got it right
 - 5 didn't get
 - 6 go over it again
 - 7 was trying to make

* Tip

If students are all from the same country, give them an opportunity to compare their answers.

Webquest

- Get students to give a mini-presentation of their findings, based on their notes. Note that the students will need this information to support *Writing* on p.63.

Additional activity (weaker students)

Get them to find two more examples of other organization charts for banks and financial companies: one should be organized by functional departments and one by product lines and / or customer groups.

Additional activity (stronger students)

Get them to find examples of organization charts for banks and financial companies in their own country. Is there a preference for a particular kind of organizational structure? Can they translate / explain the different divisions to an English speaker?

Reading

An organization chart for a bank

- Discuss **2** as a class: see how much the students know (or can guess) about what each division does before they read the explanatory text.
- Check that students have answered **3** correctly before they move on to **4**. You can do **5** in groups or as a whole-class discussion.

0-π 1 b

- 3** 2 Personal finance
3 Wealth management
4 Business and commercial
5 Corporate and institutional
6 Group services

4 Wealth management *Clients*: wealthy private and business customers; *Products*: portfolio management, tax planning, stockbroking

Personal finance *Clients*: individuals and families; *Products*: current accounts, savings, investments, unsecured personal loans, mortgages, insurance

Corporate and institutional *Clients*: large international companies, government institutions; *Products*: debt financing, risk management, investment services

Business and commercial *Clients*: small businesses; *Products*: vehicle and property leasing, asset finance

Group services *Clients*: STR operations; *Products*: developing and maintaining infrastructure and IT technology, managing property portfolio, purchasing

- | | |
|------------------------------------|---------------------------|
| 5 1 Business and commercial | 4 Business and commercial |
| 2 Personal finance | 5 Personal finance |
| 3 Wealth management | 6 Wealth management |

Vocabulary

Banks and their products

- Stronger students may be able to do **1** without needing to look back at the *Reading* text.

0-π 1 1 headquarters

2 operating divisions

3 range

4 brands

5 mortgages

6 unsecured loans

7 a portfolio management; b stockbroking

8 tailored products

9 branches

10 leasing

2 1 range

6 stockbroking

2 headquarters

7 wealth management

3 divisions

8 leasing

4 branches

9 brand

5 tailored

Additional activity (stronger students)

Get students to 'convert' some of the informal language in the marketing copy to more formal language with a similar meaning, e.g. *check out* = 'investigate'; *call in / come in* = 'visit', etc.

Additional activity (all students)

Get students to find other examples of marketing and formal language relating to financial companies and services from newspapers or in the Internet. Students could use these to help them with the writing task, but remind them that they mustn't directly copy whole sentences from other texts they find.

* Tip

Get students to notice how Ursula's first answer includes a description of organizational structure that is similar to the ones they saw earlier in this unit, but on a smaller scale. Point out her use of expressions to describe what each team and person does: *One team is for ...; a second team deals with ...; the third team is responsible for ...; the commercial team for small businesses.* (In two of these examples, *for* is used to mean 'responsible for'.)

Additional activity (all levels)

Discuss students' personal attitudes to direct selling on the telephone. Would they be able to do it themselves? Why / why not? How do they feel when they get telesales calls at home?

* Tip

Point out to students that, unfortunately, there are no obvious 'rules' for matching these patterns to specific verbs. Refer them to the lists in the *Language reference* on p.123 and remind them (1) that a good learner's dictionary will help them find the correct pattern, and (2) that it's important for them to note the verb patterns of the words they use regularly in their vocabulary notebooks.

Writing

A bank profile

- This activity helps students develop a sense of appropriate register for different styles of writing. Go through the bullet point questions in **1** with the whole class and write up the students' comments on the board.
- For **2**, get the pairs to check each other's profiles for examples of the different styles that you have just reviewed with the class in **1**.

OT **1** The equity report refers to the bank and its customers in the third person, while in the marketing text, the bank is first person and the customer second person.
The use of the words *customer* and *client* in the equity report, whereas in the marketing copy, the bank refers to itself as *we*, and customers as *you* or by specific categories, e.g. *student, pensioner* (= 'senior citizen').
Examples of formal language in the equity report (e.g. *a major provider of banking and insurance products, substantial, further represented, vehicles*).
Examples of informal language in the marketing text (e.g. *And it's so easy!, check out, call in, look out for*).

It's my job

- Get students to read the text individually and then compare their answers to **2** in pairs. Then discuss the questions in **3** in small groups or as a whole class.

OT **2** **1** Deciding which customers to lend to by assessing their credit history and ability to pay.
2 good relationship skills with clients; accuracy in completing documents; ability to analyse financial accounts.
3 **1** Consumer loans are for private individuals; commercial loans are for companies.
2 The credit history helps the bank to decide if the client makes enough profit to repay the loan and tells them if the company has had problems with repaying loans in the past.

Professional skills

Selling on the telephone

- Get students to do **1** in pairs or small groups, then compare answers with the whole class. Are there any of the tips they disagree with?
- Elicit suggestions for **2** from the whole class and write them on the board.

Language spot

Verb patterns

- Once students have read the explanation and examples, elicit other examples of the three categories of verb pattern. For **1**, encourage students to try to fill in as many of the verb forms as possible before they check in a dictionary. Checking answers in pairs might help with this.
- **2** and **3** can be set for homework but if you do this, allocate time to review answers in class in the next lesson.

Key	1 2 starting	9 to have	16 to give
	3 making	10 to see	17 to update
	4 being	11 preparing	18 to see
	5 to start	12 to make	19 to have
	6 borrowing	13 to win	20 to borrow
	7 to see	14 to charge	
	8 to have	15 to offer	

Top margin

● Quiz: The banking crisis 2007–9

sub-prime loans are loans made to customers with a poor credit history who may have problems repaying, especially in reference to some mortgages in the American housing sector.

toxic assets are financial assets which lack any clear security (e.g. a property) to guarantee them. They are toxic because no-one knows their value or wants to buy them.

the credit crunch (2007–9) took its name from the fact that banks stopped offering any credit or loans to customers because they were afraid of customer defaults.

a **bank bail out** was the decision by the government to rescue the banks by lending them huge quantities of capital, usually in return for shares in the bank, to help them to stay in business.

recapitalization is the act of lending money to the banks to give them new capital so they could continue to offer loans to business and customers.

Speaking

Commercial lending

- In **1**, the main risk the bank faces is that the business will *default on* (= 'fail to pay') interest on the loan. If a bank makes too many bad loans of this kind, it can get into trouble. There are examples of things banks can do to reduce these risks in the list in **2**. 'Security' often means the company's assets, which the bank can reclaim if the debt isn't repaid.
- Review answers to **4** before students begin the role-play in **5**. When they have finished, get students to report back on who has secured the loans and on what terms. Discuss the reasons why some loan officers refused or modified loans. Who would make a good loan officer?

Key	4 b What kind of, 6	e How much, 5
	c What is your, 4	f What is your, 3
	d How much do you, 2	

Checklist, Key words

- See suggestions on p.5. Remind students to transfer useful vocabulary and phrases to their vocabulary notebooks.

8 Stock markets

Background

Stock markets perform a vital role in today's world financial markets as a platform on which to **trade shares** (UK) or **stocks** (USA) in companies, and also as a place for companies to **raise new capital**.

The biggest stock market is still **Wall Street** in New York. After that, the London Stock Exchange, Tokyo, Frankfurt, Hong Kong, and increasingly Shanghai, are very important. Each of them has its own **index** or indices which show investors the current valuation of a basket of top companies **quoted** on the market.

Stock markets perform two main functions: as a place for companies to raise new capital by issuing shares – a **primary listing** – and as a platform for investors to trade shares in what is called the **secondary market**. When a company issues shares or **lists** on a market for the first time, it comes to the market in a process called an **IPO (Initial Public Offering)**. To do this, it will need the services of an investment bank. The investment bank will test investors' interest in order to achieve a valuation and **underwrite** the shares by promising to buy any shares not sold to investors.

Once trading has begun, investors will buy and sell the shares daily and the price will fluctuate according to demand. The biggest investors in today's stock markets are professionals, the **institutional investors**, like pension funds, fund managers of mutual funds, or hedge funds. But ordinary people, the **retail investors**, can also have an impact, particularly in the buying and selling of small companies' shares. Investors will be hoping to make two kinds of **return** on their investment. A return from sharing in the profit a company makes, distributed to them in **dividends**, and a second return from any increase in the share price when they choose to sell, known as a **capital gain**.

Investors will pay close attention to a number of **technical indicators**, for example, the **p/e (price/earnings ratio)**, which shows the price of a company's share in relation to the earnings made by that share, and the opinion of stock market brokers who publish regular **broker's reports** giving their opinion of the prospects and potential valuation of a company. These will form part of the analysis discussed by traders and analysts at the **morning briefing** in a typical dealing room on the stock market.

Additional activity (stronger students)

Encourage students to visit the wealth of education materials published on the websites of major stock exchanges, for example, the *New York Stock Exchange* website at: <http://www.nyse.com/about/education/>. These websites explain many of the details of share trading.

Countdown

- You could ask students to research some or all of the questions as preparatory homework, and then go through the answers with the whole class.

- 1** Shares in a public company are listed and can be bought and sold publicly on a stock market. Shares in a private company are not traded on stock markets, but between individuals.
- 2** A stock index represents the market value of a group of companies (e.g. *the FTSE 100*).
- | | |
|---------------------|--------------|
| 3 1 New York | 6 Hong Kong |
| 2 London | 7 New York |
| 3 Tokyo | 8 São Paulo |
| 4 Paris | 9 Moscow |
| 5 Frankfurt | 10 Singapore |
- New York is the home of two indices.
- 4 Possible answers**
In general, 'central bank cuts' positive (encourage more investment); 'oil prices' negative (higher energy costs); 'debt' negative (especially for banks); 'London Olympics' positive (construction, infrastructure, tourism)
- 5** Institutional investors: pension funds, fund managers, hedge funds

* Tip

Explain to students that they will only be able to answer some of the questions from their own text, but that they should be able to answer all 13 questions by reading their own text and then their partner's text.

Reading

Stock markets

- To get a sense of students' background financial knowledge, see which questions in **1** they can answer before they start reading. (With weaker students, you could leave out this stage and go straight on to **2**.)
- Get them to underline or highlight the expressions in each text they used to answer each of the questions in **1**. This will make it easier to check the answers.

- Key**
- 1 Both words are used to refer to a company's equity, but in the UK the word *share* is more common.
 - 2 Rights to vote at the AGM and to receive dividends
 - 3 The money paid to shareholders from the company's profits as a return on their investment
 - 4 The Board of Directors
 - 5 The money is kept in the company to reinvest in growth.
 - 6 A dividend and a capital increase when they sell
 - 7 By applying to a stock market and following regulations for approval
 - 8 Initial Public Offering, the first listing of a company on a stock market
 - 9 The bank guarantees to buy any shares not bought by other investors.
 - 10 'Primary listing' is the first registration of the company's shares; the shares are then traded every day in the 'secondary market'.
 - 11 To enforce regulations and protect investors from fraud.
 - 12 When a company issues more shares for sale on the market.
 - 13 Increasing the overall number of shares means the value of each individual share will be less, i.e. diluted.

Top margin

- **UK share ownership graph** This could lead into a discussion about whether it is a good thing to own shares in a foreign company, or whether there should be restrictions on foreigners owning shares in key companies / industries.

Additional activity (stronger students)

Rather than giving them the correct answers yourself, get them to check each other's answers in pairs, referring to the *Listening script* on p.131 as necessary. Students could also be encouraged to look at recent stock market announcements of companies given in newspapers and see how these events have moved share prices and why.

Listening

Why do stock markets move?

- Use **1** as a lead-in discussion activity; check students understand the meaning of all the factors listed in **1** and encourage them to give reasons for their choices.
-  Students work on **2** and **3** individually, then check answers with the whole class. Pause the recording at relevant points if necessary.

- Key**
- | | |
|-----------------------|---------------------------|
| 2 a macro data | e institutional investors |
| b micro data | f pension funds |
| c interest rates | g insurance companies |
| d retail investors | |
- 3** 1F 2T 3F 4T 5F 6F

* Tip

When you have completed this activity, remind students that they can check the vowel sounds of words they are unsure about in their learner's dictionary.

Additional activity (all levels)

Get students to write one or two more sentences of their own, containing words that have each of the contrasting vowel sounds covered, then practise them with a partner or the whole class.

Additional activity (all levels)

The two discussion questions in **2** would be good topics for an essay or class presentation. Teachers could also bring in share tips published in newspapers to discuss why brokers have recommended particular shares or invite students to play the fantasy share-trading games on some financial websites.

Additional activity (stronger students)

Point out the alternative structure they can use for describing consequences, using *lead to / result in* and an adverb of probability (*possibly, probably, certainly / definitely*), e.g.

If the Chinese economy slows down, the price of steel should fall.

If the Chinese economy slows down, this will probably lead to a fall in the price of steel.

This is explained in the second part of the *Language reference* section on p.124 for this unit, and is further practised in the *Speaking* section on p.72. Get them to practise rewriting some of the sentences they wrote in a similar way.

* Tip

Explain that we often avoid using *should* to describe what we think are negative consequences: we use *will probably* instead.

Pronunciation

Vowel sounds

- Get students to complete the table in **1** individually. If you are short of time for the checking stage in **2**, you could play the recording of the individual words in the list yourself, rather than getting them to listen to the whole interview.

Key 1	/ɒ/	economy, long, obvious, shops, stock, volume
	/ɔː/	cause, fall, important, ordinary, short
	/əʊ/	macro, most, rose, show, whole

Professional skills

Investment strategies

- Review the pairs' conclusions in **1** with the whole class before going on to **2**. Encourage students to use agreeing and disagreeing expressions when they report their conclusions, e.g. *We thought a was absolutely right because ...*, *We didn't agree with b at all because ...*

Language spot

Describing consequences

- Get students to do the exercise individually. They should decide on the consequences of each of the events and how probable they think those consequences will be. (There are some suggested consequences in the key below.)
- When they have written their answers, compare them with the whole class. This could lead into a more general discussion.

