

**МІНІСТЕРСТВО ОСВІТИ І НАУКИ УКРАЇНИ
ЧЕРНІГІВСЬКИЙ НАЦІОНАЛЬНИЙ ТЕХНОЛОГІЧНИЙ УНІВЕРСИТЕТ**

АНГЛІЙСЬКА МОВА ЗА ПРОФЕСІЙНИМ СПРЯМУВАННЯМ

МЕТОДИЧНІ ВКАЗІВКИ

**до практичних занять та самостійної роботи для студентів денної форми
навчання галузі знань: 07 - «Управління та адміністрування»,
спеціальність: 072 - «Фінанси, банківська справа та страхування»**

ЗАТВЕРЖЕНО

на засіданні кафедри
іноземних мов професійного
спрямування
протокол № 9
від 24.05. 2016 року

ЧЕРНІГІВ ЧНТУ 2016

Англійська мова за професійним спрямуванням. Методичні вказівки до практичних занять та самостійної роботи для студентів денної форми навчання галузі знань: 07 - «Управління та адміністрування», спеціальність: 072 - «Фінанси, банківська справа та страхування»/ Укл.: Яковенко Т.М., Кормільцина С.Ю. – Чернігів: ЧНТУ, 2016 - 81 с.

Укладачі: Яковенко Тетяна Миколаївна, викладач англійської мови
Кормільцина Світлана Юріївна, викладач англійської мови

Відповідальний за випуск: Бараненкова Н.А., кандидат філологічних наук,
доцент кафедри іноземних мов професійного
спрямування

Рецензент: Бараненкова Н.А., кандидат філологічних наук, доцент кафедри
іноземних мов професійного спрямування Чернігівського
національного технологічного університету

ЗМІСТ

| | |
|--|----|
| Вступ..... | 4 |
| 1. Basic course..... | 5 |
| 1.1 Accounting and bookkeeping..... | 5 |
| 1.2 The double-entry framework..... | 10 |
| 1.3 Revenue and expense..... | 13 |
| 1.4 Accounting for property, plant and equipment..... | 17 |
| 1.5 Internal accounting control..... | 20 |
| 1.6 Trade finance..... | 24 |
| 1.7 Bank presentation relating to financial performance..... | 26 |
| 1.8 Bank organization..... | 28 |
| 1.9 Financial news..... | 30 |
| 1.10 Bank organization..... | 32 |
| 1.11 Bank performance..... | 34 |
| 1.12 Foreign exchange..... | 36 |
| 1.13 Trends..... | 38 |
| 2. Self-study..... | 40 |
| 2.1 Test 1..... | 41 |
| 2.2 Test 2..... | 43 |
| 2.3 Test 3..... | 46 |
| 2.4 Test 4..... | 48 |
| 2.5 Test 5..... | 51 |
| 2.6 Test 6..... | 54 |
| 2.7 Test 7..... | 57 |
| 2.8 Test 8..... | 60 |
| 2.9 Test 9..... | 62 |
| 2.10 Test 10..... | 65 |
| 2.11 Test 11..... | 67 |
| 2.12 Test 12..... | 69 |
| 2.13 Test 13..... | 72 |
| 2.14 Test 14..... | 76 |
| 2.15 Test 15..... | 78 |
| Рекомендована література..... | 81 |

Вступ

Відповідно до Програми викладання англійської мови для професійного спілкування (2015р.) вивчення іноземної мови повинно розвивати мовну компетенцію студентів, а також стратегії, необхідні для ефективної участі в процесі навчання та в ситуаціях професійноспілкування. Методичні вказівки призначені для студентів освітньо-кваліфікаційного рівня “бакалавр”, які працюють над удосконаленням своїх знань з англійської мови, а також для самостійної роботи студентів.

Мета методичного видання - навчити студентів працювати з оригінальною літературою з фаху, надати додаткові знання для професійно-орієнтованого спілкування та розвинути навички самостійної роботи.

Методичні вказівки складаються з двох розділів; перший має 13 уроків з текстами та вправами для більш поглибленого вивчення англійської мови з фаху. Вправи базуються на лексичному матеріалі текстів. Тексти підібрані з урахуванням тем із фаху, які вивчаються студентами денної форми та є додатковими до основного курсу.

Другий розділ складається з 15 контрольних завдань різного ступеня складності. Кожне контрольне завдання містить тести та вправи, які дозволяють перевірити рівень навичок і умінь письма та писемного мовлення, лексичних та граматичних іншомовних навичок.

Збірник може бути використано викладачем для здійснення поточного та модульного контролю.

UNIT 1 : Bookkeeping

1.1 ACCOUNTING AND BOOKKEEPING

1.1.1 Read and translate the text and memorise words.

| | |
|--------------------|---|
| bookkeeping | ◆ бухгалтерія |
| requirement | ◆ вимога |
| entity | ◆ економічна одиниця, організація, підприємство |
| income tax | ◆ податок на прибуток |
| cost accounting | ◆ виробничий облік |
| internal auditing | ◆ внутрішній аудит |
| financial forecast | ◆ прогноз фінансового положення |
| advisory | ◆ консультативний |
| to design | ◆ створювати |
| to include | ◆ включати |
| to gather | ◆ збирати |

Accounting is the process of identifying, measuring, recording, communicating and interpreting financial activity. Many people think of accounting as a highly technical field which can be understood only by professional accountants. Actually, nearly everyone practices accounting in one form or another on an almost daily basis.

Persons with little knowledge of accounting may also fail to understand the difference between accounting and bookkeeping. **Bookkeeping** means the recording of transactions, the record-making phase of accounting. The recording of transactions tends to be mechanical and repetitive; it is only a small part of the field of accounting and probably the simplest part. **Accounting** includes the design of accounting systems, preparation of financial statements, audits, cost studies, development of forecasts, income tax work, computer applications to accounting processes, and the analysis and interpretation of accounting information as an aid to making business decisions. A person might become a reasonably proficient bookkeeper in a few weeks or months; however, to become a professional accountant requires several years of study and experience.

There are a number of professional accounting organizations which provide education and training leading to a certificate in accountancy. The education, training, and examination requirements vary considerably among these professional organizations. The members of these professional organizations tend to specialize in a given sub area of their discipline just as do attorneys and members of other professions. In terms of career opportunities, the field of accounting may be divided into three broad areas: (1) public accounting, (2) private accounting, and (3) governmental accounting.

Public accountants are independent professional persons comparable to

attorneys or physicians, who offer accounting services to clients for a fee. The specific requirements regarding the right to practise public accounting vary. The practice of public accounting is either open to any one or just open to members of the professional accounting organizations. The chartered accountants, however, constitute the most prominent group in public accounting. The three primary types of services rendered by public accountants are:

- **Auditing** The principal function of public accountants is auditing. How do people outside a business entity - owners, creditors, government officials, and other interested parties-know that the financial statements prepared by a company's management are reliable and complete? In large part, these outsiders rely upon **audits** performed by a public accounting firm which is **independent** of the company issuing the financial statements.

To perform an audit of a business, a firm of public accountants makes a careful study of the accounting system and gathers evidence both from within the business firm to express its professional **opinion** as to the fairness and reliability of the financial statements. Persons outside the business such as bankers and investors who rely upon financial statements for information, attach great importance to the annual **audit report** by the public accounting firm. The **independent** status of a public accounting firm retained to make an annual audit is just as important as its technical competence in assuring outsiders that the financial statement, prepared by management disclose all relevant information and provide a fair picture of the company's financial position and operating results.

- **Income tax services** An important element of decision making is income tax services. The public accountant is often I upon for "tax planning", which will show how a future transaction may be arranged in a manner that will hold income taxes to a «accountant is also frequently retained to prepare the federal and provincial income also frequently retained to prepare the federal and provincial income tax returns. To render tax services, the public accountant must have extensive knowledge of tax statutes, regulations, and court decisions, as well as a thorough knowledge of accounting.