Key Possible answers

- If the Chinese economy slows down, ...
 - ... company profits will/may/might fall.
 - ... the price of steel and metals will/should/may/might fall.
 - ... unemployment will/may/might increase.
- If a flu virus spreads around the world, ...
 - ... shares in airline companies will/may/might fall.
 - ... sales of pharmaceutical products will/should/may/might rise.
 - ... business travel and trade will/may/might fall.
- If the US government does not support its car industry, ...
 - ... workers will/may/might lose their jobs.
 - ... car suppliers will/may/might go bankrupt.
 - ... foreign car producers will/should/may/might do well.

Additional activity (stronger students)

Get them to research current news stories with financial implications and then prepare similar presentations.

Additional activity (weaker students)

Get students to write their own daily blog (they can invent information or pretend to be someone else if they prefer).

Additional activity (stronger students)

You could ask more interpretative questions about this text. What image is Jim trying to create of himself and his job? Is this successful? Can students find other examples of 'creating an image' on other Internet blogs they have found?

Additional activity (weaker students)

Write the answers to **3** on the board (in a different order) and get them to match the answers to questions 1–5. Then get them to work backwards and do the relevant calculations to check their answers.

Speaking

News briefings

- When students are looking at the model presentation format in **2**, get them to focus on the expressions in bold: explain that these will be useful for structuring many different kinds of presentation – both spoken and written.
- Once you have played the recording in **3**, recheck students' answers with the whole class. You need to be sure they have properly understood how this activity works before they go on to do the pair work activity in **4**.

1 1P 2N 3P 4N

2 See the *Listening script* on p.132.

It's my job

- There is some scope for discussion in **2**. Jim is clearly excited when his reports prove accurate (*I got it right!*). His attitude to the hectic pace of his job is harder to interpret from the text. Sometimes he seems frustrated by it. (*Ordered a great meal but I have no time to eat it; ... No time for the gym*), but elsewhere seems to be excited by it.
- Point out the variation in grammar used on the blog: Jim often uses action verbs without *I* (e.g. *Check the computer for early morning news ...*) as it's obvious throughout that he (Jim) is the subject.

Vocabulary

Reading the financial press

- Try to elicit answers to **1** before students look at the share price table in **2**. At this stage, it is fine to suggest general categories, such as 'profitability', 'past performance', etc. rather than the very specific points covered in **2**.

2 1	Volume	6	Change on day
2	Dividend yield	7	Sector
3	Current price	8	p/e
4	Market cap.	9	52-week high
5	Symbol	Not defined: 52-week low	

- 3
- £900 ($450p \times 200$)
 - £694 ($347p \times 200$)
 - £206 ($900 - 694$)
 - £81 ($450p \times 200 \times 9\%$)
 - 72.848 million (or 72,848,000)

Webquest

- Explain to students that the financial data they find on the websites may be presented in a different way from the table on p.73.
- You could also get the students to present their findings either in a written report or a class presentation.

* Tip

Get students to find other examples of analyst's reports on the Internet and compare the language and structure with that of the model report on p.75.

Additional activity (stronger students)

Get students to find a recent news report about a company and then write an analyst's report based on the news. They can use the model on p.75 but encourage them to use different expressions if they can.

Writing

An analyst's report

- Get students to quickly scan the text to answer **1**. Then go through the answers to **2** with the whole class. Get students to note any of the expressions they didn't know in their vocabulary notebooks.
- For **3**, point out the style of writing for the press release: some of the articles and verbs are missing (e.g. *Microphose reports [a] big rise in profits; [The] Share price [went] down from \$24 to \$21 this morning.*) You could get them to identify the other missing words in the text. Also, check that they understand *turn negative on* (= 'form a negative opinion of'); *move recommendations on Microphose* (= 'change their recommendations about Microphose').

- 0π 1**
- 1 Share price performance
 - 2 Sector outlook
 - 3 CEO's statement
 - 4 Recommendations
- 2** 1f,g 2c,d,e 3a 4b 5h,i 6j,k
- 4**
- 1 software
 - 2 \$21
 - 3 \$23
 - 4 sell
 - 5 has fallen by 40%
 - 6 a big fall in profits and a rise in investment costs
 - 7 compares with a fall
 - 8 22%
 - 9 poor
 - 10 negative
 - 11 is projected to
 - 12 5%
 - 13 announced Microphose faced difficult market conditions
 - 14 to invest in new products
 - 15 result in / lead to
 - 16 buy
 - 17 sell
 - 18 \$23
 - 19 advise clients to sell

Checklist, Key words

- See suggestions on p.5. Remind students to transfer useful vocabulary and phrases to their vocabulary notebooks.

9 Company internal finance

Background

All companies need money to finance their daily operations. This money comes from a variety of sources. Typically, it comes from owners, from trading income, and from the banks. At the outset, the owners will invest money in the company, the **owner's capital**, in exchange for shares. The company will then negotiate with a bank to set up short-term **overdraft facilities** or sometimes **longer-term loans**. Once trading has begun they will hope to receive increasing **income** from their sales to customers to cover their **expenses**.

The problem for any small start-up company is that it will have to begin paying expenses before it receives any income from sales. It will have to pay suppliers for raw materials or stocks and probably buy equipment; it will need to pay rent for its offices and salaries to its staff; and it will have to pay interest to the banks on any overdraft or loans it has arranged. This means that there is a big immediate **outflow** of funds before any income is received from sales, creating a **cash-flow problem**. The problem is compounded by the fact that the company will probably have to offer its customers a **credit period** in which to pay for their purchases (typically 30 to 90 days), so any **inflow** of funds will be further delayed.

That is why a financial manager will have to build a detailed plan, a **cash-flow forecast** month by month, to calculate how much money the company will need, and to show how it proposes to fund this money from sales. Strong action will also be needed to ensure prompt payment of outstanding bills, so a company will have to send out **reminders** and chase late payments very actively to ensure it has the inflow of the cash it needs to meet its expenses.

Once a company has begun to trade successfully, it will soon need further sources of finance in order to grow, for example, to buy more stock or materials for production, to replace new equipment, or to set up new sales distribution networks. This may mean arranging **short-term financing** or **medium to long-term financing**.

Short-term financing to pay suppliers and administration costs may be financed by extending bank **overdrafts**, but this is a very expensive and insecure way to fund the business. A better solution is often to use specialist financing, like **factoring** or **trade credit**. If a company is owed money by a customer, the company can use a factoring arrangement to transfer responsibility for collecting the debt to a bank for a fee in order to receive immediate cash payment. Alternatively, once a company has established a good record of payment, it can approach its suppliers and try to negotiate to buy stocks and materials on **trade credit**, hence delaying the payment of the bills.

The aim of good financial management, however, must be to establish long-term stability in the company's finances so that it can plan securely for the future. This can only be achieved by turning to medium- and long-term financing, such as **bank loans** (term loans for three to five years), **leasing** of equipment or machinery, or raising capital from the financial markets by issuing **bonds** or **shares**. It is here that many small companies often fail and **go bankrupt** when faced by recessions or unexpected shocks to their business.

Countdown

- This section introduces concepts and vocabulary that are covered in more detail in the remainder of the unit.
- Check the pairs' answers to **2** before they go on to complete the diagram in **3**. Review the answers to **4** with the whole class.

- 0-π** 1 sales, owners, bank
 2 a in b out c in d in e in f out g out h out
3 1 overdraft 5 rent
 2 capital 6 dividends
 3 interest 7 taxes
 4 salaries 8 raw materials
4 1 1st October
 2 The company can have no cash to pay suppliers, salaries, rent, etc.
 3 A company has to balance the 'real' inflow of cash against the outflow, so it must a) control the credit period it gives customers to pay; and b) ensure that customers pay on time.

▣ Additional activity (all levels)

There are a lot of 'agreeing and disagreeing' and 'opinion giving' expressions used in the meeting, especially negative ones denying responsibility (e.g. *I don't think you can blame us; I'm sorry, but I don't think it is anything to do with us*). This recycles and extends some of the language presented in Unit 5. Get students to identify these expressions, either by listening again or by looking at the *Listening script* on p.132, and underline the relevant phrases.

* Tip

Ask students if they can think of examples of formal correspondence expressions in their own language. How would they translate them into English?

Listening

Cash flow

- Before you start, ask students to identify the different job responsibilities of the four directors. For example, which of them is responsible for buying goods?
-  Get students to compare their answers to **1** in pairs. If there are any true / false questions in **2** that they couldn't answer or disagree on, tell them to use the *Listening script* on p.132 to check their answers.

- 0-π** 1 1 \$20,000 4 60 days
 2 \$12,000 5 20%
 3 30 days 6 40%
2 1T 2F 3T 4F 5T 6F

Writing

A reminder for non-payment

- Many of the expressions in the list (a-i) are 'fixed' expressions used in formal correspondence, e.g. *I am writing with reference to ... (= I am writing about ...)*; *Please find enclosed ... (= I am enclosing...)*. Get students to 'translate' these expressions into less formal language. There is a further opportunity of practising this in the *Speaking* activity on p.79.

- 0-π** 1d 2h 3i 4a 5g 6c 7e 8b 9f

Top margin

- **The cost of late payments** This text follows on from the topic in the *Writing* section on p.77. You could follow this up with a short discussion. Is it fair to pay bills late? Should there be laws to prevent it?

Language spot

First and Second Conditionals

- Go through the examples and rules in **1** and **2** with the whole class.
- In **3**, you can elicit answers by asking students questions, e.g. in sentence 3, does the speaker think it's likely that the customer will pay on 30 days' credit? (Answer *No* – so he uses the Second Conditional.)
- You can set the extra sentences students are asked to write in **4** and **5** as homework.

Key 1 1A 2B 3B
 2 1 *If*+ present + future
 2 *If*+ past + conditional
 4 1e 2c 3d 4a 5b
 5 1e 2d 3a 4c 5f 6b

Additional activity (stronger students)

Encourage them to do the role-play from memory and / or to go 'off script' and use expressions of their own. If necessary, you could give them 'cue cards' with the outline structure of the conversation, e.g. *Introduce yourself and give reference number; Say you were planning to call him / her, etc.*

* Tip

The question in **2** would be a good topic for a class discussion.

Speaking

Insisting on payment: the final reminder

- This continues the topic of dealing with late payment introduced in *Writing* on p.77; students should have completed this first.
- Check answers with the whole class before they do the role-play in **2**. Weaker students can use this as an opportunity to practise speaking aloud. Stronger students should do the *Additional activity* suggested here. Monitor the conversations and invite pairs to act out the conversation in front of the whole class.

Key 1 1e 2d 3a 4f 5c 6b

It's my job

- There are definitions of some new financial concepts referred to in the interview at the top of the page. Check that students understand these and other similar expressions, e.g. **security for loans** (= the guarantees a bank demands when it provides a loan in case the customer doesn't pay).

Additional activity (stronger students)

Brainstorm suggestions for different forms of financing before students look at the examples in **2**.

Reading

Financing the company

- For **2**, allow weaker students to use a dictionary or research their answers on the Internet. Go through the answers with the whole class before they go on to do **3**.

Key **1** Plasnia (L), Claw (S), Schlink (L), Mitlink (S)
2 1d 2g 3c 4e 5b 6f 7a
3 Possible answers
 Plasnia: leasing
 Claw: factoring
 Schlink: mortgage / bank loan
 Mitlink: overdraft / factoring

Top margin

- **Where's the best place to start up?** Use this text as a lead-in or follow-up to the *Webquest*. This could lead to a discussion about how far governments should go in encouraging start-ups, and recycles the vocabulary of regional development studied in Unit 6.

Additional activity (stronger students)

The task gets them to focus on UK sources of help. Get them to research equivalent organizations in their own country (or other English-speaking countries). How are they similar to and different from the UK agencies they've looked at?

Webquest

business angels are wealthy individuals who provide financial backing to entrepreneurs who want to start up a company.

venture capitalists are investment companies that specialize in investing in small companies usually in return for equity.

- You could divide up the task into smaller parts among each group, e.g. one student could evaluate governments support, another could look at business angels. If you do this, ensure that each group has a chance to report back to the whole class.

Professional skills

Negotiating

- Discuss **2** as a whole class. Elicit other suggestions and advice (both positive and negative) about negotiating.

* Tip

If students are having difficulty in understanding the concepts, get them to imagine they are running a shop. 'Trading performance' shows them what they made from the products the shop sold and what it cost to buy (or make) the products. The 'operating performance' shows the other fixed costs of running the business, e.g. rent, salaries. Then 'distribution of profit' shows what they did with the profit they made.

Additional activity (weaker students)

There is a lot of vocabulary input here, so prepare a short revision test for the following lesson.

Additional activities (stronger students)

- 1 Collect – or get students to research – other examples of company accounts and get them to compare the layout and terminology. (There will be significant differences in non-British companies which may not use a vertical presentation.) You could also get them to look at examples from their own countries.
- 2 Students could also work in groups to imagine and prepare the income statement for a small shop they know near the school.

Vocabulary

Income statement / profit and loss account

- Explain that this section contains some of the key concepts and vocabulary they will need to understand a company's accounts. This will be essential for students thinking of working in accountancy or of preparing for exams, such as the ICFE. The three categories (1–3) do not appear in a normal UK income statement, but are **explanatory** to help students to understand how the accounts are put together.

0-π	1	a trading performance
		b operating performance
		c distribution of profit
	2	1 cost of sales
		2 revenue / turnover
		3 gross profit
	3	1 corporation tax
		2 overheads / expenses
		3 operating profit
		4 profit after tax
		5 net interest paid
	4	1 retained profit
		2 dividends
		3 earnings per share
	5	1 £4,466,000 (revenue £6,067,000 minus cost of sales £1,601,000)
		2 £1,723,000 (gross profit £4,466,000 minus overheads £2,743,000)
		3 £1,413,000 (operating profit £1,723,000 minus interest £27,000 and tax £283,000)
		4 operating profit (<i>Operating profit</i> shows the efficiency of a company in converting materials and overheads into profit. <i>Profit after tax</i> can be distorted by changes in tax liabilities or by depreciation.)
	6	1B 2B 3B 4A 5A 6B 7A 8B 9A 10B

Checklist, Key words

- See suggestions on p.5. Remind students to transfer useful vocabulary and phrases to their vocabulary notebooks.

10 Company reporting

Background

Companies report to the public through a number of different channels. By law, all companies must hold an annual general meeting (AGM) and publish an annual report to distribute to all shareholders. They must also inform the markets through press releases of any events that may affect the valuation of the company.

Over the last twenty years, company reporting has become a hot issue in finance as companies have come under increasing pressure from governments and pressure groups to disclose more about their activities, their ethics, and how these may affect the public. As a result, the annual report has grown into a lengthy complex document. The key sections to look out for include

- chairman's statement
- outlook
- statement on corporate governance
- independent auditor's report
- responsibilities of directors
- financial statements
- notes to the accounts.

When reading a report for the first time, it is best for students to begin with the chairman's statement since this gives an overview of the company's performance for the year by product and by market. It is usually closely followed by an outlook statement that gives shareholders an idea of prospects for trading in the future.

The central sections of the report contain a number of standard disclosures. The independent auditor's report issued by the company's auditors should confirm that

the accounts have been properly prepared according to accounting standards and give 'a true and fair view' of the company's financial position. The statement about the responsibilities of directors explains the role of the company's directors in the decision-making processes of the board.

But to get a picture of the detailed financial performance of the company, it is necessary to turn to the financial accounts at the end of the report. These will include the formal balance sheet, income statement, and cash flow statement, which are explained in detail in the notes to the accounts.

The exact composition of the annual report will vary by company, by country, and according to national regulation. But in response to the pressure for more transparency, many companies have now begun to disclose much more about their activities. This has led to a radical rethinking of what we mean by 'reporting' and many high-profile companies have begun to report on a wide range of new ethical and 'green' issues which will be interesting for students to debate, for example

- environmental policy – the company's policy concerning sources of raw materials, recycling, energy and carbon use, and its effects on climate change
- corporate governance and pay – how the company's board of directors make decisions and the salaries they pay
- working conditions – the health and safety of its workers
- trading policy – especially issues such as the ethics of 'fair trade' and the developing world.

Countdown

- The types of communication introduced here include two marketing-based communications (trade fairs and open days). Students could be asked to identify which of the communications are forms of marketing in order to open a discussion about what their purposes are.
- Review the pairs' answers to **2** before continuing to the class discussion in **3**.

* Tip

You can devise similar skimming and scanning tasks for other texts you find on the Internet or in newspapers. If the text you choose already has sub-headings that identify the main sections, delete them and transfer them to a separate (jumbled) list. Weaker students could then match the sub-headings from the list to the sections in the text; stronger students could guess what the sub-headings are. These skills are of particular importance to those students preparing for exams (e.g. the Cambridge ICFE) since skimming and scanning are often set as tasks to test reading skills.

Additional activity (weaker students)

Give students examples of the different kinds of items in the list taken from real company reports. (One example is given in the top margin on *Marks and Spencer* on page 87.) They can use these to inform their choices in **1** and their discussion in **2**.

Additional activity (stronger students)

Get students to find examples of the different kinds of items in the list taken from real company reports. They can use these to inform their choices in **1** and their discussion in **2**.

* Tip

A good learner's dictionary, such as the *Oxford Advanced Learner's Dictionary*, will have lots of synonyms as part of their word definitions. Stronger students might also want to look at a thesaurus, such as the *Oxford Learner's Thesaurus*.

Reading

The annual report

- The purpose of this activity is to help students who are inexperienced in finance to navigate around the main sections of an annual report and to learn how to search for specific information.
- Go through the introductory note on **skimming** and **scanning** with the whole class before they begin answering the questions. When they have completed **1** and **2**, get them to read the text once more, and check if there are any grammar or vocabulary queries.

0-π	1	2	5	3	4	6	1
	2	a	para. 2 (line 2)			e	para. 4 (line 2)
		b	para. 2 (line 7)			f	para. 5 (line 2)
		c	para. 3 (line 2)			g	para. 6 (line 2)
		d	para. 4 (line 1)				
	3	1	chairman's statement; financial statements				
		2	independent auditor's report (and, possibly, corporate governance)				
		3	financial statements, notes to the accounts				

Speaking

What should companies include in an annual report?

- Get students to work on **1** individually, before they do **2**. As well as deciding on what companies should have to publish, get them to identify any of the points they think that companies **shouldn't** have to publish (and explain why).

Top margin

- **Chairman, CEO, MD: Who's who?** This highlights one of the many differences in terminology between British and American English. Stronger students may be able to think of other examples of such differences, either from business or finance in general.

It's my job

- For **1**, get students to use the skimming technique they saw in *Countdown* and the note-taking technique in *Listening 2*. If any of the words in **2** are unfamiliar, get students to record them in their vocabulary notebooks.

0-π	2	1b	2a	3e	4c	5d
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Vocabulary

Forecasting adjectives

- The adjectives used here give a speaker's feeling about the future rather than the verbs used in *Language spot* to present statistics.

0-π	1	bright + ; encouraging + ; promising + ; poor - ; gloomy - ; bleak - ; grim -
	2	very positive: bright; positive: encouraging, promising negative: poor; very negative: grim, bleak, gloomy

Top margin

- *Marks and Spencer* is one of the biggest UK retailers in every high street. This is an example of one of the items covered in *Speaking* on p.85. It could lead into a discussion of how effective this kind of initiative is both environmentally and commercially. Why are companies now publishing this kind of information? Is it just marketing? How does it affect the customers' view of their brand? (This would also be a good essay or class presentation topic.)

Listening

The chairman's statement at the AGM

-  The sequence of tasks requires students to listen to the same presentation in two different ways. The skill of note-taking practised in **2** is especially important for listening to a 'live' presentation, where it isn't always possible to ask the speaker to repeat information.
- For the listening task **2**, you may need to pause the recording or replay sections, especially for weaker students.

-  **1** sales revenue ↑
costs ↓
Asia +, China +, Europe –
Partnership with Microsoft
2 awards
Acquisitions: Hong Kong
Raised \$10m
- 2** costs **decreased by 2%**; closing **two offices**; Sales in Asia to grow by **30%**; Sales in China up **80%**; **cut sales team and marketing budget**;
Microsoft partnership to sell **software for computer security**;
Forbes award for **fastest-growing company in Asia**; Best Ticket to sell **software for ticket reservations**; raised **\$10m** by issuing new shares; share price **34 cents**; supported by **government spending**.

* Tip

Point out the use of the active in the spoken presentation and the passive in the written one. (They practise the useful skill of switching between the two in **1**.)

Language spot

Forecasting

- Go through the initial explanations and examples with the whole class before they answer the questions. Get them to answer the questions individually or in pairs, then review answers to each question in turn with the whole class.
-  In **4**, they listen to extracts from the *chairman's statement* listening on p.87, and complete the sentences. You may need to pause the recording after each expression.

-  **1** a Sales of our new range are forecast to be strong.
b The market is expected to decline by 2%.
c Profits are expected to rise by 20%.
d Costs are forecast to fall over the next quarter.
e Demand is expected to improve.
- 2** 1c 2a 3d 4b

3 Possible answers

- 1 is bound to be a success
- 2 should increase sharply
- 3 are bound to rise
- 4 is no chance of getting our money back
- 5 are unlikely to recover
- 6 is no chance of getting a loan

- | | |
|------------------------------|---------------------------|
| 4 1 the outlook remains poor | 5 remains bright |
| 2 unlikely to see | 6 we are likely to see |
| 3 are projected to | 7 should increase sharply |
| 4 is expected to grow | |

Additional activity (all levels)

Get students to find other examples of press releases on the Internet. Do they follow the tips in the PR agency's list? (This activity could also follow on from, or form part of, question 2 of the *Webquest* at the end of this unit.)

Writing

A press release

- Review the pairs' suggestions for improvements in 2 with the whole class. Make sure they use the advice in 1 to do this, together with any additional ideas of their own.
- Inappropriate / informal expressions in 2
 - *amazing* – this is a subjective impression, not a factual description; (better alternative: 'high-tech')
 - *really great* – too informal; (better alternatives: 'superb', 'impressive')
 - *is full of* – too informal; (better alternatives: 'has a wide range of'; 'is equipped with...')
 - *like* – too informal; (better alternative: 'such as')
 - *cool* – very colloquial and inappropriate; (better alternative: 'impressive')
 - *We invite all the press* – should be passive; (better alternative: 'the press are invited')
 - *We will begin to use the HQ when the builders go* – This sentence would be better in the passive; also, *when the workers go* is too informal; (better alternative: 'The new headquarters will start to be used / will be opened once construction work has been completed.')
 - *our boss ... says* – 'Boss' is too informal and it would have been better to give the manager's name and a direct quote from him or her here.
 - *plus* – too informal; (better alternative: 'together with' or 'as well as')
 - *if they want to ring ...* – This sentence would be better in the passive; also *ring* is too informal; (better alternative: 'Details can be found on our website or by telephoning/contacting...')
- Irrelevant information/expressions
 - *Journalists will be very interested in the news that ...*
 - *The building looks really great ...*
 - *We are really excited.*
 - *the public who are interested ...*
 - *We welcome everyone to the ceremony.*

Additional activity (weaker students)

Start by introducing the idea of **assets** and **liabilities**. Make a list on the board of the assets students own (car, savings, flat, etc.) then their liabilities (credit card debts, loans, etc.). Then divide these assets and liabilities into short term and long term.

Additional activity (stronger students)

Provide – or get students to research – other examples of balance sheets. How does the layout and terminology differ from the example in the book? (This activity could also follow on from, or form part of, question 1 of the *Webquest* at the end of this unit.)

Vocabulary

A balance sheet

- First get students to read the explanatory text and deal with any vocabulary queries. Check students' answers to **1** before they go on to fill in the information on the balance sheet in **2**. For weaker classes, get students to do **2** in pairs or as a class activity, writing the answers on the board.
- Discuss **3** with the whole class. (See the suggestions in the Key below.)

1	1 fixed assets	4 debtors
	2 long-term liabilities	5 current liabilities
	3 stock	6 total net assets

2 a £32m b £25m c £5m d £3m e £14m f £40m

3 For students with no accounting knowledge, it may seem attractive to buy a company with assets of £65m for only £20m. But the first problem is the debt: £40m. Effectively, the banks own the properties. For stronger students, things to focus on would be: the level of unpaid bills (the debtors) – especially if the amount of debt is rising – and the dangerously high value of stock: £25m. How much stock are Reklam selling to justify these levels? If the company stopped trading, this stock could be worth almost nothing.

Webquest

- You could tie in **1** with the suggested *Additional activity* for the *Writing* section (on 'A press release'), and **2** with the suggested *Additional activity* for the *Vocabulary* section (on 'A balance sheet') above.

Checklist, Key words

- See suggestions on p.5. Remind students to transfer useful vocabulary and phrases to their vocabulary notebooks.

11 Accountancy and auditing

Background

The world of accountancy is currently dominated by four big firms or partnerships. The firms are collectively referred to as '**the Big Four**' (see *Countdown* 1). Their domination of the profession stems from the demand by global companies to have the support of professional services like auditing in every country in the world in which they operate.

The work they do is quite diverse, including legal support, strategic planning, and company reorganization, and is far more creative than the traditional image of 'number crunchers' would lead students to believe. Although the exact department titles vary, most firms are organized into three main divisions that correspond to the types of professional service they offer corporate clients, namely **advisory, tax, and auditing**.

The **advisory division** works like a consultancy and advises firms on financing their business, restructuring their operations, about new markets they might enter, or about acquisitions they may want to make. The **tax division** is mostly concerned with tax planning, preparing companies for changes in tax regulation, or advising on the best way to structure their operations to take advantage of tax opportunities in different countries.

The **auditing division** is responsible for auditing the accounts of a company, inspecting their books for fraud or errors, checking they comply with accounting standards, and testing their internal financial controls.

All public companies employ **accountants** both in-house to prepare financial figures and externally in an advisory role, e.g. from the Big Four.

It is important to recognize that companies prepare two types of financial accounts.

- **Management accounts** are prepared continuously for internal use by the management to support their decision making and to control operations.
- **Statutory accounts** are prepared for publication and are sent to shareholders. They contain the **balance sheet, income statement** (profit and loss) account, and a **cash flow statement**.

The purpose of an **audit** is to allow the owners (shareholders) of the company to check if the managers they have appointed to run the company are really giving them a true picture of the company's financial position. For this purpose, every year they appoint an external **independent auditor**, usually from one of the Big Four firms, to carry out an audit of the company's accounts. An audit usually follows a very standard procedure.

- **Define the scope** – the auditors make a plan of what they intend to investigate.
- **Inspect the books and accounts** – checking for accuracy and fraud.
- **Check internal controls** – to see if staff observe the internal rules.
- **Carry out substantive tests** – to see if assets the company claims to own really exist.
- **Write a letter to management** – advising on problems uncovered and requesting solutions.
- **Sign off the accounts** – if the auditors are satisfied with their audit.

Additional activity (for weaker students)

Give students the opportunity to research their answers as preparatory homework before you begin working on this section in class.

Countdown

- This section reviews some of the key terminology used throughout this unit. Students may be surprised to learn that an accountancy firm works in auditing and tax planning as well as accountancy. Check that they have carefully read the description of the activities of the different divisions in **2**. Get students to do **4** individually, as this will help to confirm they have understood the differences.

Key	1	1 KPMG	3 Ernst & Young	
		2 Deloitte	4 PricewaterhouseCoopers	
	2	1 Advisory	2 Audit	3 Tax
		3	1 Advisory	2 Audit
4	1 Audit	5 Audit		
	2 Advisory	6 Audit / Advisory		
	3 Advisory	7 Advisory		
	4 Tax	8 Tax		

Additional activity (weaker students)

Start by directing attention to the flow diagram and explain the roles of an industrial **purchaser** and a **supplier** and what delivery is. Talk about easy examples: a car company, *BMW*, placing an order with its supplier to buy components (e.g. wheels). Explain what happens when the order is placed and delivered. What has to be checked? Then use the flow diagram to follow how the supplier bills the purchaser until payment is completed.

Additional activity (stronger students)

Ask students to complete the definitions without looking at the diagram. They can then use the diagram for checking their answers. Or you could write some or all of the gapped sentences on the board and elicit the missing words before they see the list.

Vocabulary

Documents and billing records

- Students work individually then check their answers in pairs. Remind them to note any vocabulary they did not know in their vocabulary notebooks.
- Point out some of the key structures used in the diagram for describing documents as **subject** (e.g. *a document (that) lists ...*; *a delivery note details the items ...* (= gives details of the items) and **object** (e.g. *to issue a credit note/document*; *to sign a delivery note*).
- Also, explain the different uses of *to issue to*, e.g.

Sales invoice issued to the purchaser (= 'sent to the purchaser')

Cash receipt – issued to confirm receipt of payment (= 'issued in order to confirm that payment has been received').