- **Management advisory services** Auditing and income tax work have been the traditional areas of expertise of public accounting firms, but the field of management advisory services has recently become a rapidly growing new area. When a public accounting firm during the course of an audit discovers problems in a client's business, it is natural for the public accountants to make suggestions for corrective action. In response, the client often engages the public accountants to make a thorough investigation of the problem and to recommend new policies and procedures needed for a solution.

In contrast to the accountant in public practice who serves many clients, an accountant in private industry is employed by a single enterprise. The chief accounting officer of a medium-sized or large business is usually called the **controller**, in recognition of the fact that one the primary uses of accounting data is

to aid in controlling business operations. The controller manages the work of the accounting staff. He or she is also a part of the top management team charged with the task of running the business, setting its objectives, and seeing that these objectives are met.

The accountants in a private business, large or small, must record transactions and prepare periodic financial statements from accounting records. Within this area of general accounting, a number of specialized phases of accounting have developed. Among the more important of these are:

- **Design of accounting systems** Although the same basic accounting principles are applicable to all types of business, each enterprise requires an individually tailored **financial information system**. This system includes accounting forms, records, instruction manuals, flow charts, computer programs, and reports to fit the particular needs of the business. Designing an accounting system and putting it into operation are thus specialized phases of accounting.

- **Cost accounting** The phase of accounting particularly concerned with collecting and interpreting cost data is called **cost accounting**. Determining the cost of anything is not as simple as it appears at first glance, because the term **cost** has many meanings and different kinds of costs are useful for different purposes.

- **Financial forecasting** A financial forecast (or budget) is a plan of financial operations for some future period, expressed in monetary terms.

By using a forecast, management is able to make comparisons between **planned operations** and **actual results achieved**. A forecast is thus an attempt to preview operating results before the actual transactions have taken place. A forecast is a particularly valuable tool for the controller because it provides each division of the business with a specific goal, and because it gives management a means of measuring the efficiency of performance throughout the company.

- **Tax accounting** As income taxes have gone up and the determination of taxable income has become more complex, both internal accountants and independent public accountants have devoted more time to problems of taxation.

- **Internal auditing** Most large corporations maintain staffs of **internal auditors** with the responsibility of evaluating the efficiency of operations and determining whether company policies are being followed consistently in all divisions of the corporation. The internal auditor, in contrast to the independent auditor, is not responsible for determining the overall fairness of the company's annual financial statements.

- **Managerial accounting** Keep in mind that the accounting system provides information for both external and internal use. The external reporting function has already been touched upon in our text of a public accounting firm's independent audit of annual financial statements. The **internal** reporting function of an accounting system is sometimes called **managerial accounting**; it gives managers information needed for daily operations and also for long-range planning.

Government officials rely on financial information to help them direct the affairs

of their agencies just as do the executives of private corporations. Many governmental accounting problems are similar to those applicable to private industry. In other respects, however, accounting for governmental affairs requires a somewhat different approach because the objective of earning a profit is absent from public affairs. Universities, hospitals, churches, and other not-for-profit institutions also follow a pattern of accounting that is similar to governmental accounting.

Other governmental agencies employ accountants to prepare budgets and to audit the accounting records of various governmental departments and of private businesses which hold government contracts. Every agency of government at every level (federal, provincial, and local) must have accountants in order to carry out its responsibilities.

1.1.2 Building your accounting knowledge:

1. What is accounting?
2. What does bookkeeping mean?
3. Distinguish between accounting and bookkeeping.
4. How many areas are there in the field of accounting?
5. Are public accountants independent professional persons?
6. What does a firm of public accountants do to perform an audit of a business?
7. Have a number of specialized phases of accounting developed? Name them.
8. What do government officials rely on?
9. Do governmental agencies employ accountants to prepare budgets and to audit?
10. What does accounting include?

1.1.3 Find the following words and phrases in the text. Translate the sentences containing them into Ukrainian:

financial activity; knowledge of accounting; bookkeeping; interpretation of accounting information; forecast; private accounting; public accounting; governmental accounting; audit report; professional opinion; to rely on; the top management team; internal auditing; managerial accounting; tax accounting.

1.1.4 Find in the text English equivalents for the following words and word combinations:

надавати послуги; різниця; забезпечувати; фінансові звіти; приймати рішення; думати про; професіональний; аудит; головний бухгалтер-контролер; виробничий облік; прогноз фінансового положення; допомагати; порівняно з; фінансова інформаційна система; податок на прибуток.

1.1.5 What is the meaning of each of the following terms?

- accounting
- bookkeeping

- auditing
- public accountants
- controller
- financial information system
- cost accounting
- managerial accounting
- internal auditing

1.1.6 Provide the appropriate term or terms to complete each of the following statements.

1. _____ is a highly technical field which can be understood only by professional accountants.
2. _____ means the recording of transactions.
3. Public accountants are _____ .
4. The outsiders rely upon _____ performed by a public accounting firm which is _____ of the company issuing the financial statements.
5. An important element of decision making is _____ .
6. The chief accounting officer is usually called _____ .
7. _____ in a private business must record transactions and prepare periodic financial statements.
8. Most large corporations maintains staffs of _____ .
9. _____ reporting function of an accounting system is sometimes called _____ .
10. _____ is a plan of financial operations for some future period.

1.1.7 Say what you have learnt about:

- => public accountants;
- => governmental accountants;
- => private accountants;
- => auditing;
- => internal auditing;
- => managerial accounting;
- => cost and tax accounting.

1.1.8 Prove the following:

1. Accounting includes the design of accounting systems preparation of financial statements, audits, income tax work and computer applications to accounting processes.
2. The principal function of public accountants is auditing.

1.1.9 Give a brief summary of the text.

2.1 THE DOUBLE-ENTRY FRAMEWORK

2.1.1 Read and translate the text and memorise words.

| | | |
|------------------|---|-----------------------------|
| dual | ◆ | подвійний |
| double-entry | ◆ | подвійна бухгалтерія |
| to endure | ◆ | терпіти, використовувати |
| to promote | ◆ | підтримувати |
| to discover | ◆ | виявляти |
| accounts payable | ◆ | кредиторська заборгованість |
| notes payable | ◆ | дебіторська заборгованість |
| to facilitate | ◆ | сприяти |
| charge | ◆ | дебет |
| to maintain | ◆ | підтримувати |
| to deem | ◆ | вважати, гадати |

The fact that each transaction has two aspects—a dual effect upon the accounting elements—provides the basis for what is called double-entry bookkeeping. This term describes a processing system that involves entering the two aspects that are involved in every transaction. Double entry does not mean that a transaction is entered twice; instead, it means that both of the two aspects of each transaction are entered.

Double entry is known to have been practiced for at least 500 years. The method has endured largely because it has several virtues; it is orderly, fairly simple, and very flexible. There is no transaction that cannot be entered in a double-entry manner. Double entry promotes accuracy. Its use makes it impossible for certain types of error to remain undetected for very long. For example, if one aspect of a transaction is properly entered but the other aspect is overlooked, it will soon be found that the records as a whole are “out of balance”. The accountant then knows that something is wrong, reviews the transaction to discover the trouble and then makes the needed correction.

The assets of a business may consist of a number of items, such as cash, accounts receivable, merchandise, equipment, buildings, and land. The liabilities may consist of one or more items, such as accounts payable and notes payable. A separate record should be kept of each asset and of each liability.

A form or record used to keep track of the increases and decreases in each item that result from business transactions is known as an **account**. There are many types of account forms in general use. They may be ruled on sheets of paper and bound in a book form; they may be ruled on cards and kept in a file of some sort.