Key	1	purchase	6 defective
		delivery	7 wrong delivery
		proof	8 amount owed
		authorized	9 settle
		inspect	10 issue

Language spot

Time clauses: describing stages of a process with *when*

- Begin by getting students to read the examples and check whether they know that *a* is the correct option before they go on to read the explanation.
- Check their answers to **1** before they write their own sentences in **2**.

Key	1	1 will check	6 have finished
		2 have tested	7 are
		3 will ask for	8 arrives
		4 will decide	9 have checked
		5 negotiate	

Reading

Accounting and auditing

- Check students' answers to **1** before they begin reading their respective texts.
- If necessary, give the whole class examples of the kind of notes they need to take in **2** in order to be able to explain the job they are reading about to their partner. Monitor the students' explanations in **3**.
- In **4**, they finally read each other's texts. When you check their answers, get them to refer to which part of the text they used to decide on their answer. (See the explanatory notes in the *Key* below.)

Key

1	1 Accountants	4 Accountants
	2 Auditors	5 accounts
	3 Auditors	

2 Student A

- 1 The financial records of a company's sales, purchasing, and cash.
- 2 To help managers to control the business.
- 3 To comply with the law / meet legal requirements.
- 4 Rules created by the accounting profession on how to report figures, e.g. 'consistency', 'prudent', 'a going concern'.
- 5 The IFSA is an international accounting organization that tries to create common standards of accounting worldwide.

Student B

- 1 To check the accounts and write a report on their accuracy.
- 2 Every year.
- 3 The owners of the company.
- 4 Invoices and receipts, the books and bank statements.
- 5 To know if the assets of the company really exist.
- 6 They write a letter to management.
- 7 They issue a 'qualified opinion'.

- 4**
- 1 F (Occasionally they 'are unable' do this and issue a 'qualified opinion' – See Auditing: paragraph 7.)
 - 2 F (It tells you about things a company buys – See Accounting: paragraph 1.)
 - 3 T ('Have the staff really followed ... the company's rules?' – see Auditing: paragraph 4.)
 - 4 F (There's 'growing pressure' for international standards, but this means they haven't been adopted everywhere yet – see Accounting: paragraph 5.)
 - 5 F (The auditors are appointed by the owners of a company, not its managers – see Auditing: paragraph 2.)
 - 6 T ('Every year' is specified in Auditing: paragraph 2 and in Accounting: paragraph 3 'annual summary'.)
 - 7 F (Nowadays they're kept in electronic form – See Accounting: paragraph 1.)
 - 8 T (See Auditing: paragraph 6.)
 - 9 F (They are prepared 'monthly, or even weekly' – see Accounting: paragraph 2.)

Top margin

- **Arthur Young and Alwin C Ernst** Ask students if they can think of any other examples of small businesses that became huge corporations. What qualities make an accountancy firm successful – people, skills, integrity, networking? And why do they sometimes fail? (They could research the example of Arthur Andersen here.)

* Tip

Students should also look at the other 'staging' expressions the speaker uses to structure the presentation: *We will start by ...*, *In the next step, we will ...*, etc. This helps prepare for the explanation of how to begin and end a presentation at the start of the following *Speaking* section on p.96.

Listening

The steps of an audit

-  Check answers to **1** before students go on to listen for detail in **2**.
- When students have completed the listening tasks, get them to look at the *Listening script* and underline examples of the sequencing expressions with *When* which they looked at in the *Language spot* on p.94.

- Key**
- 1** a4 b1 c6 d2 e5 f3
- 2** a machinery and stocks; members of staff
c shareholders; annual report
d sales ledger; bank statements
e how you propose to change the systems
f rule book; real documents

Additional activity

(stronger students)

Get students to make their presentation in **4** using outline notes only, rather than reading directly from their completed presentation plan.

* Tip

Leave out the final assessment questionnaire in **4** if you think students will be uncomfortable about commenting on their partner's performance (or about having their own performance commented on).

Speaking

Presenting a sequence of steps in an audit

-  Get students to note down the missing text individually in **1** and **2**; they can then check their answers from the *Listening script*.
- Check the presentation plans that students completed in **3** carefully before they start doing the pair work in **4**. In particular, make sure they have put the six steps (1–6) in the main part of the presentation (corresponding to gaps 4–9) in the correct order.

- Key**
- 1** 1 I would like to explain
2 As you know, when we do the audit,
3 we expect the audit to take
- 2** 1 we have completed all these tasks
2 the whole process to take
3 that clear
4 that completes my presentation
- 3** 1 a I would like to explain
b As you know, when we do the audit
c We expect the audit to take
d the whole process to take
e that clear
f Are there any
g completes my presentation
- 2** 1 define the scope of the audit
2 look at your accounting system
3 examine the internal controls
4 do the substantive tests
5 write a management letter
6 sign off the audit report

* Tip

The focus here is on accountancy, because of the topic of the unit, but students could do similar research on other financial sector jobs they are interested in investigating.

It's my job

- The topics in **3** – and especially number 2 – would be good for a written essay or class presentation, as well as for a general class discussion.

Webquest

- Many accountants train at one of the big firms but then go on to work for smaller firms or in company finance departments. Is this mentioned on the sites the students have visited?
- When students report back in **2**, write up the results of the research on the board under the topic headings (1–4) and use this as the basis for a discussion about how to prepare for and apply for jobs in accountancy firms, or about which firms are best to apply to.

Writing

The auditor's letter to management

- When they have completed **1**, get students to look at the grammatical structures (modal verbs and infinitives) that follow some of the 'advice giving' expressions, e.g.

*We must point out that ... we **may not have** identified*

*We would advise you **to make** ...*

*We recommend that in future a department manager **should** check ...*

- Point out the use of *would* or *could* to make the tone more polite, e.g.

*We **would like to** draw your attention to ... (rather than *We draw your attention to ...*)*

*We would advise you **to make** ... (rather than *We advise you to make ...*)*

***Could you** please inform us of ... (rather than *Please inform us of ...*).*

- Remind students that they should note these typical structures, along with the expressions themselves, in their vocabulary notebooks, and that they should use them in their letters.

0π 1 1j 2c 3d,f,h 4b 5e 6g,i 7a

Professional skills

Accountancy and professional ethics

- All three discussion questions would also be good topics for written essays or class presentations.

Checklist, Key words

- See suggestions on p.5. Remind students to transfer useful vocabulary and phrases to their vocabulary notebooks.

12 Insurance and risk

Background

The insurance industry is made up of two main sectors: the **personal insurance** market, comprising **life** and **non-life** businesses aimed at the ordinary individual, and the **commercial insurance sector** which meets companies' needs. Students, of course, will be most familiar with the non-life personal sector since this provides all the familiar types of consumer insurance, e.g. personal possessions insurance, motor insurance, health insurance, travel insurance, property insurance, and credit card insurance.

The **life insurance** market is really a branch of the savings industry since most products are designed for long-term savings, e.g. for **pensions** as well as life insurance protection against death.

When a customer takes out a personal insurance policy it is important to look at the **cover** offered (i.e. what is protected), the **exclusions** and, of course, the price or **premiums** they have to pay. If a customer suffers damages and has to make a claim, they will have to fill in a **claims form**, the value of the losses will be assessed by a **loss adjuster**, and the claim will then normally be settled by the insurance company.

The **commercial insurance sector** provides insurance to companies to protect them against risks in their business. These would include

- property insurance
- all risks – fire, flooding, storm damage
- public liability insurance – to protect against claims made by customers
- employer's liability insurance – to protect the company against claims from employees, e.g. when injured at work
- business interruption – to compensate for loss of business following a disaster
- private medical insurance for staff.

Over the last ten years, **risk management** has become a major concern, not only for financial institutions like banks following the credit crunch, but for all public companies facing terrorist events or climate change.

For management purposes, companies usually recognize four main categories of risk: **operational risk**, **strategic risk**, **financial risk**, and **natural disasters risk**.

A **risk audit** of a company usually starts with a review of all the day-to-day operations of the company in order to identify the **operational risks** in its systems: all the things that could go wrong, for example, a failure of its computer systems, staff errors, or the resignation of key personnel.

Strategic risks arise from the daily process of decision making as managers weigh up strategic choices about how to develop their product range, which new markets to enter, or if they want to make acquisitions.

A company's **financial risks** are mostly focused on questions of managing cash flow, credit terms, client payments, and, of course, securing the long-term financing needed for running the business. Within financial markets risk management plays a central role as any trading operation involves a calculation of risk against potential return and traders will use derivative instruments like **hedging** and **futures** to protect their positions.

All companies today also need to carry out detailed planning to meet the risks of **natural disasters**. With the rise of terrorism and problems caused by climate change, these will increasingly be at the top of the agenda for senior management.

Countdown

- Get students to describe what they see in the photos in **1** before they say what the risk is. This is an opportunity to elicit and introduce vocabulary (*policy, cover, etc.*) and verb collocations (*take / manage / protect against / risks*) that will be developed in *Vocabulary*.
- Compare the different pairs' answers to **2** and **3** with the whole class.

Additional activities (stronger students)

- 1 Ask students to fill in the missing words in the website text without referring to the list of expressions in **2**. They could then look at the list of expressions to check their answers.
- 2 Get them to list other verbs that can be used with the insurance expressions (a–f) in **3**, e.g. *make / refuse* a claim; *complete / return* a claims form, etc. They can refer to a dictionary for help.

Additional activities (weaker students)

Before you start *Vocabulary 1*, build a flow diagram on the board (based on **2**), showing what happens when you make an insurance claim: this will help to elicit the vocabulary practised in the exercises.

Additional activity (weaker students)

For students who do not have direct personal experience of insurance, get them to imagine all the things they might need to insure in the future (house, car, possessions, pets) before they look at the tips in *Professional skills*.

* Tip

When students are presenting their list of risks to their partner in *Reading 4*, encourage them to use some of the 'structuring' expressions for spoken presentations they have studied in previous units (e.g. for comparing options in Unit 6 and sequencing in Unit 11).

Vocabulary

Personal insurance

- Check students' answers to **1** before they go on to do **2**. Make sure they put words they don't know in their vocabulary notebooks (together with the collocations shown in **3**).

0	1	1g	2b	3d	4f	5a	6e	7c
	2	1	insurance policy	6	no-claims bonus			
		2	cover	7	claims form			
		3	premiums	8	quote			
		4	exclusions	9	damage			
		5	excess	10	claim			
	3	1e	2f	3c	4b	5a	6d	

Professional skills

Tips on getting the best insurance policy

- Students may not be able to answer question **2** (about insurance in their own country) immediately, in which case give them an opportunity to research their answers and prepare to discuss them in the following class.

Top Margin

- **Hedging your bets:** A **derivative** is a financial product whose value 'derives' from an underlying asset with a varying value (e.g. commodities, shares, etc.). Common types of derivative include: **options** (= a right to buy or sell shares, commodities, etc. at particular price within a set time), **futures** (= a contract for shares, commodities, etc. bought at an agreed price but delivered or paid for later), and **swaps** (= an exchange of different liabilities between two borrowers, either so that each acquires access to funds in a different currency or so that a fixed interest rate is swapped for a variable one. This can protect a company against changes in exchange rates or interest rates).

Reading

How do companies manage risk?

- Use **1** to introduce examples of different categories of risk. Elicit suggestions and write them on the board. (You will need to give some examples with weaker classes.)
- Check students' answers to **2** and **3** to ensure they have understood the categories of risk before they do the activity in **4**. Check the lists that students write for **4** and monitor their final presentations to their partner.

0	2	1	operational risk	3	financial risk					
		2	strategic risks	4	natural disaster risk					
	3	1S	2O	3O	4F	5S	6S	7O	8O	9N

Language spot

should have done and Third Conditional

- Tell students to look at the headlines in **1** and then write their suggestions for *should have (done)* sentences on the board (see the *Key* for some ideas).
- Get students to write answers to **3** individually, then review answers with the whole class.

Key 1 Possible answers

Headline 1: They should have run more tests / been more careful.

Headline 2: They should have had more controls / discovered the problem sooner.

Headline 3: They should have manufactured smaller cars.

Headline 4: They should have continued the safety tests.

Headline 5: They should have run a better advertising campaign.

2 Possible answers

2 The company should have checked the credit position of the customer. / The company shouldn't have given credit without checking the credit position of the company.

3 The company should have tested the safety of the product. / The company shouldn't have launched the product without testing the safety.

4 The company should have used two suppliers. / The company shouldn't have depended on one supplier.

5 The company should have issued safety glasses. / The company shouldn't have allowed employees to work without glasses.

3 1 If they had tested the software, they would have found the faults.

2 If they had practised the fire drill, the workers would have known the fire procedure.

3 If they had respected the safety guidelines, they would not have received a big fine.

4 If they had maintained the machines, they would not have broken down.

5 If they had visited the factory, they would have seen the working conditions.

Additional activity (all levels)

Get students to research other examples of natural disasters on the Internet, and specifically the role played by insurers and the other organizations listed in **4** question 2. They can then give a short class presentation.

Listening

Insurance claims from a natural disaster

- Use **1** to discuss the effects of an earthquake (or other natural disaster), and the damage caused to property, people, and businesses. Try to elicit the types of insurance cover that might protect them before they look at the list of examples in **2**.
- For **3**, pause or replay the recording if students have difficulty in answering. Get them to check their answers in the *Listening script* on p.133.
- If you think students will have difficulty in discussing the topics in **4** immediately, give them a chance to research the questions then allocate time for the discussion at the beginning of the next lesson.

Key 1 See list of types of insurance cover in the table in **2**.

2 1c 2d 3e 4a 5b

3 1F 2T 3F 4F 5T 6F 7T 8F

Writing

Reporting on insurance claims

- Note that students will need to take information from the task instructions to complete the first part of the report (For the attention of, Objectives, etc.). You may want to give extra support by first asking students to find the information in the notes which corresponds to each of the categories of insurance risk mentioned in the report (e.g. 2 *Property (all risks) insurance* is mentioned in the 'property damage' section).
- Point out to students how the notes need to be expanded in the written report, e.g. section 1 includes expressions of good news (*We are glad to report*), forecasts (*we do not expect*), and the use of the passive (*they will be covered by*). If necessary, give students one or two examples of how to expand on the notes provided so that they will end up with the full wording needed for a report, e.g. *property damage*

The damage to our hotels was limited to the city-centre hotel. Although the structural engineer's report says that the building is structurally safe, some chimneys and walls will need repair work and windows will need to be replaced. This work is estimated to take up to three months and to cost NZ\$700,000 (or approximately US\$500,000)

- Students should do the writing task as homework. Review any common problems with the whole class once you have checked their work.

Top margin

- Use this text as a lead-in or follow-up to the *Webquest* on Lloyd's of London on p.106. Can students think of (or invent) other examples of unusual types of insurance? Tell students to keep notes of their ideas for this, as they will be useful for the *Speaking* section which ends this unit.

Webquest

- As well as answering the questions here, encourage students who are interested to explore the *Lloyd's of London* website more widely, especially the sections relating to careers in insurance.

0-π 1 1b 2c 3a

2 Possible answers

- 1 Olympics insurance; sports star injuries
- 2 sea levels; flooding; hurricanes, e.g. Hurricane Katrina
- 3 unmanned space ships; satellites

3 'Reinsurance' allows insurance companies to take out insurance against the insurance contracts they have written. This spreads the risks among many companies.

It's my job

- In **1**, point out the difference between general activities and the specific activity Joanna is working on at the moment. We use the Present Simple to talk about the former and the Present Continuous for the latter, e.g. *She advises the underwriters. She is working on a project to identify risks for the next World Cup.*

- When students have answered the questions in **2**, get them to focus on expressions specifically relating to insurance, e.g. *to work in insurance*, *to work on [a project] ...*, *to assess risks*, *to evaluate impact*, *to advise on something*, *to build a picture of*, *to quantify the financial impact of something*, *to insure against losses*. Tell them to note down this vocabulary, as it will be useful for the *Speaking* activity on p. 107 and more generally.

- Key 1** Advising the underwriters; talking to experts; researching historical records. Currently working on a project to identify risks for next World Cup
- 2**
- 1 the emerging risks team
 - 2 New risks whose effects are not fully understood or studied because the events have not happened before.
 - 3 Global warming, computer and Internet fraud; the effects of genetically modified food; nanotechnologies; robotics; new infectious diseases
 - 4 History provides information on previous events which allows insurers to quantify potential losses and plan to eliminate or minimize the risks.
 - 5 By demanding high standards in insurance contracts for construction, organization and preparation of events, insurers can make sure that risks are minimized in the planning stages of big projects.

Speaking

Insuring risks at Lloyd's

- Brainstorm ideas for unusual forms of insurance with the whole class before you begin the role-play. Examples might include meteorites, pets, climate change disasters, pop stars' voices, a film star's legs, kidnapping, etc. (You may already have done this after reading the *Top margin* text on p.106.)
- Encourage students to use the insurance-specific vocabulary they have been looking at throughout this unit. The negotiation role-play provides a good opportunity to recycle *if* conditional sentences when making offers with conditions.
- In **2**, encourage your students to think about the four types of risk they studied in the *reading* text. (See *Key* below for possible topics.)

- Key 2 Possible topics**
- a fire or flooding in a stadium
 - crowd violence
 - travel/airline disruption
 - delays in completing a venue
 - injury/death of a major athlete
 - problems with ticketing
 - political disruption, e.g. strikes and wars
 - extreme weather

Checklist, Key words

- See suggestions on p.5. Remind students to transfer useful vocabulary and phrases to their vocabulary notebooks.

Instructions for communication activities

Unit 1

- 1 Divide the class into two teams or into smaller groups of five or six students. Ask one student to come out in front of the class. Give them one of the six job cards. Tell them to read each sentence on the card in turn. The other students have to guess what the job is. The student with the job card should pause after each sentence they read, to give the rest of the class a chance to name the job.
- 2 When someone is sure of what job it is, they should shout out 'BUY!' and say the job. Their team gets two points if they guess the job correctly and loses a point if they guess wrongly. If they still can't guess after the four sentences have been read out, they can ask *yes / no* questions until they guess the job correctly.
- 3 Continue until you have used all six cards. Once all six cards have been read out, the team with the most points wins.
For stronger students, you could write extra job cards, or get them to write job cards of their own.

Unit 2

- 1 Divide the class into pairs. Give Students A and B their role cards.
- 2 For the first stage of the role-play, give Student B (who is playing the role of the bank employee) the Customer Service department notes. When they swap roles, so that Student A is now the bank employee, get Student B to hand over the notes to Student A.
Monitor the conversations while they are taking place. As well as getting them to check each other's notes, review any queries and problems with the whole class at the end of the role-play.

Unit 3

- 1 Divide the class into pairs and get them to read the instructions.
- 2 When the pairs have finished the conversations, review the activity as a whole class. Check that everyone agrees on how to frame the questions, and on which questions could or couldn't be answered from Student B's notes.

Unit 4

- 1 Divide the class into pairs. For part 3, get students to look at each other's graphs at the same time to check their answers.
- 2 The period coincides with the international banking crisis. Both salaries and bonuses declined over the period, but there was a much sharper decline in bonuses during March 2009, which was the most serious point in the crisis. This kind of sharp movement over a short period is called a 'spike'.

Unit 5

- 1 Divide the class into groups of four to six. Give each group four or five of the topic cards (or get them to choose their cards randomly) or let them choose their own topics.
- 2 Get the groups to agree and write down predictions for each of their topics. The predictions can be for their own country / region, or for the world; for the coming year, or for further into the future. Give groups one point for each prediction and two points if they give the background to their predictions, using *because, as long as, provided that, or unless*.
- 3 Compare and discuss the groups' predictions as a whole class. Agree which two predictions are most likely to happen and which two are the most original or interesting. Then give three points for each of the ones chosen. The team with the most points wins.
For stronger students, add extra topics or get them to suggest more topics of their own.

Unit 6

- 1 Divide the class into groups of four. Tell them they are the directors of a company based outside Europe which wants to set up a European subsidiary. They will need to decide where their new European company will be located.
- 2 Give each group the bottom slip of paper to fill in. Tell them to decide what kind of company they are, how many people they employ, and to give their company a name.
- 3 Get them to look at the list of priorities and rank them in order of importance for the company they have invented.
- 4 Then show them the three advertisements and get them to decide which of the three cities is the best option for their company.
- 5 Tell them to make a list of any questions they have which are not answered in the advertisements. Go through these questions when you review the activity with the whole class.
As a possible additional activity, get them to research answers to their questions on the Internet. Can they find any other cities that meet their needs better?

Unit 7

Divide the class into teams of four.

If you are doing this activity with weaker students, go through the points in questions 1 and 2 with the whole class and ensure that they have enough background information to be able to complete the task successfully. If they don't have Internet access, you will need to prepare some examples of logos and slogans for them to look at. Encourage them to try to come up with original ideas and not just copy other logos and slogans they have seen.

Unit 8

- 1 Divide the class into teams of four. Tell each team that they are an investment syndicate. First they should give their team a name. They each have a total of £10,000 to invest in a choice of companies. They should discuss between themselves how much to invest in each company. Give each group a copy of the **Company descriptions** and **Broker's report**. They should use the information in these to make their investment decisions. Explain that you will review their investments in a week's time to see which shares have risen or fallen in value.
- 2 When they have decided, they should use the **Purchase slip** to record their investments. Make sure they note down the total amount they are investing in each company and the number of shares this article represents. They will need to use calculators for this.
- 3 When they have made their investment decisions, give them a copy of the **Weekly news / share movements** article on the information sheet. Get them to calculate the current value of their investments. They should do this by applying the relevant percentage increases or decreases to the total amount of money they invested in each company: they **don't** need to recalculate the individual share prices. The team which is left with the most money is the winner.

If you want to play the game again, you could add more companies and news items / share movements of your own. For stronger students, there are a number of more realistic share buying games available on the Internet, which will give students a better idea of what share trading is really like.

Unit 9

- 1 Divide the class into pairs. Monitor the conversations while they are taking place. The activity depends on accurate communication of figures, so listen out for any problems or misunderstandings.
- 2 When they have completed the negotiations, review the deal each pair has made. Based on the deal each pair has made, get the class to decide who were the most successful negotiators.

Unit 10

- 1 Give each student one or two of the question cards.
- 2 Get them to stand up and move round the classroom, taking turns at welcoming people to their company and being welcomed.
- 3 Tell students to begin by shaking hands, introducing themselves, etc. If there are different ways of greeting a visitor in their country (e.g. bowing, exchanging business cards, etc.), have an initial discussion with them about whether these should be used with foreign visitors.
- 4 Then tell them that they should continue the conversation by asking the question(s) on their card(s). They should then try to keep each conversation going for as long as possible. After two or three minutes, tell students to swap roles.

Warn them that a few of the questions on the cards might be inappropriate. (You can decide whether to give students any of the inappropriate questions when you hand out the question cards.) If they think they have an inappropriate question, they should ask it anyway. If they are asked what they think is an inappropriate question, they should try to find a polite way of answering (or not answering). At the end of the activity, ask the students to say which questions they thought were inappropriate, and discuss why.

Unit 11

Stronger students

- 1 Divide the class into pairs, Photocopy the sheet and cut it in half so that each pair has two copies of Crossword A or two copies of Crossword B. Do not give stronger students the clues.
- 2 In pairs, students discuss and write clues for all the words in their crossword. You may need to help them by giving them a couple of examples at the start.
- 3 When they have finished, tell students with Crossword A to work with students with Crossword B.
- 4 They shouldn't show each other their crosswords. In their new pairs, students should take turns asking each other for the clues for the missing words in their crosswords.

B What's 1 down?

A A crime where someone gets money or goods illegally. Auditors investigate this.

If they have problems thinking of the answer, their partner should help by giving more clues.

- 5 When they have finished, students should look at each other's crosswords to check their answers.

Weaker students

Give students A and B the relevant crosswords **and** clues, then follow the instructions from 4 (above) onwards.

Unit 12

- 1 Get students to read the briefing individually. Then divide them into pairs for **1** and groups of four to six for **2**.
Ideally they should do this activity after they have done the *Reading* on risk management on p.102 of the Student's Book. When they are making their suggestions in **2**, you could also encourage them to use the *should have done* / Third Conditional structures covered in the *Language spot* on p.103.

1 Grammar test



1 Write the questions for these answers given by Angus Fraser in an interview.

- 1 job _____?
I'm a trainee customer advisor in a bank.
- 2 bank / work for _____?
Fleetwood Bank.
- 3 leave university _____?
In 2007.
- 4 study / business or finance _____?
No, I didn't. I studied economics and politics.
- 5 job / well paid _____?
No, it isn't. But I'm still a trainee.
- 6 earn _____?
About £20,000 a year.
- 7 choose / job in banking _____?
Because I like advising clients on financial investments.

2 Complete the letter of application with one of these verbs in the correct form: Present Simple or Present Continuous.

advertise be good believe give have learn like speak study work

Dear Ms Balcome
Re: 782/267 Graduate Trainee Scheme (Auditing)

I would like to apply for a place on the graduate trainee scheme for auditing which you are advertising¹ this week on www.gradujobco.uk.

As you will see from the enclosed CV, I _____² mathematics and finance at City University and will graduate this summer. I _____³ that I now have excellent numerical and analytical skills through studying these subjects. Also, I _____⁴ French fluently, and I _____⁵ Spanish at my university's language centre.

I feel I have a lot of the skills needed for a career in auditing. I _____⁶ working independently and I _____⁷ at focusing on detail. Currently I _____⁸ for a local charity and I am also a student representative at my university. Because of this, I _____⁹ a lot of experience in working with people and I regularly _____¹⁰ presentations to large audiences.

Thank you very much for your time. I am available to come for an interview after my course ends on 30th June and hope to have the opportunity to talk to you in person about this application.

Yours sincerely

Kim Walters

Kim Walters

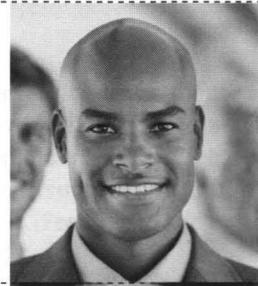
1 Communication



SERGE

- 1 I work for Paribas in Paris.
- 2 I spend my day in front of a computer screen.
- 3 I watch the market carefully.
- 4 When a client phones me, I buy and sell shares for them.

Answer: Equity trader / Share trader



IVANA

- 1 I work for an international company called KPMG in Moscow.
- 2 I travel a lot, visiting companies.
- 3 I work in a team and they usually spend about two weeks with the client.
- 4 We investigate the books and accounts to check if they are accurate.

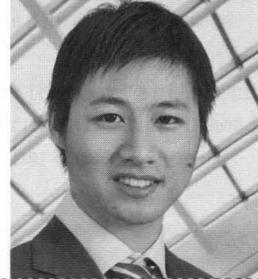
Answer: Auditor



HOSHI

- 1 I spend a lot of time out on the golf course with clients.
- 2 I have to socialize and build contacts with clients.
- 3 I have to be good at listening to get information about clients' needs.
- 4 I sell services to the client to protect them against accidents or natural disasters.

Answer: Insurance broker / Insurance salesman



ISABELLA

- 1 I work in Milan for Unicredito.
- 2 I spend a lot of the day reading and writing reports on companies' performance.
- 3 I try to forecast their performance and results.
- 4 I prepare notes for the equity traders about which shares to buy or sell.

Answer: Analyst



FRANK

- 1 I work for HSBC in London.
- 2 I work in the Piccadilly branch of the bank from 9.00 to 4.30.
- 3 I spend most of my time talking to customers.
- 4 I explain the bank's products and services and deal with customers' problems.

Answer: Customer adviser in a bank branch



RUDI

- 1 I work in Mannheim.
- 2 My main tasks are to collect data on the company's payments and expenditure.
- 3 I spend a lot of time talking to our bank about our accounts.
- 4 I make sure there is enough money in our accounts to meet our expenditure.

Answer: Company treasurer



2 Grammar test

- 1** A financial adviser is giving advice to people with debt problems on an online forum. Read the advice and complete the sentences, using the verbs below in the correct form (infinitive, infinitive with *to*, or the *-ing* form). Use each verb only once.

cancel	change	invest	save	set up	use	visit
--------	--------	--------	------	--------	-----	-------

- 1 How about _____ some of your money in shares?
 - 2 No. The best thing to do is _____ your credit card – you should _____ a debit card instead.
 - 3 I think you should _____ an online comparison site to find a cheaper insurer.
 - 4 Why don't you _____ a direct debit?
 - 5 Possibly you could _____ your Internet provider to a cheaper one. Check on a comparison site.
 - 6 Have you thought about _____ a small amount from your salary each month as soon as it's paid in?
- 2** Now match the original questions with the advice in **1**.
- a I just found out I am paying a lot more to insure my flat than my neighbour. What can I do? _____
 - b I have a lot of debt and interest to pay on my credit card each month. Should I change to a different card? _____
 - c I have inherited a large sum of money. What can I do with it apart from just putting it in the bank? _____
 - d I earn quite a good salary, but I never have enough money at the end of the month. Any suggestions? _____
 - e I get my Internet connection from my telephone company, but I think it's too expensive. _____
 - f My telephone company sometimes charges me extra because I don't pay my bill on time. I am abroad a lot, so what can I do? _____

- 3** Maria really wants a new car, but she doesn't have enough money to buy it. She has asked her friends for suggestions. Put the words of each suggestion in the correct order. (The first and last words are given.)