The three major parts of the standard account form are (1) the title and the account number, (2) the debit or left side, and (3) the credit or right side. This account form is designed to facilitate the entering of the essential information regarding each transaction that affects the account. Each account should be given an appropriate title that will indicate whether it is an asset, a liability, or an owner's equity account. Before any entries are entered in an account, the title and number of the account should be

entered on the horizontal line at the top of the form. The standard account form is divided into two equal parts or sections which are ruled identically to facilitate entering increases and decreases. The left side is called the debit side while the right side is called the credit side. The Date columns are used for entering the dates of transactions. The Item columns may be used for entering a brief description of a transaction when deemed necessary. The amount column on the left is headed "Debit" while that on the right is headed "Credit". The Debit and Credit columns are used for entering the amounts of transactions.

To determine the balance of an account at any time, it is necessary only to total the amounts in the Debit and Credit columns, and calculate the difference between the two totals. To save time, a T account is commonly used for instructional purposes. It consists of a two-line drawing resembling the capital letter T and is sometimes referred to as a skeleton form of account.

_____ **Title** _____
 Debit side f Credit side
T account

To **debit** an account means to enter an amount on the left or debit side of the account. To **credit** an account means to enter an amount on the right or credit side of the account. The abbreviation for debit is Dr. and for credit Cr. (based on the Latin terms "debere" and "credere"). Sometimes the word **charge** is used as a substitute for debit. Increases in assets are entered on the left side of the accounts; increases in liabilities and in owner's equity are entered on the right side of the accounts. Decreases in assets are entered on the right side of the accounts; decreases in liabilities and in owner's equity are entered on the left side of the accounts. Entering increases and decreases in the accounts in this manner will reflect the basic equality of assets to liabilities plus owner's equity (Assets = Liabilities + Owner's Equity); at the same time it will maintain equality between the total amounts debited to all accounts and the total amounts credited to all accounts (Debits = Credits).

2.1.2 Building your accounting knowledge:

1. What is called double-entry bookkeeping?
2. What does the term 'double-entry bookkeeping' describe?
3. Does double entry promote accuracy?
4. What are the three major parts of the standard account form?
5. Is the standard account form divided into two equal parts or sections?
6. What is the standard form of account designed to facilitate?
7. Explain the basis of the abbreviations 'Dr.' for debit and 'Cr.' for credit.
8. What word is sometimes used as a substitute for debit?
9. What is an account?
10. Where are increases in assets and decreases in assets entered?
11. Will entering increases and decreases in the accounts reflect the basic equality?

2.1.3 Find the following words and phrases in the text. Translate the sentences containing them into Ukrainian:

transaction; a processing system; to enter; accuracy; error; to remain; to maintain; the needed correction; to save time; the amount; side; an appropriate title; asset; liability; owner's equity.

2.1.4 Find in the text English equivalents for the following words and word combinations:

забезпечувати; бухгалтерія; двічі; записувати дані; запис; файл; стежити; важлива інформація; кожна угода; дві рівні частини; встановлювати; зберігати час; скорочення; рівність; інколи.

2.1.5 What is the meaning of each of the following terms?

double-entry bookkeeping
account
charge
credit
debit
T account

2.1.6 Provide the appropriate term or terms to complete each of the following statements:

1. _____ does not mean that a transaction is entered twice.
2. There is no _____ that cannot be entered in a _____ manner.
3. _____ may consist of a number of items.
4. _____ may consist of one or more items.
5. There are many types of _____ in general use.
6. There are _____ parts of the standard account form.
7. _____ are used for entering the dates of transactions.
8. The amount column on the left is headed while that on the right is called .
9. A _____ is commonly used for instructional purposes.
10. Sometimes the word _____ is used as a substitute for.

2.1.7 Discuss the following:

=> double entry;
=> a T account;
=> the standard account form

2.1.8 Explain the role of double-entry bookkeeping in the accounting process.

2.1.9 Give a brief summary of the text.

3.1 REVENUE AND EXPENSE

| | | |
|--------------------|---|----------------------|
| to enrich | ◆ | збагачувати |
| inflow | ◆ | приплив |
| in connection with | ◆ | у зв'язку з |
| entity | ◆ | економічна одиниця |
| to incur | ◆ | зазнавати |
| to withdraw | ◆ | брати назад |
| net income | ◆ | чистий прибуток |
| excess | ◆ | надлишок |
| net loss | ◆ | збитки |
| to coincide with | ◆ | збігатися з |
| due to | ◆ | завдяки, через те що |
| application | ◆ | застосування |

The owner's equity element of a business entity or professional enterprise may be increased in two ways as follows:

1. The owner may invest additional money or other property in the enterprise. Such investments result in an increase both in the assets of the enterprise and in the owner's equity, but they do not further enrich the owner. More property merely is invested in the enterprise and less property outside of the enterprise.

2. Revenue may be derived from sales of goods or services, or from other sources.

As used in accounting, the term **revenue** in nearly all cases refers to an increase in the owner's equity in a business resulting from transactions involving asset inflows other than the investment of assets in the business by its owner. In most cases, an increase in owner's equity due to revenue results from an addition to the assets without any change in the liabilities. Often it is cash that is increased. However, an increase in cash and other assets can occur in connection with several types of transactions that do not involve revenue. For this reason, revenue is often defined in terms of a change in owner's equity rather than a change in assets. Any transaction that causes owner's equity to increase, except for investments in the business by its owner, involves revenue.

The owner's equity element of a business entity or professional enterprise may be decreased in two ways as follows:

1. The owner may withdraw assets (cash or other property) from the business enterprise.

2. Expenses may be incurred in operating the enterprise.

As used in accounting, the term **expense** in nearly all cases means a decrease in the owner's equity in a business caused by transactions involving asset outflows other

than a withdrawal by the owner. When an expense is incurred, either the assets are reduced or the liabilities are increased. In either event, owner's equity is reduced. If a transaction causing a reduction is not a withdrawal of assets by the owner, an expense is incurred. Common examples of expense are rent of office or store, salaries of employees, telephone service, supplies consumed, and many types of taxes.

If during a specified period of time, the total increases in owner's equity resulting from revenue exceed the total decreases resulting from expenses, it may be said that the excess represents the **net income** or net profit for the period.

Revenue > Expenses = Net Profit

On the other hand, if the expenses of the period exceed the revenue such excess represents a **net loss** for the period.

Expenses > Revenue = Net Loss

The time interval used in the measurement of net income or net loss can be determined by the owner. It may be a month, a quarter (three months), a year, or some other period of time. Any accounting period of twelve months duration is usually referred to as a **fiscal year**. The fiscal year frequently coincides with the calendar year.

Transactions involving revenue and expense always cause a change in the owner's equity element of an enterprise. Such changes could be entered **by** debiting an account called Owner's Equity for expense and crediting it for revenue. If this practice were followed, however, the credit side of the owner's equity account would contain a mixture of increases due to revenue and to the investment of assets in the business by the owner, while the debit side would contain a mixture of decreases due to expenses and to the withdrawal of assets from the business by the owner. In order to determine the net income or the net loss for each accounting period, a careful analysis of the owner's equity account would be required. It is, therefore, better practice to enter revenue and expenses in separate accounts.

When a transaction produces revenue, the amount of the revenue should be credited to an appropriate revenue account. When a transaction involves expense, the amount of the expense should be debited to an appropriate expense account. The relationship of these accounts to the owner's equity account and the application of the debit and credit theory to the accounts are indicated in the diagram.

The revenue and expense accounts are called **temporary owner's equity accounts** because it is customary to close them into the owner's equity account (which sets their balances back to zero) at the end of each accounting period. It is important to recognize that the credit side of each revenue account is serving temporarily as a part of the credit side of the owner's equity account. Increases in owner's equity are entered as credits. Thus increases in owner's equity resulting from revenue should be credited to revenue accounts. The debit side of each expense account is serving temporarily as a part of the debit side of the owner's equity account. Decreases in owner's equity are entered as debits. Thus decreases in owner's equity resulting from expense should be debited to expense accounts.

3.1.1 Building your accounting knowledge:

1. What does the term revenue refer to?
2. In most cases an increase in owner's equity due to revenue results from what event?
3. Any transaction involves revenue, does not it?
4. What does expense mean?
5. What are common examples of expense?
6. What is the net income?
7. What is the net loss?
8. Is any accounting period of twelve months' duration referred to as a fiscal year?
9. What are temporary owner's equity accounts?
10. Decreases in owner's equity are entered as debits, are not they?

3.1.2. Find the following words and phrases in the text Translate the sentences containing them into Ukrainian:

a business entity; to enrich the owner; revenue; cash; the assets; revenue; the measurement; the calendar year; to cause a change; the credit side; in order to; separate accounts; to enter increase; to expense accounts; reason; the net income

3.1.3 Find in the text English equivalents for the following words and word combinations:

економічна одиниця; власність; активи; угода; забрати назад; скорочення; зменшувати; перевищувати; завдяки; окремі рахунки; кількість; визначати; сприяти; певний період часу; початок.

3.1.4 What is the meaning of each of the following terms?

revenue,
expense,
net income,
net loss,
fiscal year,
temporary owner's equity accounts.

3.1.5 Provide appropriate term or terms to complete each of the following statements:

1. _____ may be derived from sales of goods or services.
2. Often it is _____ that is increased.
3. When _____ is incurred, either _____ are reduced or _____ are increased.
4. _____ year coincides with _____ year.
5. The excess represents _____ or net profit for the period.
6. Transactions involving _____ and _____ cause a change in _____

element of an enterprise.

7. _____ may be incurred in operating the enterprise.

8. _____ in owner's equity are entered as debits.

9. _____ in owner's equity are entered as credits.

10. Any _____ involves revenue.

3.1.8 Say what you have learnt about:

=> revenue and assets;

=> expense and assets;

=> a fiscal year;

=> the owner's equity element.

3.1.9 Write brief notes on each of the following:

revenue, expense, net income, fiscal year, temporary owner's equity accounts.

3.1.10 Give a brief summary of the text.

4.1 ACCOUNTING FOR PROPERTY, PLANT, AND EQUIPMENT

4.1.1 Read and translate the text and memorise words.

| | | |
|-----------------------|---|---------------------------------|
| fixed assets | ◆ | основний капітал |
| capital assets | ◆ | основний капітал |
| standpoint | ◆ | точка зору |
| tangible | ◆ | матеріальний, реальний |
| long-term assets | ◆ | довгострокові активи |
| substance | ◆ | зміст, суть |
| intangible | ◆ | нематеріальний, нереальний |
| current assets | ◆ | оборотні фонди |
| marketable securities | ◆ | ринкові цінні папери |
| capability | ◆ | потенціальна можливість |
| depreciable assets | ◆ | зношуване майно |
| depreciation | ◆ | зниження вартості, знецінювання |
| wasting assets | ◆ | витрачене майно |
| depletion | ◆ | вичерпання |
| exhaustion | ◆ | вичерпання |

Many types of business assets, acquired with the expectation that they will remain in service for a number of accounting periods, are called **property, plant, and equipment** or **long-term assets**. The descriptions **fixed assets** and **capital assets** also are used sometimes. Such assets can be classified in various ways. From a legal standpoint, all property is either real property or personal property. **Real property** (realty or real estate) includes land and anything attached to the land. In nearly all cases, any real property owned by a business is considered to be a long-term asset. Real estate acquired as a short-term investment is an exception. **Personal property** includes everything else that can be owned other than real property. Many kinds of personal property also are classified as property, plant, and equipment. Furniture, equipment, motor vehicles, machinery, patents, and copyrights are common examples of personal property that is owned and used by a business for a number of accounting periods.

Another way of classifying long-term assets is on the basis of tangibility. All real property is **tangible** (has physical substance). The same is true of such personal property as furniture, equipment, and machinery. Major examples of **intangible** (no physical substance) assets are patents copyrights leases, franchises, trademarks, and goodwill. These are considered long-term assets because they are expected to bring future economic benefit for more than one year and, except for goodwill have 1 legal status that allows them to be classified as property.

Sometimes businesses own interests in other incorporated businesses in the form

of capital stock, bonds, or long-term notes. Government bond or notes are also commonly owned. If these investments are temporary in nature, they are considered **marketable securities** and should be classified as current assets. If these assets are expected to be owned for a long time they are considered long-term investments and should be shown in the balance sheet under the heading **Investments**.

For accounting purposes, a common classification of property, plant, and equipment is on the basis of how the original cost of the property is handled in the process of determining net income. The cost of land used only as a site for a store, a factory, a warehouse, or a parking lot is normally left undisturbed in the accounts as long as the land is owned. Because land does not lose its capability to serve these purposes, it does not depreciate. Tangible assets such as buildings, furniture, and equipment are usually called **depreciable assets**, because they wear out or are used up as time passes. In determining net income, a portion of the cost of such assets is charged off as depreciation expense. In a similar fashion, the cost of such intangible properties as patents, copyrights, and leaseholds is gradually charged off as expense to the periods benefited by the assets. As applied to intangible assets, however, the periodic write-off is termed amortization in contrast to depreciation of certain tangible assets. Actually, the meaning of the word amortization is broad enough to include **depreciation**, but customarily the write-off of the cost of most tangible long-term assets is called depreciation, while the write-off of the cost of intangible long-term assets is called **amortization**.

Certain long-term assets whose physical substance is consumed in the operation of a business are called wasting assets. Common examples include mines, stands of timber, and oil and gas wells. The cost of such property is allocated to the periods in which its removal or exhaustion occurs. This periodic write-off is called depletion.

4.1.2 Building your accounting knowledge:

1. What are long-term assets?
2. Real property includes land, does not it?
3. Are many kinds of personal property classified as property, land and equipment?
4. What is tangibility?
5. What examples of intangible assets do you know?
6. What is depreciation?
7. What is amortization?
8. What examples of wasting assets do you know.
9. What assets are all in the tangible category.
- 10 How should investments be classified?

4.1.3 Find the following words and phrases in the text. Translate the sentences containing them into Ukrainian:

property; capital assets; to include; to classify; vehicles; personal property; tangibility; physical substance; to expect; to bring benefit; capital stock; investment; on the basis of; cost; to include.

4.1.4 Find in the text English equivalents for the following words and word combinations:

точка зору; нерухомість; включати; фізичний зміст; приносити економічний прибуток; повне списання з рахунку; володіти; нереальні дострокові активи; знецінювання; амортизація; нереальна власність; (матеріальна) зацікавленість; вичерпання; порівнянно з; класифікація.

4.1.5 What is the meaning of each of the following terms?

- => long-term assets
- => fixed assets
- => real property
- => personal property
- => investments
- => depreciation
- => depletion

4.1.6 Provide the appropriate term or terms to complete each of the following statements:

1. Many types of business _____ are called _____, _____ and _____.
2. Many kinds of _____ are classified as property, plant and equipment. y
3. All real property is _____.
4. _____ such as buildings, furniture, and equipment are usually called _____.
5. The write-off of the cost of intangible long-term assets is called _____.
6. The periodic write-off is called _____.
7. Major examples of _____ are patents, copyrights, leases, etc.
8. The meaning of the word _____ is broad enough to include.
9. From a legal standpoint, all property is either _____ or _____.
10. _____ includes land and anything attached to the land.

4.1.7 Speak on:

- => long-term assets;
- => real and personal property;
- => tangibility;
- => current assets;
- => depreciation and amortization

4.1.8 Prove the following:

1. From legal standpoint, all property is either real property or personal property.
2. Another way of classifying long-term assets is on the basis of tangibility.