1 Maybe / borrow / the / could / the / money / from / you / bank.

2 How / public transport / buying / a / car / about / cheaper / or / using / instead?

3 Have / second-hand one / considered / buying / you / a / rather than / a new one?

4 The / you can / afford / thing / for you / to do is / best / to save / until / a new one.



2 Communication



Student A

- 1 You are a bank customer and you have some questions about your bank's products and services. Your partner works for your bank's customer service department. Ask your partner the questions below and note down their suggestions.
 - a My credit card was refused in a restaurant. It was very embarrassing. When I called, you said I had exceeded my credit limit. What should I do?
 - b I send a cheque for £15 to my favourite charity every month. Is there any way I can do this automatically?
 - c I think someone was watching me when I entered my PIN. What should I do?
- 2 Now swap roles. You now work in the bank's customer service department. Answer your partner's questions, using the customer service notes. (Feel free to add extra suggestions of your own.)

Student B

- 1 You work in the customer service department of a bank. Your partner is one of your customers and has some questions and complaints about your bank's products and services. Try to suggest solutions from the customer service notes. (Feel free to add extra suggestions of your own.)
- 2 Now swap roles. You are now the customer. Ask your partner the questions below and note down your their suggestions.
 - a My debit card was refused in a restaurant. It was very embarrassing. When I called, you said I didn't have enough money in my current account. What should I do?
 - b I paid in a cheque for £200 last month, but it hasn't appeared on this month's statement. What should I do?
 - c Do you have an account that pays a higher rate of interest than the one I currently have? If not, I'll have to change to another bank.

Southern Star Bank plc

CUSTOMER SERVICE DEPARTMENT NOTES

Product / service	Problem	Solution
Current account	Cash or cheque paid in, but doesn't appear on statement.	Request customer brings paying-in book / slip to local branch.
Automatic payments	Customer wants to make payments automatically.	Recommend standing order if payment is always for the same amount on the same date; otherwise direct debit .
Cash dispenser	Customer reports security problem.	Check recent withdrawals. In case of unauthorized withdrawals, stop the account . Otherwise get customer to change PIN .
Debit card	Customer has insufficient funds in current account to cover payment.	If customer has no credit problems, suggest they use a credit card and / or set up an overdraft .
Credit card	Customer has insufficient credit to cover payment.	If customer has no credit problems, suggest they increase their credit limit .
Savings account	Customer is unhappy with the rate offered by their existing savings account.	Suggest switching to an Internet account or a special account allowing only two withdrawals per year . Both pay higher rates.

3 Grammar test

- 1 Here are three different versions of an exchange between a manager and an employee. Complete the sentences with the correct missing words from the list (a–i). Three of the options are not used: which ones?

Manager: I'd like _____¹ your report before you leave the office tonight, please.

Employee: Fine. Shall _____² it to you, so that you can read it this evening?

Manager: Can _____³ your report before you leave the office tonight, please?

Employee: Fine. Would you like _____⁴ it to you, so that you can read it this evening?

Manager: Don't forget _____⁵ your report before you leave the office tonight, please.

Employee: Fine. _____⁶ it to you, so that you can read it this evening.

- | | | |
|--------------|-----------------|---------------|
| a finish | d you to finish | g to email |
| b to finish | e I email | h I to email |
| c you finish | f I'll email | i me to email |

Not used: _____, _____, and _____.

- 2 A customer visits a retail bank. Re-order the words to make requests. Then use them to complete the dialogue below.

- a pen / could / me / you / lend / a
- b open / savings / I'd / to / a / account / like
- c filling / you / form / mind / in / would / this
- d this / can / you / open / account / a / help / customer / to / savings

Manager: Can I help you?

Customer: Yes. _____¹.

Manager: Certainly. My colleague will help you. Tom, _____²?

Clerk: Of course, Ms Martin. _____³, sir?

Customer: Not at all. _____⁴, please?

- 3 A customer has just received her new debit card from the bank. Read the instructions that come with the card. In each case, two of the three modal verbs are possible and one is incorrect. Cross out the incorrect ones.

Southern Star Bank plc

Please find attached your Southern Star Debit Card. Before you start using it, we request that you read the following instructions carefully.

- 1 First, you *may* / *must* / *need to* sign your card on the back with a ballpoint pen.
- 2 Before you start using it, you *have to* / *can* / *must* register your card. You can do this by phoning us or visiting our website: www.southernstarbank.com
- 3 We have sent you a PIN (Personal Identification Number) separately. You should keep your PIN confidential at all times; you *are not permitted to* / *must not* / *mustn't* give your PIN to anyone else.
- 4 This card is for your personal use only. Allowing someone else to use your card is *not permitted* / *completely disallowed* / *strictly forbidden*.
- 5 This card can be used to withdraw cash from cash machines. You are *permitted to* / *allowed to* / *required to* withdraw up to €300 in cash a single day.

3 Communication

Student A

You work in the finance department of a company with offices in London, Geneva, Boston, São Paulo, and Tokyo. Your manager wants you to research the possibility of outsourcing the payment of all the company's staff worldwide.

You have been told about a company called Staffpay Services, which specializes in payroll. Now you must call the Staffpay Services sales assistant (Student B) to find out more about the company.

Ask Student B questions and make a note of the replies. Make a separate note of any questions Student B isn't able to answer immediately, and arrange a time for them to call back.

Please can you call Staffpay Services and find out

- 1 how the system works. Salaries paid from London or locally?*
- 2 what services they offer.*
- 3 how they sort out problems. Who do we talk to?*
- 4 which companies are their main customers. Ask for some examples.*
- 5 whether they operate in Switzerland, the US, and Japan. Where else?*
- 6 how much experience they have.*
- 7 how much money they could save us.*
- 8 how much they cost compared with their competitors.*

Student B

You work as a sales executive for Staffpay Services. As you are new to the company, you will need to use the notes to help you answer your partner's questions. Make a note of any of the questions you can't answer and arrange to call back within the next 48 hours once you have checked with a more experienced colleague.



Staffpay Services

NOTES FOR SALES STAFF

What we do

We calculate salaries and pay all your staff in their local office.

We report all payments back to your head office immediately, so you can control costs.

We can advise you on local accounting and tax rules.

We offer a single account manager based in the UK who will sort out any problems for you.

If your local employees have questions, our local agents can answer them.

Who we are

We have over 30 years' experience of payroll management.

We operate in over 60 countries worldwide, including Europe, North and South America, and Asia.

We currently work for more than 30,000 companies.

Our customers include over 20% of the *Financial Times Global 500* companies.

We have saved our customers up to 25% of their payroll administration costs.

4 Grammar test

- 1 Complete the text by putting the verb in brackets in the correct tense: Past Simple or Present Perfect.

The growth of online shopping

Last month, more than half of all Internet users _____¹ (*buy*) at least one item online. Overall, the volume of online shopping _____² (*increase*) by 40% over the past two years.

Two years ago, about 19 million people in the UK _____³ (*shop*) online. Since then, the number of online shoppers _____⁴ (*go up*) dramatically by about 40% and the average spend per year _____⁵ (*increase*) to over £700.

One of the most popular online purchases is books. The number of Internet users buying books _____⁶ (*grow*) by 7% during 2009–10, and book sales _____⁷ (*continue*) to increase steadily since then.

Airline tickets _____⁸ (*make up*) nearly 25% of all online purchases last year. Online ticket sales _____⁹ (*rise*) from 20% to 36% since two years ago, and airlines _____¹⁰ (*have*) great success recently with special promotions.

- 2 A journalist is interviewing her country's finance minister. Match the beginnings and endings of her questions.

1 What's	a the low exchange rate of our currency help exports?
2 What's the	b our population increase last year above the normal birth rate?
3 Why does	c behind the increase in unemployment during the past year?
4 How	d do you explain the increase in inflation?
5 Why did	e reason for the improvement in our balance of trade figures?

- 3 Now match the beginnings and endings of the minister's replies.

a This is due	1 because when the value of our currency is lower, we earn more from what we sell abroad.
b This is because	2 result of small companies closing down and bigger companies cutting jobs. I'm sure things will improve.
c This is the	3 by increased immigration and decreased emigration.
d This was caused	4 of increased exports, thanks to higher productivity and lower exchange rates.
e This is	5 to higher prices and salary increases.

- 4 Finally, match the journalist's questions in 2 (1–5) with the minister's replies in 3 (a–e).

1 _____ 2 _____ 3 _____ 4 _____ 5 _____

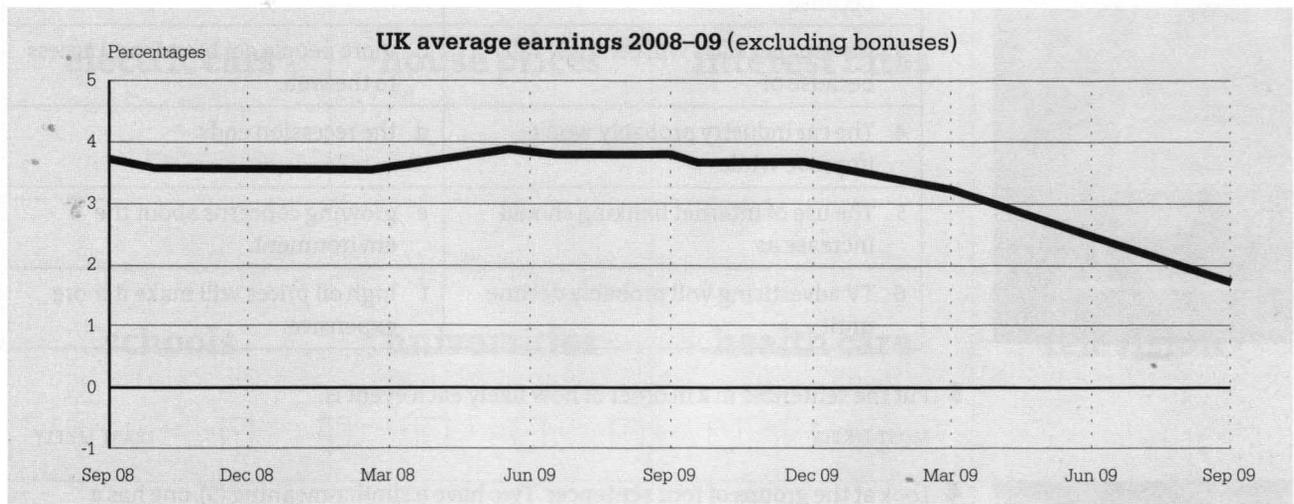


4 Communication

Describing and comparing graphs

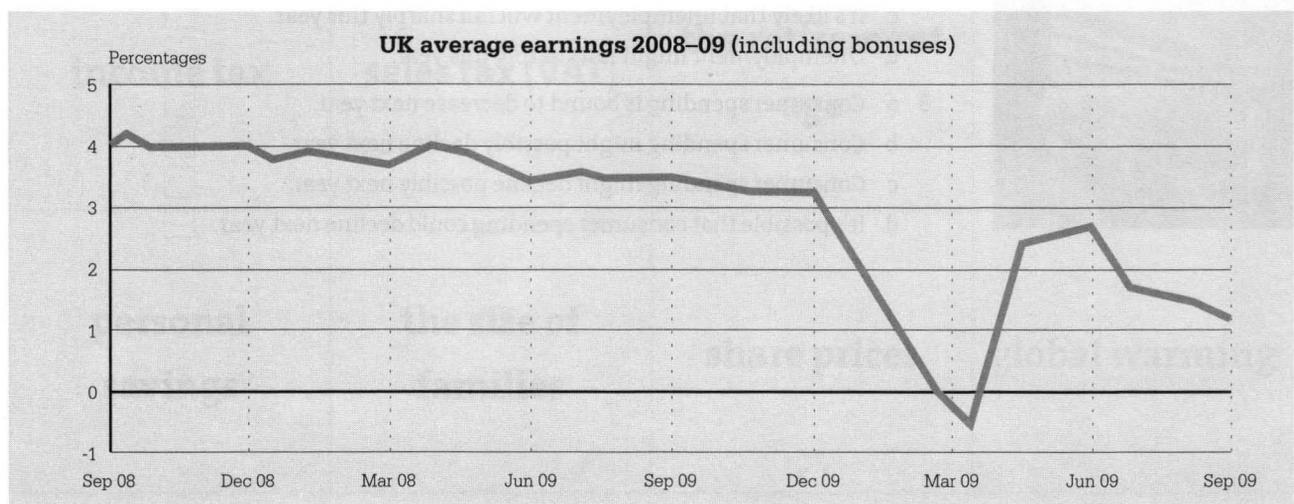
Student A

- 1 Describe your graph about UK average earnings **excluding** bonuses to your partner. First, give them the percentages for each month. When they have drawn the graph, get them to describe their graph to you (*Earnings rose / fell sharply / slightly, etc.*) to make sure it's correct.
- 2 Ask your partner to describe their graph, showing UK average earnings **including** bonuses. Draw the line on your graph below (use a pencil in case you make any mistakes!). When you have drawn the graph, describe it back to your partner.
- 3 Compare and check the two graphs. Can you explain the reason for the difference between the two sets of figures?



Student B

- 1 Ask your partner to describe their graph, showing UK average earnings **excluding** bonuses. Draw the line on your graph below (use a pencil in case you make any mistakes!). When you have drawn the graph, describe it back to your partner (*Earnings rose / fell sharply / slightly, etc.*) to make sure it's correct.
- 2 Describe your graph about UK average earnings **including** bonuses to your partner. First, give them the percentages for each month. When they have drawn the graph, get them to describe their graph to you.
- 3 Compare and check the two graphs. Can you explain the reason for the difference between the two sets of figures?