4.1.9 Give a brief summary of the text.

5.1 INTERNAL ACCOUNTING CONTROL

5.1.1 Read and translate the text and memorise words.

| | | |
|-------------------|---|-----------------------------|
| internal control | ◆ | внутрішній контроль |
| fraud | ◆ | обман, шахрайство |
| to supervise | ◆ | контролювати |
| to verify | ◆ | контролювати, перевіряти |
| segregation | ◆ | розподілення |
| custody | ◆ | охорона, зберігання |
| theft | ◆ | крадіжка, украдені речі |
| responsibility | ◆ | обов'язок, відповідальність |
| independent check | ◆ | незалежний контроль |
| to react | ◆ | реагувати, взаємодіяти |

There are enormous variations in size, type of operation, and product lines of companies. Each of these factors affects the type of control system appropriate for a particular company. For example, a very small business often uses only a limited number of formal control procedures and has little segregation of duties because there are few people to perform the duties in the first place. The key internal control element in this situation is the owner-manager who personally supervises the activities of the business. On the other hand, as the size and nature of a business become larger and more complex, it becomes impossible for the owner to maintain such close contact with all the activities of the business. Consequently, the owner must rely more on a formal internal accounting control system to ensure that the activities of the business are being conducted properly and errors or fraud are prevented or promptly detected. It is important to recognize that it is impossible to define the “correct” system of internal accounting control for all businesses.

An **internal accounting control system** is defined as all the procedures, documents, and records used by a business to protect its assets and to ensure that the activities of the business are properly performed and documented. The system should provide assurance that (1) all transactions are properly authorized and accounted for, (2) access to assets is permitted only to authorized parties for authorized purposes, and (3) records of assets are verified periodically by examining the related physical properties.

Internal accounting control is essential to the functioning of a business. There is hardly an aspect of a business that is not affected by it.

Internal accounting control systems can take many different forms in different businesses; they can be quite simple or very complex. Regardless of their form, however, internal accounting controls are critical to the efficient functioning of a business.

Four key elements of internal accounting control can be identified:

1. Segregation of duties.
2. Authorization procedures and related responsibilities.

3. Accounting procedures.
4. Independent checks on performance.

Segregation of Duties. **Segregation of duties** involves assigning duties in such a way (1) different employees are responsible for different employees are responsible for different parts of a transaction, and (2) employees who maintain accounting records do not have custody of the firm's assets. Appropriate segregation of duties helps to detect errors promptly and reduces the possibility of employee fraud.

The duties of accounting and asset custody should be segregated in order to prevent employees from stealing business assets and concealing their by modifying the accounting records.

Authorization Procedures and Related Responsibility. Sound **authorization procedures** involve assigning responsibilities so that only properly authorized activities take place in the business and the persons responsible for such activities and the related assets are identified at every step in the process. Basically, this element of internal accounting control should ensure that transactions do not occur without sufficient authorization. Whether the authorization is general or specific, the control concept remains the same; someone should be responsible for every activity in which a business engages. Unless someone has authorized and assumed responsibility for an action, that action should not be taken by the business. Correspondingly, after some activity has occurred, it should be possible to determine who authorized it and therefore is held responsible.

Accounting Procedures. Proper **accounting procedures** include use of accounting records and documents in such a way that whenever business activities occur, the accounting system reacts. A major dimension of this internal accounting control element is the use of prenumbered documents that must be generated promptly when an activity occurs and then subsequently accounted for. Subsequent accounting for prenumbered documents can be simplified by entering the data and filing the documents in numerical order. This element of internal accounting control helps ensure that all valid activities of the business are included in the records and that only valid activities are included.

Independent Checks on Performance. This last key element of internal accounting control includes the various methods used by a business to ensure that management's accounting rules and regulations are being followed. Perhaps the most easily recognized type of **independent check** on performance is that provided by the internal audit department of a business. The **internal audit department** has broad responsibility to see that internal accounting control system is effective. This includes responsibilities for determining (1) that the system is properly designed and (2) that there is compliance with the segregation of duties, with authorization, and with accounting procedures dictated by the system. The first responsibility is fulfilled primarily by making sure that the system is characterized by the key elements of internal control that are described in this section. The second responsibility is fulfilled by testing and analyzing the business activities that occur during the year.

In addition to the specific performance checks provided by the internal audit department, a system of independent checks is built into many phases of the business.

5.1.2 Building your accounting knowledge:

1. Is it impossible to define the “correct” system of internal accounting control for all businesses?
2. What is an internal accounting control system?
3. What assurance should be provided by an internal accounting control system?
4. What forms can internal accounting control systems take?
5. Does appropriate segregation of duties help to detect errors?
6. How do sound authorization procedures contribute to internal accounting control?
7. Why should documents be prenumbered and subsequently accounted for?
8. What is the last key element of internal accounting control?
9. What are the responsibilities of an internal audit department?
10. Is a system of independent checks built into many phases of the business?

5.1.3 Find the following words and phrases in the text. Translate the sentences containing them into Ukrainian:

enormous variations; the “correct” system; to protect assets; assurance; fraud; different forms; segregation of duties; employees; to detect errors; in order to; related responsibility; to be responsible for; proper accounting procedures; prenumbered documents; internal audit department.

5.1.4 Find in the text English equivalents for the following words and word combinations:

розподілення обов’язків; власник; захищати активи; доступ до активів; записи; система внутрішнього контролю; бути відповідальним за; охорона; крадіжка; відповідальність; незалежний контроль; внутрішній аудит; включати; ревізійно-контрольний відділ.

5.1.5 What is the meaning of each of the following terms?

- => internal accounting control system
- => four key elements
- => segregation of duties
- => authorization procedures
- => related responsibility
- => accounting procedures
- => independent check
- => internal audit department

5.1.6 Provide the appropriate term or terms to complete each of the following statement.

1. The owner must rely more on a formal _____.

2. The system should provide .
3. _____ is essential to the functioning of a business.
4. _____ of internal accounting control can be identified.
5. _____ involves assigning duties.
6. Sound _____ involve assigning responsibilities.
7. Proper _____ include use of accounting records and documents.
8. A major dimension of _____ element is the use of prenumbered documents.
9. The most easily recognized types of _____ on performance is that provided by the _____ of a business.
10. The _____ has broad responsibility to see that the _____ is effective.

5.1.7 Explain the meaning of this statement:

An internal accounting control system is defined as all the procedures, documents, and records used by a business to protect its assets and to ensure that the activities of the business are properly performed and documented.

5.1.8 Discuss the following:

- => an internal accounting control system;
- => key elements of internal accounting control;
- => internal audit department.

5.1.9 Give a brief summary of the text.

6.1 TRADE FINANCE

Banks play an important role in the financing of international trade. In this unit you will learn about the financing provided by one bank.

6.1.1 Read the text

The growth of multinational corporations manufacturing and trading on a worldwide basis has led to the growth in the overseas operations of major banks over the last twenty years. Banking may be said to play a key role in the import and export trade in particular. In 1991 US companies exported goods with a total value of USD 234 thousand million. In the same year the American market imported merchandise worth USD 261 thousand million. Banks provided a considerable amount of money to finance this trade, and in 1995 foreign earnings accounted for 47.3 per cent of the consolidated earnings of the ten biggest US commercial banks.

Letters of credit are the most frequently used international service provided by banks for customers involved in international trade. Such a document guarantees that the seller (exporter) will be paid provided the terms of the contract are met. At the same time, it protects the buyer (importer) by guaranteeing that payment will not be made until the contract is fulfilled.

Letters of credit can be **revocable or irrevocable**. They may also be issued on a time or sight basis.

The former calls for immediate payment against the documents evidencing the shipment of goods; the latter specifies a date by which payment must be made. The letter of credit may also be **confirmed**, which means that the exporter's bank undertakes to pay the exporter for the goods once the correct documents are received.

Procedures differ according to the type of credit. But let us assume, for example, that a company in Australia wants to import goods from a company in Basle, Switzerland. The Australian company wants to be sure that the contract will be fulfilled. The Swiss company wants to know that it will be paid for the goods.

The Australian company therefore contacts its local bank and requests an irrevocable sight letter of credit in favor of the Swiss exporter. The Australian bank notifies a bank in Switzerland of the credit, and is then known as the issuing or opening bank. The exporter is now the beneficiary of the letter of credit, and will receive payment the terms of the contract are met.

When the goods have been shipped, the company in Basle Switzerland presents the documents to its bank, and the bank will make payment immediately. Funds then flow from the issuing bank in Australia to the paying bank in Switzerland, as reimbursement for the money paid by the Swiss bank to the seller in Basle. The Australian bank then recovers this money from the account of its customer, the importer.

The Australian bank then recovers this money from the account of its customer, the importer.

6.1.2 Key terms to the text:

multinational corporations

the worldwide largest trade organizations

letter of credit
 advising bank
 beneficiary

a payment document in international trade
 a bank that gives an information
 a person named to receive payment

6.1.3 Clear up all unfamiliar words or abbreviations in your dictionary.

6.1.4 Read the text and try to answer the following questions.

1. What role do banks play in trade finance?
2. What are the largest international trade organizations?
3. On what basis can letters of credit be issued?
4. Whom does a letter of credit protect: a buyer, a seller or both of them?
5. How does a letter of credit operate?

6.1.5 Be ready to discuss matters of international trade in your country with your partner according to the following plan:

1. Your country's main exports.
2. Your country's main imports.
3. Your country's main trading partners.

6.1.6 Look through the phrases below describing payment situation and general situation of a country. They are marked with numbers. Which of them are the most preferable for a bank to finance the exports?

| <i>Payment situation</i> | <i>General situation</i> |
|---|---|
| 1. Some delays reported. | 1. Steady economic growth should continue. |
| 2. Strict exchange controls. Prior approval of Central Bank necessary for all import settlements. | 2. Rigid import controls. Politics unsettles. |
| 3. Generally satisfactory. | 3. Business conditions favourable. General elections next year. |
| 4. Good payment record. . | 4. Politically stable. |
| 5. Customer default and slow payments affecting supplies. | 5. Rocketing inflation. Tough budget. |
| | |
| | |

7.1 BANK PRESENTATION RELATING TO FINANCIAL PERFORMANCE OF A FRENCH MERCHANT BANK

7.1.1 Read the dialogue and retell it in brief.

Presenter: Claire Seal gives some information about her bank to a group of professional visitors from abroad.

Claire: My speech gives a very brief summary of some of the key figures relating to our performance in 1990. We'll be meeting these figures again later in greater detail, but it may be useful at this stage to present the detailed figures later and to indicate a number of important trends.

If we begin with income then, you will see that the total group income amounted to a record level of one hundred and fifty-five million pounds, an increase of nearly fifteen per cent on the previous year, a rate of increase slightly above that of recent years. Interest received amounted to six hundred and fifteen million pounds, and interest paid to five hundred and sixteen million, leaving us with a net interest income of ninety-nine million pounds. This is eleven per cent up over the 1989 figure and represents sixty-four per cent of the total group income for 1990. The net interest income is quite satisfactory in itself, given the very difficult market conditions, but what is especially significant is the increase in non-interest income from forty-six to fifty-six million pounds, an increase of some twenty-two per cent. A very important part of the bank's policy lies in limiting dependence on net interest as a source of income and in developing its fee and commission earning activities, and 1990 income in this area accounted for a two per cent higher contribution to total income that was the case in 1989. This is an encouraging trend, as it reflects the bank's response to the changing economic environment in general and to the sensitivity of interest rates in particular.

Non-interest income then of fifty-six million pounds, making the total income for the year of one hundred and fifty-five million pounds, twenty million pounds higher than the previous year.

Presenter: Claire, there, giving details about the bank's income for 1990.

7.1.2 Key terms to the text:

| | | |
|---------------------------------------|----|--|
| A brief summary | => | a short report of the main points |
| Key figures | => | the most important figures |
| Trends | => | events that happen often |
| A record level | => | a higher amount than ever before |
| Net interest income | => | the amount earned of an investment after paying for its capital cost |
| Especially significant | => | important and worth noting |
| Fee and commission earning activities | => | plans to lend money for profit |
| The economic environment | => | the economic situation |
| The sensitivity of interest rates | => | the way in which interest rates are easily influenced or affected |

7.1.3 Read the text and try to answer the following questions.

1. Does the text deal with income, costs, or both?
2. Are figures given with or without comments?
3. Was 1990 a good year or a bad one for the bank?
4. What does a very important part of a bank's policy lie in?
5. What are the main trends of the bank to earn income?

7.1.4 Look at the following statements and say which ones relate to financial performance of the bank.

1. This text gives a very brief summary of the key figures.
2. If to begin with income, you will see that the total group income amounted to a record level.
3. The accompanying audited financial statements were prepared in conformity with generally accepted accounting principles.
4. This increase is larger than in previous years.
5. All this adds up to total group outgoings of... .

7.1.5 Give English equivalents of the following expressions:

короткий огляд, основні цифри, тенденція, рекордний рівень, економічне середовище, чистий прибуток, рівень росту, що знаходиться в тяжких ринкових умовах, чутливість процентних ставок.

8.1 BANK ORGANIZATION

8.1.7 Read the dialogue and retell in brief in Indirect Speech.

Presenter: Clive Regis is interviewed about his bank's organization.

Interviewer: First of all, could you tell me how you're organized?

Clive: Yes, certainly. Just to give you the background, we were established as a merchant bank as long ago as 1869. We operated independently as one of the major merchant banks in the City until 1976, when Metropolitan and Provincial acquired a one third interest in us, and as of last year we are now a wholly-owned subsidiary of that bank.

Interviewer: Oh, really? I didn't realize that.

Clive: Mmm. One of the consequences of our acquisition was that we sold off our non-banking related activities, though of course we still cover a full range of international banking services. Now in terms of management structure, we have an Administration Division which looks after all administrative matters. These include planning, group financial control, accounting and audit, computer services, legal services, personnel, premises and so forth.

Interviewer: Ah, yes. That's cost centre services then?

Clive: That's cost centre services, right. Next we have the Banking Division and they deal with loans, syndicated loans, project finance, overdrafts, documentary credits and correspondent banking.

Interviewer: I see.

Clive: We're very active in the markets and so therefore we have a Dealing Division. They cover foreign exchange, currency options, money market transactions, bonds, floating rate notes, Eurodollar CDs,...

Interviewer: CDs?

Clive: Certificates of Deposit.

Interviewer: Oh, I see. Yes.

Clive: CDs, financial futures and bullion. Then there's our Corporate Finance Division which has expanded quite rapidly over the last couple of years. They provide advice to a large number of UK and international companies. The activities of the Corporate Finance Division include mergers, takeovers, acquisitions and divestments, as well as stock market and USM flotations in London, and of course capital raising.

Interviewer: Mmm, I see.

Clive: We also have an Investment Management Division which provides services to companies: pension funds, investment trusts, unit trusts and offshore funds. And finally there's a Leasing Division which organizes leasing packages for lessors and lessees. Well, that's who we are, and what we do. I think that sums it up.

Interviewer: Ah, yes indeed. Now if we could move on to the ...

Presenter: That was Clive describing the structure of a merchant bank in London.