5 Grammar test

1 Put the words in the correct order to form sentences.

- 1 Inflation / this / go / end / possibly / up / at / of / will / the / year.
- 2 Unemployment / continue / next / increase / until / might / to / year.
- 3 Consumer / won't / in / spending / short / probably / the / increase / term.

2 Match the phrases in the two columns to form sentences.

1 Solar power may possibly become more popular because of	a we're in a recession.
2 International air travel could decline because	b the growth of online news sites.
3 Newspaper sales will certainly fall because of	c more people get broadband access to the web.
4 The car industry probably won't improve while	d the recession ends.
5 The use of Internet banking should increase as	e growing concerns about the environment.
6 TV advertising will probably decline until	f high oil prices will make it more expensive.

3 Put the sentences in 2 in order of how likely each event is.

MOST LIKELY LEAST LIKELY

4 Look at the groups of four sentences. Two have a similar meaning (S), one has a different meaning (D), and one has incorrect word order (X). Mark each of the sentences S, D, or X. The first one has been done for you.

- 1 a The price of gold will probably continue to rise. S
- b The price of gold will continue probably to rise.
- c The price of gold should continue to rise.
- d The price of gold will certainly continue to rise.
- 2 a Unemployment probably will fall sharply this year.
- b Unemployment will probably fall sharply this year.
- c It's likely that unemployment will fall sharply this year.
- d Unemployment might fall sharply this year.
- 3 a Consumer spending is bound to decrease next year.
- b Consumer spending might possibly decline next year.
- c Consumer spending might decline possibly next year.
- d It's possible that consumer spending could decline next year.



5 Communication



population growth	unemployment	crime	food prices
electric cars	house prices	interest rates	banks
schools	universities	health care	television
the Internet	oil prices	gold prices	inflation
income tax	sales tax (VAT)	the retirement age	social security
personal savings	the size of families	share prices	global warming

6 Grammar test

1 Complete the sentences with *although*, *despite*, or *however*.

- 1 _____ the banking crisis, the financial sector is still a major part of the UK economy.
- 2 Banks have been recruiting fewer people over the past few years. _____, many graduates are still applying for jobs in this sector.
- 3 The industrial sector has declined _____ government support.
- 4 _____ we have our own gas, oil, and coal reserves, we still depend on foreign imports.

2 Write sentences using the prompts and *although*, *despite*, and *however*.

EXAMPLE

recession last year / the number of new businesses rose by 10%

Although there was a recession last year, the number of new businesses rose by 10%.

Despite last year's recession, the number of new businesses rose by 10%.

There was a recession last year. However, the number of new businesses rose by 10%.

1 inflation fell by 3% last month / house prices rose during the same period

_____ (although)

_____ (despite)

_____ (however)

2 road tax increased by 6% on 1st April / car sales increased by 3% in April

_____ (although)

_____ (despite)

_____ (however)

Now write one more set of sentences of your own.

_____ (although)

_____ (despite)

_____ (however)

3 Look at the groups of three sentences. Two are grammatically correct but one is incorrect. Mark each of the sentences ✓ (correct) or ✗ (incorrect).

1 a Chinese farming is more intensive than in the US, despite there is still a lack of investment capital.

b Chinese farming is more intensive than in the US, but there is still a lack of investment capital.

c Chinese farming is more intensive than in the US. However, there is still a lack of investment capital.

2 a Despite the cheap raw materials, there are still shortages in some areas.

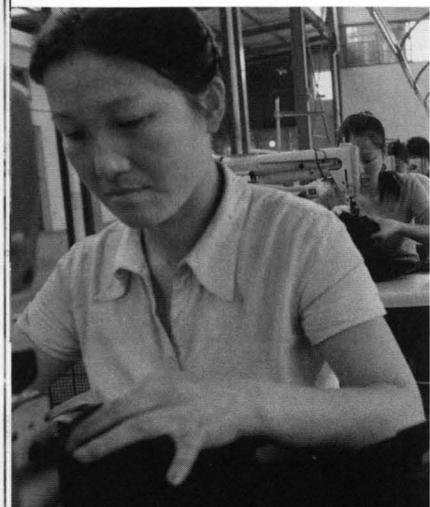
b There are still shortages despite in some areas the cheap raw materials.

c There are still shortages in some areas despite the cheap raw materials.

3 a Although the private sector has grown, there is still a lot of bureaucracy.

b There is still a lot of bureaucracy, although the private sector has grown.

c However the private sector has grown, there is still a lot of bureaucracy.



6 Communication

LONDON

Europe's No 1 business city can offer you

- easy access to all major markets (financial, consumer, retail, and industrial)
- highly qualified staff with English as first language readily available
- good public transport system and excellent transport links via airports and Channel Tunnel
- local infrastructure investment, especially in East London for Olympic Games
- exciting cultural and sporting facilities
- excellent telecommunications (high-speed broadband, etc.)



WARSAW

Relocate your business to Poland's dynamic capital.

- Staff costs lower than many parts of Europe
- Tax policies and government incentives to support business relocation
- Low-cost office space readily available
- Low cost of living
- Local infrastructure investment continues, especially through European Union funding.



GENEVA

Your business belongs at the 'crossroads of Europe'.

- We have a well-trained, highly educated workforce that speaks a range of European languages.
- We are ranked near the top in 'quality of life' surveys. We have a rich cultural life and the ski slopes are a short drive away.
- We have very low levels of pollution and offer a great environment for families.
- We are at the centre of Europe with excellent transport links.
- We are a small city: it's easy to get around and the airport is only ten minutes from the city centre.



Name of company: _____

Type of company: _____

Number of employees: _____

PRIORITIES (10 = essential; 1 = not important)

Cost of staff _____

Qualified / educated staff _____

Staff speaking fluent English _____

Staff speaking several European languages _____

Cost of office space _____

Government support for business _____

Transport links with other cities _____

Transport within the city _____

Good telecommunications (*high-speed broadband capacity, etc.*) _____

'Quality of life' (*cultural facilities, etc.*) _____

Low pollution _____

Other (*please specify*) _____

7 Communication

In this activity, you are going to create a new bank.

Work in groups of four.

- 1 Decide what kind of bank you want (e.g. investment bank, traditional high-street bank, Internet bank, or something else).
- 2 Find out about some of the banks operating in your country that your bank will be competing with. Decide on how you are going to compete with them. Agree on two or three Unique Selling Points (USPs) that will make your bank different from your competitors.

*** Tip**

Research some of your key competitors on the Internet. Look at the services your competitors provide. Can you offer something different / better? Also, check their interest rates, fees, etc. Can you give your customers a better deal?

- 3 Decide on the name of your bank.
- 4 Design a logo (a symbol, word, or short phrase with a special design).

*** Tip**

Look at your competitors' logos. Do you like them? How memorable are they?

- 5 Write a slogan.

*** Tip**

See Student's Book p.63 for examples. Also, look at your competitors' slogans and any others you can remember. What makes them memorable / successful?

- 6 Take turns to present your bank to the other groups and make notes on the other groups' presentations. Then, as a class, decide which bank is best, and why.

1. Type of bank: _____
2. Unique Selling Points (USPs): _____ _____ _____ _____ _____
3. Name of bank: _____
4. Logo:
5. Slogan: _____ _____

8 Grammar test

1 Complete the sentences with the words below.

continues drop grows may increase might not find
 should benefit stops weakens will become won't survive

- 1 If the recession _____ into next year, I _____ a job.
- 2 If oil prices _____, motorists _____.
- 3 If the US dollar _____ against the euro, European holidays _____ cheaper for Americans.
- 4 If demand for green energy _____, the number of wind farms _____.
- 5 If the government _____ support for the car industry, some car companies _____.

2 Put the sentences in 1 in order of how probable they are:

CERTAIN IMPOSSIBLE

3 Match the events with their consequences. Then use your answers to write sentences using *If ...* and *this will lead to ...* The first one is done for you.

Events	Consequences
1 If oil prices rise _____	a a rise in UK exports
2 If the government increases income taxes	b a rise in agricultural production
3 If company profits fall	c lower investment and dividends
4 If the pound falls against other currencies	d higher production costs for industry
5 If they increase subsidies for farming	e an increase in inflation
6 If companies agree big salary rises	f a fall in personal incomes

- 1 *If oil prices rise, this will lead to higher production costs for industry.*
- 2 _____
- 3 _____
- 4 _____
- 5 _____
- 6 _____

3.5% inflation

£250,000 p.a.

190p per share

GDP = \$2.67 TRILLION

111.9 per litre

17.5% VAT

8 Communication

PURCHASE SLIP					
Company	Pricewise Stores	Aldridge Development	Newsome	Timeline Telecom	Airhaven Hotels
Amount invested	£ _____	£ _____	£ _____	£ _____	£ _____
Number of shares bought	_____	_____	_____	_____	_____
Market movement (+/-)	_____ %	_____ %	_____ %	_____ %	_____ %
Value of investment one week later	£ _____	£ _____	£ _____	£ _____	£ _____

COMPANY DESCRIPTIONS & BROKER'S REPORT

Pricewise Stores

Chain of over 6,000 supermarkets selling low-cost products; HQ in Germany and operating in Europe and North America

Current Price: 235p Week high: 235p Week low: 225p

Aldridge development

Second largest house builder in UK specializing in flats and low-cost urban housing. Shares badly hit by the recession.

Current Price: 87p Week high: 89p Week low: 80p

Newsome

National newspaper and educational publisher based in UK and Sweden; also owns a large chain of small local shops for newspaper distribution.

Current Price: 140p Week high: 140p Week low: 135p

Timeline Telecom

Mobile phone network based in UK and Singapore and operating worldwide. Specializes in providing low-cost international calls. Several directors have recently bought shares.

Current Price: 385p Week high: 387p Week low: 365p

Airhaven Hotels

Chain of hotels located near major airports worldwide, mainly aimed at business travellers. Expansion plans for eastern Europe postponed during the recession.

Current Price: 286p Week high: 286p Week low: 282p

BROKER'S REPORT

With unemployment beginning to fall and the big cut in interest rates this week, we expect the economy to grow by 3% this year. The construction sector should benefit from lower interest rates; however, consumer spending will remain weak because of high levels of consumer debt. The government's plans for infrastructure development – new motorways and low-cost housing – and new investment in Internet learning in schools should support growth. Exporters should benefit from the low level of the currency.

WEEKLY NEWS / SHARE MOVEMENTS

Pricewise Stores announces record profits and plans for new stores in southern Europe. Chairman claims consumers are still trying to save money by switching to discount stores.

Pricewise Stores up 18%.

Cuts in interest rates support house builders. Government announces details of new low-cost

housing projects. £400m to be invested over the next 2 years.

Aldridge Development up 10%.

Newspaper sales continue to fall, as people switch to the Internet for news. Analyst report shows that income from advertising in newspapers continues to fall. **Newsome down 15%.**

Timeline Telecom announces new partnership with Intersite Telecom to provide low-cost Internet calls.

Timeline Telecom up 12%.

Report shows business travel is down by 30% as companies cut costs and web / video conferencing increases. **Airhaven Hotels down 15%.**

9 Grammar test

1 Complete the sentences with the words below. In each case, decide whether to use the positive or negative form. The first one has been done for you.

control / don't control	offer / don't offer	will buy / won't buy
match / don't match	send / don't send	will have / won't have

- 1 We won't keep our customers if we don't offer discounts.
- 2 We cannot pay the bank if we _____ our spending.
- 3 If we don't reduce the credit period, we _____ cash-flow problems.
- 4 The customers will not pay if we _____ a final reminder.
- 5 We cannot compete with our competitors if we _____ their offers.
- 6 If we don't cut our prices, people _____ from our competitors.

2 Now rewrite the sentences in **1** as Second Conditional sentences.

- 1 _____
- 2 _____
- 3 _____
- 4 _____
- 5 _____
- 6 _____

3 Some company directors are discussing cost-saving measures. Match the two halves of the sentences. The first one has been done for you.

1 If we cut salaries, _____	a we would make more profit on sales.
2 If we reduce the number of staff, _____	b we will lose some of our customers.
3 If we had a strike, _____	c we will spend less on pay.
4 If we reduce production, _____	d we will lose staff.
5 If we stopped offering discounts, _____	e we will have less stock in the warehouse.
6 If we increase our prices, _____	f we would reduce production.

4 Are sentences 1–6 in **3** First Conditional (1st) or Second (2nd) Conditional? Write your answers below.

- 1 _____ 2 _____ 3 _____ 4 _____ 5 _____ 6 _____

9 Communication

Work in pairs. You are going to negotiate a purchase.

Student A

You work in the purchasing department of a retail company that sells kitchen equipment to the public. You need to place an order for microwave ovens, and you are going to phone your supplier (Student B). Your company has been having some problems over the past year, and your manager wants you to get a better deal from the supplier this time. Now call your supplier. Using your manager's notes, negotiate the best deal you can for your company.

QUANTITY: We only need 400 ovens, but you can buy up to 500 if you can get a discount of more than 10%.
 Their current price is €80 per unit.

CREDIT PERIOD: We currently have 60 days to pay. See if you can extend this to 90 days.

DEPOSIT: We currently have to pay 20% of the total price when we place our order. See if you can get this reduced. (If they agree to 90 days' credit, it can stay at 20%, but see if you can reduce it anyway.)

CREDIT LIMIT: Our current credit limit is €50,000. See if you can increase this to €80,000.
 Remind them we have a good credit history and tell them we're planning another big order in three months' time.

When you have finished the negotiation, compare the deal you reached with what other pairs agreed.

Work in pairs. You are going to negotiate a purchase.

Student B

You work for a company that manufactures microwave ovens. Your manager has issued new guidelines for negotiating with clients.

One of your clients (Student A) is going to call you to place an order. Using your manager's notes, negotiate the best deal you can for your company.

Price:

Unit price has increased by 5% to €84. However, we can hold current price of €80 if they order by the end of this month.

Discounts:

You can give a discount of up to 15% for orders of over 500 units, but try to keep the discount as low as possible.

Credit period:

Must be no more than 90 days. If customers have a current agreement of 60 days, try to keep to this limit.

Deposit:

Customers should pay between 15% and 25% deposit on placing the order. Negotiate deposit rate based on credit history, credit period, size of order, etc.

Credit limit:

You can increase customer's credit limit by up to 25% depending on their credit history, credit period, size of order, etc.

When you have finished the negotiation, compare the deal you reached with what other pairs agreed.