8.1.2 Key terms to the text:

| | |
|---------------------------------|---|
| line division | => sections of a company which deal with different products of services from each other |
| premises | => buildings or surrounding land |
| domestic | => in your own country, not abroad |
| comptroller's department | => a department which controls the internal finances of a company |
| investment portfolio management | => management of a client's collected investments |
| bullion | => bars of gold or silver |
| personnel | => employees, staff |
| reorganized | => formed or structured in a new way |
| consumers | => people who buy goods or services |
| strategic planning | => deciding the main aims of an organisation |
| commercial paper | => documents issued by a local government authority, promising to repay loans at a certain time |
| municipal bonds | => short-term documents sold by big UK corporations, promising to pay a specified sum of money on a particular date. They may be sold by a buyer. |

8.1.3 Read the text and try to answer the following questions.

1. Does the text give a basic outline or a detailed analysis of the bank's organizational structure?
2. How is the bank basically organized?
3. What line divisions is the bank split into?
4. What services does each department represent to consumers?
5. Which division covers personnel, premises and economic analysis?
6. Does the annual report of the bank give ever needed reference? (Explain your opinion.)

8.1.4 Give the English equivalents of the following expressions:

клієнтура, відділ, підрозділ, вітчизняний, золотий запас, бухгалтерський відділ, відділ обробки інформації, службові приміщення, річний звіт, штат, основні підрозділи, менеджмент загального числа інвестицій клієнта, муніципальні облігації.

8.1.5 Complete the following organization chart. Firstly, write in the boxes the names of the divisions. Then underline the boxes add details of the responsibilities of each of the divisions.

9.1 FINANCIAL NEWS

9.1.1 In this text you will learn that every day important financial news is being made somewhere in the world. This unit contains news items about companies and markets. So, read the text.

Modern information technology has led to news being transmitted worldwide quicker than ever before. Time differences around the world mean that financial news is being made twenty-four hours a day, and it is this barrage of readily accessible information that serves as a basis for many of the business decisions that are made concerning international trading and financing. Techniques of analysis are applied to information to determine its implications and to try to discern trends in the future.

Many prices are determined by a complex interaction of factors. With regard to currencies, it may be said that one factor governing prices is the interaction of supply and demand. Interest rates prevailing in countries affect currency exchange rates. If interest rates rise in the UK, for example, US investors may move funds to the UK to earn higher interest income. They will then sell dollars for sterling, and the demand for sterling will rise, while at the same time the supply of dollars will rise too. The dollar will therefore fall in value, while the price of sterling will rise.

Trade between countries may also affect currency rates. Government intervention also affects exchange rates.

Stock market prices in a particular country are often affected by stock market prices elsewhere in the world.

The factor of supply and demand mentioned earlier will also tend to affect commodity prices.

Information about the dollar only takes up a part of the news report.

Here is the financial news headlines, and more detailed news of the currency markets for the day in question given by a financial manager of the British Central Bank.

The dollar recovered after a weak start. The pound strengthened. Gold was slightly stronger, and silver slightly weaker. London share prices were steady, but New York prices drifted down.

A survey published in London not long ago states that over the past five years trading on the world's foreign exchange has more than doubled in size. London remains the leading centre, with nearly fifty billion dollars, traded here every day. New York is in the second place, Zurich - third.

In the European foreign exchange the dollar closed yesterday little changed, after recovering from early weakness. Trading was thin.

In Tokyo the dollar slipped back a little, ending at two hundred and fifteen point eight five yen. Some selling by the Bank of Japan was noted.

The pound yesterday was stronger against most currencies.

In the latest currency prices in London the pound is at one dollar forty-four point five cents. The German mark is two marks sixty-three point eight pfenning to the dollar. The Swiss franc is unchanged.

The French franc is eight francs forty to the dollar, and the Dutch guilder is weaker at two guilders ninety-seven point five. The Japanese yen is unchanged at two

hundred and fifteen point eight five yen to the dollar.

9.1.2 Key terms to the text:

| | |
|-----------------------|---|
| prices drifted down | => prices fell slightly |
| a survey | => an official list of things or events |
| trading was thin | => there was not much buying or selling |
| released | => made known to the public |
| slipped back a little | => rose then fell |

9.1.3 Look through this short news report and then fill in the spaces with words from the box.

The dollar opened ... in London yesterday, having ..., with back sharply in the Far East overnight. During the day, however, it ... its losses against most leading ..., with the ... of sterling, which had its ground and closed almost a cent ... at 1,4285. Sterling also ... over one pfenning to 3,7900 against the Deuthchmark.

| | | |
|--------|------------|----------|
| Ahead | currencies | weaker |
| firmed | exception | slipped |
| fell | recovered | business |

9.1.4 Read the text news report attentively and say whether it was:

- * a bad day
- * a good day
- * a quiet day,
- * neither good not bad

9.1.5 Try to answer the following questions.

1. What have been the main currency movements recently in the world and why?
2. What economic indicators affects drifting down of the hryvnia?
3. Is trading currencies thin or thick in our country in recent times?
4. Is the dollar recovering or drifting down at present?
5. Does hryvnia refer to worlds currencies?
6. What sources of information give daily position of the hryvnia?
7. What was the exchange rate of the hryvnia against the dollar close to yesterday?

10.1 BANK ORGANIZATION

10.1.1 This unit is about bank organizational structures and how to describe them.

10.1.2 Key terms to the text:

| | |
|--|-------------------------------|
| objective } aim } | мета, ціль |
| to earn profits } to yield profits } to generate profits } | отримувати прибутки |
| to assess changes in the demand | оцінювати зміни за попитом |
| full - service philosophy | філософія повного сервісу |
| akin | споріднені |
| wholesale | оптовий, гуртовий |
| retail | роздрібний |

10.1.3 Read the text alone try to understand it.

Briefing

The way in which a bank is organized and operates is determined by its objectives and by the type of economy in which it conducts its business. A bank may not necessarily be in business to make a profit. **Central banks**, for example, provide a country with a number of services, while **development banks** exist to increase the economic growth of a country and raise the living standard of its population. On the other hand, the aim of **commercial banks** is to earn profits. They therefore provide and develop services that can be sold at a price that will yield a profit.

A commercial bank which provides the same range of services year after year is less likely to be successful than one which assesses changes in the demand for its products and which tries to match products to its customers' needs. New services are constantly being introduced and developed by commercial banks, and the full-service philosophy of many banks means that they are akin to financial supermarkets, offering a wide variety of services. However, not every bank may want to offer every kind of financial service.

Many banks offer a combination of **wholesale** and **retail** banking. The former provides large-scale services to companies, government agencies and other banks. The latter mainly provides smaller-scale services to the general public. Both types of banking, however, have three essential functions, which are:

- deposits
- payments
- credits

These three functions are the basis of the services offered by banks. They make it possible for banks to generate profits and to achieve their operating aims.

Several factors have combined to make banking an international business, These include the growth of multinational companies and of international capital markets, the increased competition between the banks themselves, and important improvements in communications and transportation. The major banks of the world have established extensive international operations by acquiring banks in other countries, by extending their own branch network abroad and by establishing correspondent relationships with foreign banks so as to develop profitable joint operations.

10.1.4 Try to answer the following questions:

1. Do bank's objectives determine the way in which a bank is organized and operates?
2. What services do central (development, commercial) banks provide?
3. Do all banks pursue the policy of full -service philosophy?
4. What are the main functions of wholesale and retail banking?
5. By what way the major banks of the world have established extensive international operations?