10 Grammar test

1 Are these sentences right (✓) or wrong (X)? If a sentence is wrong, correct it.

- 1 We expect inflation will fall next week.
- 2 We expect inflation to fall next week.
- 3 Inflation is expected will fall next week.
- 4 Inflation is bounded to fall next week.
- 5 Inflation should to fall next week.
- 6 Inflation has no chance of rise next week.
- 7 Inflation is unlikely to rise next week.

2 Look at the report from the sales director of an IT company. Circle the correct words. Sometimes both words are correct.



The outlook for our new mini-laptop product range is very *bright / encouraging*¹. Sales are forecast *to grow / will grow*² by 10% during the remainder of this financial year. And next financial year, we expect sales *to increase / will increase*³ by a further 20%.

We think that sales of our other products are bound *rise / to rise*⁴ over the next two years as well. However, they are unlikely *to grow / growing*⁵ at the same rate as sales of mini-laptops.

Unfortunately, we now believe that there is no possibility *to sell / of selling*⁶ any of our products in the US in the immediate future. Nevertheless, sales elsewhere – and especially in Europe and the Middle East – should *improve / to improve*⁷ significantly once the mini-laptop series has been launched.

3 Now read the report again and mark the statements **T** (true) or **F** (false).

- 1 The sales director is predicting that sales of the new mini-laptop range will increase by 30% by the end of the next financial year.
- 2 There is a possibility that the company will be able to sell its products in the US in the short term.
- 3 Apart from the mini-laptop range, the sales director is certain that sales of the company's other products will also grow.
- 4 There is no chance that sales of the company's other products will grow at the same rate as sales of the mini-laptops.
- 5 It's certain that sales in Europe and the Middle East will grow after the launch of the new mini-laptop range.

10 Communication

Welcoming visitors



Did you have a good trip?	Have you got any children?	Are you married?
Where do you live?	How is your hotel?	How big is your house / flat?
Have you been here before?	What car do you drive?	Do you like this country?
How much do you weigh?	Which political party do you support?	Which football team do you support?
How much do you earn?	What do you do in your free time?	Do you do any sport?
What would you like to eat this evening?	Is there anything you don't eat?	What do you think of your boss?
Where do you go on holiday?	Is there anything you need?	What do you think of the weather here?
What sort of music do you like?	What sort of films do you watch?	What is the television like in your country?

11 Grammar test

- 1 Look at the advice for someone applying for a job. Complete the sentences using the words below.

have received have sent in have written know send in will know
will receive write

- 1 When you _____ your application, include a covering letter with your CV.
 - 2 When you _____ your CV, make sure the experiences and skills you list match the job you're applying for.
 - 3 When you _____ your CV, check it for spelling and grammar mistakes.
 - 4 When you _____ your application, you will often have to wait several weeks for a reply.
 - 5 When you don't hear anything after several weeks, you _____ that your application was probably unsuccessful.
 - 6 When a company is interested in your application, you _____ an invitation to an interview.
 - 7 When you _____ an invitation to an interview, start preparing for it by researching the company on the Internet.
 - 8 When you _____ that you have got the job, tell your current employer.
- 2 Look at the bank's explanation of what happens when you open a new account. Match the beginnings of the explanations 1–5 with the correct endings a–e.

Southern Star Bank plc

PROCEDURE FOR OPENING A BANK ACCOUNT

- 1 When you open a new account, ...
- 2 When you bring your proof of identity to the bank, ...
- 3 When you have opened your account at the branch, ...
- 4 When you receive your bank card, ...
- 5 When you have registered your bank card, ...

a please ensure that it shows your current address.

b the bank will send you a cheque book and bank card in the post.

c you will need your passport and proof of identity, such as a driving licence or electricity bill.

d the bank will send you a PIN number for the card a few days later.

e you must register it by phone or on our website.

12 Grammar test

- 1 Here are some comments about insurance on a consumer finance website discussion board. Complete the sentences using *would / wouldn't have* or *should / shouldn't have* + the past participle form of the verb in brackets.

What mistakes have you made when buying insurance? Share your experiences and stop other people from making the same mistakes!

- 1 If we'd compared different companies' prices, we _____ (*pay*) so much for our car insurance. We _____ (*used*) a price comparison site.
- 2 The insurance company _____ (*reduce*) my premiums if I'd bought more than one kind of policy. I _____ (*insure*) my house with them, as well as my car.
- 3 Our house insurance didn't cover us for accidental damage. We _____ (*check*) all the exclusions before choosing the policy. If we'd read the policy more carefully, we _____ (*understand*) that accidental damage was excluded.
- 4 We _____ (*have*) a bigger excess on our policy. If we'd increased the amount of the excess, the insurance company _____ (*cut*) our monthly payments.
- 5 If we hadn't made two small claims on our policy last year, the insurance company _____ (*give*) us a bigger discount this year. We _____ (*make*) the claims. Instead, we _____ (*build up*) a no-claims bonus.

- 2 Now look at a question and reply about changing banks on the same website. Complete the sentences using *would / wouldn't have* or *should / shouldn't have* + the past participle form of one of the verbs in the box below. The first one is done for you.

change choose get ~~find out~~ say see use warn

I recently changed banks to *Southern Star*, but I am very unhappy with the bank's service. My old bank closed at 5.00, but their branches close at 4.30. I thought the interest rate on my savings account was 3.5%, but when I got my first bank statement from *Southern Star*, I saw the rate was 1% lower than in their advertisement. Also, I've just found out that if I withdraw money from my account more than twice a year, they will reduce the interest rate by 0.5%. Have I made a big mistake? >>> *Jenny, Woking*

Hi Jenny,

First, I think you should have found out¹ the bank's opening hours before you opened the account. If you had checked on their website, you _____² that they close earlier than other high street banks.

They _____³ your interest rate without writing to you first. And they _____⁴ in their advertisement that the interest rate could change. If you had checked their rate with the rates offered by other banks, I'm sure you _____⁵ a better rate than the one you are currently receiving. You _____⁶ one of the bank comparison sites on the Internet.

As far as the savings account is concerned, you have opened a Limited Withdrawal Account. If you had read the details of the account more carefully, you probably _____⁷ this account. But the bank _____⁸ you about this also!

12 Communication

A risk analysis of a company

You work in the risk department of a big insurance company. Your boss has asked you to do a risk analysis of a new client, *Bliss soft drinks*. You must identify the risks the company faces and make recommendations about how to solve them.

Look at the risk audit checklist your company uses to evaluate commercial risks and the company profile below.

RISK AUDIT CHECKLIST

Company: *Bliss soft drinks*

Brief: Consider the following risk areas in your audit:

- operational risks
- strategic risks
- natural disaster risks
- finance risks
- computer and 'e-risks'



- 1 Work together in pairs. Using the audit categories, discuss what risks you think the company faces in the five categories. Write your conclusions for each of the five risk areas in the audit checklist.

COMPANY PROFILE

Background

Bliss is a soft drinks company that produces pure natural fruit juices. The company was founded by Hans Taggart, who is now 67 years old. Hans Taggart is a strong leader who still makes all the main decisions himself about marketing, computing, and finance in the company.

The company has three factories: the oldest is in Germany, and another two are in France and Italy. The German factory, located on the Rhine, has been flooded twice in the last ten years but Hans does not want to pay for any insurance cover, except natural disaster.

Production

The drinks are made from natural fruit juices with no added chemicals. This means production in the factories has to be very clean and strongly controlled to avoid contamination. The staff are often temporary workers who are given no special clothes and receive little training in food hygiene. The company has been prosecuted twice for breaking food hygiene regulations.

Sales

The company has one big contract with a supermarket chain which represents 60% of sales plus contracts with small health food shops and café clubs. Hans prefers the big supermarket contract because the small shops take a long time to pay. Hans does not believe in insurance so the company currently uses no credit insurance to protect against customers who do not pay.

All of the sales are managed online and all the company's data is kept on a single computer system in Munich. Hans is the only one who really understands the computer system. Hans believes that the company now needs to increase sales by launching new products in the energy drinks market. But this will conflict with its traditional brand image and advertising as a pure fruit juice company.

- 2 Now, in small groups, hold a meeting to analyse your results. Decide together
- a What action should the company take to reduce or manage each of the risks?
 - b What kind of insurance should the company take to cover the risks it cannot eliminate?

Collect together your conclusions and make a priority list of four or five recommendations for the client. Then compare your answers as a whole class.

Grammar tests key

Unit 1

- 1**
- 1 What's your job?
 - 2 Which / What bank do you work for?
 - 3 When did you leave university?
 - 4 Did you study business or finance?
 - 5 Is your job well paid?
 - 6 How much do you earn?
 - 7 Why did you choose a job in banking?
- 2**
- 2 am studying
 - 3 believe
 - 4 speak
 - 5 am learning
 - 6 like
 - 7 am good
 - 8 work
 - 9 have
 - 10 give

Unit 2

- 1**
- | | |
|------------------|----------|
| 1 investing | 4 set up |
| 2 to cancel; use | 5 change |
| 3 visit | 6 saving |
- 2**
- | | | | |
|-----|-----|-----|-----|
| a 3 | b 2 | c 1 | d 6 |
| e 5 | f 4 | | |
- 3**
- 1 Maybe you could borrow the money from the bank.
 - 2 How about buying a cheaper car or using public transport instead?
 - 3 Have you considered buying a second-hand one rather than a new one?
 - 4 The best thing for you to do is to save until you can afford a new one.

Unit 3

- 1**
- | | |
|-----|-----|
| 1 d | 4 i |
| 2 e | 5 b |
| 3 c | 6 f |
- Not used: a, g, h
- 2**
- 1 b I'd like to open a savings account.
 - 2 d Can you help this customer to open a savings account?
 - 3 c Would you mind filling in this form?
 - 4 a Could you lend me a pen?
- 3**
- 1 ~~may~~ / must / need to
 - 2 have to / ~~can~~ / must
 - 3 ~~you are not permitted to~~ / must not / mustn't
 - 4 not permitted / ~~completely disallowed~~ / strictly forbidden
 - 5 permitted to / allowed to / ~~required to~~

Unit 4

- 1** 1 bought
2 has increased
3 shopped
4 has gone up
5 has increased
6 grew
7 have continued
8 made up
9 have risen
10 have had

2 1 c 2 e 3 a 4 d 5 b

3 a 5 b 4 c 2 d 3 e 1

4 1 c 2 b 3 e 4 a 5 d

Unit 5

- 1** 1 Inflation will possibly go up at the end of this year.
2 Unemployment might continue to increase until next year.
3 Consumer spending probably won't increase in the short term.

2 1 e 2 f 3 b 4 a
5 c 6 d

3 Order of probability: 3, 6, 5, 2, 1, 4

4 1 a S b X c S d D
2 a X b S c S d D
3 a D b S c X d S

Unit 6

- 1** 1 Despite 3 despite
2 However 4 Although

2 1 Although inflation fell by 3% last month, house prices rose during the same period.

Despite last month's 3% fall in inflation, house prices rose during the same period.

Inflation fell by 3% last month. However, house prices rose during the same period.

2 Although road tax increased by 6% on 1st April, car sales increased by 3% in April.

Despite the 6% increase in road tax on 1st April, car sales increased by 3% in April.

Road tax increased by 6% on 1st April. However, car sales increased by 3% in April.

- 3** 1 a X b ✓ c ✓
2 a ✓ b X c ✓
3 a ✓ b ✓ c X

Unit 7

- 1**
- | | |
|---------------|----------------|
| 1 to become | 12 to do |
| 2 to consider | 13 working |
| 3 playing | 14 to continue |
| 4 becoming | 15 to attend |
| 5 to change | 16 to give |
| 6 to do | 17 trying |
| 7 being | 18 to do/doing |
| 8 meeting | 19 to come |
| 9 working | 20 doing |
| 10 to get | 21 enjoying |
- 2**
- | | |
|--------|--------|
| 1 both | 5 both |
| 2 both | 6 B |
| 3 A | 7 both |
| 4 both | 8 B |

Unit 8

- 1**
- continues; might not find
 - drop; should benefit
 - weakens; will become
 - grows; may increase
 - stops; won't survive
- 2** Order of probability: 3, 2, 4, 1, 5
- 3**
- f If the government increases income taxes, this will lead to a fall in personal incomes.
 - c If company profits fall, this will lead to lower investment and dividends.
 - a If the pound falls against other currencies, this will lead to a rise in UK exports.
 - b If they increase subsidies for farming, this will lead to a rise in agricultural production.
 - e If companies agree big salary rises, this will lead to an increase in inflation.

Unit 9

- 1**
- don't control
 - will have
 - don't send
 - don't match
 - will buy
- 2**
- We wouldn't / would not keep our customers if we didn't offer discounts.
 - We could not / couldn't pay the bank if we did not / didn't control our spending.
 - If we did not / didn't reduce the credit period, we would / we'd have cash-flow problems.
 - The customers would not / wouldn't pay if we did not / didn't send a final reminder.
 - We could not / couldn't compete with our competitors if we did not / didn't match their offers.
 - If we did not / didn't cut our prices, people would buy from our competitors.
- 3** 1 d 2 c 3 f 4 e
5 a 6 b
- 4** First Conditional: 1, 2, 4, 6
Second Conditional: 3, 5

Unit 10

- 1**
- ✓
 - ✓
 - ✗ - is expected to fall
 - ✗ - is bound to fall
 - ✗ - should to fall
 - ✗ - has no chance of rising
 - ✓
- 2**
- bright ✓ / encouraging ✓
 - to grow ✓ / will grow ✗
 - to increase ✓ / will increase ✓
 - rise ✗ / to rise ✓
 - to grow ✓ / growing ✗
 - to sell ✗ / of selling ✓
 - improve ✓ / to improve ✗
- 3** 1 T 2 F 3 T 4 F 5 F

Unit 11

- 1**
- 1 send in
 - 2 write
 - 3 have written
 - 4 have sent in
 - 5 will know
 - 6 will receive
 - 7 have received
 - 8 know

- 2** 1 c 2 a 3 b 4 e 5 d

Unit 12

- 1**
- 1 wouldn't have paid, should have used
 - 2 would have reduced, should have insured
 - 3 should have checked, would have understood
 - 4 should have had, would have cut
 - 5 would have given, shouldn't have made, should have built up
- 2**
- 1 should have found out
 - 2 would have seen
 - 3 shouldn't have changed
 - 4 should have said
 - 5 would have got
 - 6 should have used
 - 7 wouldn't have chosen
 - 8 should have warned

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