11.1 BANK PERFORMANCE

11.1.1 In this unit you will learn about facts and figures concerning the financial performance of UK banks.

11.1.2 Key terms to the text:

| | | |
|-----------------------------|----|---------------------------------------|
| double entry principle | => | принцип подвійного запису |
| a liability | => | Пасив |
| the balance sheet | => | балансовий звіт |
| the profit and loss account | => | звіт про основну фінансову діяльність |
| an asset | => | Актив |
| a portfolio | => | портфель цінних паперів |
| a loan | => | Позика |
| interest | => | відсоток на прибутки |
| return on investments | => | прибутки від інвестицій |
| fees | => | комісійні |
| taxes | => | податки |
| to owe to smb. | => | бути комусь винним |
| to run a business | => | керувати підприємством |
| data | => | Дані |
| figures | => | Цифри |

11.1.3 Read the text attentively and translate in writing.

Briefing

Banks necessarily use sophisticated accounting systems to record as clearly as possible what the financial situation of the bank is. Normally such a system is based on the principle of the **double entry**, which means that each transaction is entered twice, as a **credit** in one account and as a **debit** in another account. If we deposit £100 with a bank, for example, the bank enters a debit for the receiver and a credit for the giver. The former represents an **asset** to the bank, since it is a sum of money at the bank's disposal, as well as a **liability**, since it will one day have to be repaid. The **balance sheet** of a bank gives us a view of its financial situation at one point in time, usually 31 December of a particular year. But we do not know what has happened between two balance sheets. This information is provided by the **profit and loss account** for the period in question. Neither statement is exactly uniform from bank to bank, but both contain certain essential features.

The largest asset of a bank is normally its total portfolio of loans. Deposits usually constitute the largest liability. Balance sheets usually include the following items listed as assets:

- Cash on hand and due from banks - money in vaults, balances with other banks, cheques in process of collection.

- Investments - bonds, shares, etc.
- Loans — to companies, the general public, etc.
- Fixed assets — buildings, equipment, etc.

Items listed in the balance sheet as liabilities are:

- Deposits — all money owed to depositors
- Taxes payable - national and local
- Dividends payable - decided oh, but not yet paid

The profit and loss account records the income of a bank, and here, typically, the items in order of size are:

- interest on loans
- return on investments
- fees, commissions, service charges

The granting of credit provides the largest single source of bank income. Typically, two thirds of an American commercial bank's yearly earnings result from interest on loans. Nine out of every ten dollars they lend come from depositors' funds.

The following items normally constitute the main expenses in a bank's profit and loss account, again in typical order if size:

- interest paid
- salaries and other benefits
- taxes

A bank's accounting systems, then, are designed to record and present the many transactions that take place every day. Substantial reserves over and above statutory requirements are an indication to customers of the bank's strength, that it has run its business well and has retained profits in the business for future operations. Profitability indicates the effectiveness of a bank's performance and how well it has managed the resources under its control. Published figures thus provide some essential data on the liquidity, safety and income of a bank.

12.1 FOREIGN EXCHANGE

12.1.1 In this unit you will learn that foreign exchange dealing plays an important part in the activities of many banks.

12.1.2 Key terms to the text:

| | | |
|--------------------------|----|------------------------------|
| forward rate | => | курс угоди на термін |
| spot rate | => | курс касових угод |
| to gain | => | виграти; розбагатіти |
| to transact a business | => | вести підприємство |
| to deliver | => | постачати |
| Dutch guilders | => | датські гульдени |
| a dealing slip | => | бланк про угоду |
| a confirmation | => | підтвердження |
| a discrepancy | => | розходження, невідповідність |
| a claim | => | претензія, вимога |
| maturity date | => | дата оплати |
| to be short in (dollars) | => | невистачає (доларів) |

Read the text to yourself and explain some of the basic principles of foreign exchange dealing in brief.

Foreign exchange dealing plays an important part in the activities of many banks. In this unit you are going to learn the basic principles of foreign exchange dealing.

So, read the text attentively and be ready to tell the main information about foreign exchange dealing.

With the growth of global trade, many companies need foreign currencies to pay producers in other countries. A British company with a supplier in Germany, for example, will probably use sterling to buy Deutschmarks from its bank in order to pay an invoice from the German company. The bank buys the Deutschmarks from another bank at a particular rate and provides them to its customer at a higher rate, thus making a profit. Similarly, a bank may make gains on buying and selling currencies on the inter-bank market. Making a profit on the transaction is the basic idea of foreign exchange dealing.

Currencies can be bought or sold in the foreign exchange market either for immediate delivery, that is at the **spot rate**, or for delivery later (e.g. two weeks, three months, etc.) at a **forward rate**. The forward market is useful for companies, since if a company knows that it will need a particular foreign currency to pay a bill in four week's time, for example a forward deal enables it to protect itself against future adverse movements in the exchange rate which would have otherwise had the effect of making the foreign goods more expensive.

When dealing in foreign exchange, normally by telephone, the bank quotes both the selling and buying rate of a currency at which it is prepared to transact business. Settlement for a spot transaction is two working days later. Thus if a contract is made on Monday, the seller delivers the amount sold and receives payment on Wednesday. Similarly if the contract is made on Tuesday, value is Thursday.

Currency traded in this way is delivered to the buyer's account with a bank in the main centre, or one of the main centres, for the currency in question. In the case of sterling, for example, this is London, for Dutch guilders it is Amsterdam and Rotterdam, and for Belgian francs it is Brussels and Antwerp. The buyer decides the bank where his or her account is to be credited.

The foreign exchange dealer fills in a dealing slip containing basic information such as the date and time of the deal, the contracting party, the amount and rate agreed on, the date of settlement, and the place of delivery of the currency dealt in. As soon as a foreign exchange transaction has been earned out, both banks send a written confirmation containing the basic information mentioned above. Any discrepancies may thus be detected quickly. * '

A bank holding debts or claims in a foreign currency is itself exposed to an exchange risk, unless the debts and claims neutralize each other by being of equal size and by having roughly the same maturity dates. Dealers therefore aim for a balanced total position. If the amount of a bank's claims in dollars, for example, is larger than the total debts in dollars, then the bank has a **long position**, but if the debts are larger than the claims, the bank is **short in dollars**. As long as the total position balances, there is no risk for the bank.

13.1 TRENDS

13.1.1 In this text you will learn that international banking is a dynamic business and the changes are fast and many. You will also learn about important trends in some areas of banking and financing.

13.1.2 Read the text and be ready to ask your partner some questions with regard to banking in your country.

13.1.3 Key terms to the text:

| | | |
|------------------------|----|------------------------------------|
| to face the problem | => | постати перед проблемою |
| developments | => | розробки |
| demand | => | попит |
| recession | => | спад, рецесія |
| to reschedule | => | перепланувати |
| repayment installments | => | встановлення платежу |
| to delay | => | відкласти, відкласти (за терміном) |
| strain | => | напруга, незручність |
| challenge | => | загроза |
| a regulation | => | розпорядження; положення |
| to restrain | => | обмежувати; стримувати |

Briefing

Banking has faced considerable external change over recent decades, and major changes have taken place in the industry itself. Developments have been many and rapid. One of the most important developments during the 1990s was the growth in international debt problems, a situation which had begun to evolve in the previous decade.

In addition to the growth in the financial needs of large companies, government agencies around the world also formed an area of growing demand for finance in the 1980s. International banks assisted countries with balance of payments difficulties, that is those which were importing much more than they were exporting, by lending them large sums of money, and this assistance increased after the sharp rise in oil prices in 1983, since the higher prices meant even greater balance of payments problems for some countries. Banks were at this time able to lend out more money, deposited with them by oil producing countries, to countries with payment deficits. Some leading banks committed sums which exceeded their capital and reserves, ignoring the principle of a well-spread loan portfolio.

During the 1990s, however, high interest rates and world recession prevented several countries from meeting their repayment obligations. Banks have had to reschedule loans, that is arrange for interest payments and repayment installments to be delayed, and the debt crisis, as it has been termed, has put banking in the industrialized countries under a certain amount of strain. Some observers see the financial strength of the banks as now depending on the financial strength of the

debtors. In this way, they claim, the debt problem threatens both the development of the debtor countries and the stability of the banking system of the industrialized world.

A second challenge faced by banks recently is the increasing competition from other organizations, both in terms of numbers and in the range of financial services offered. Banks are generally very closely regulated, examined, restricted and supervised, making it sometimes difficult to meet new competition from institutions operating under different regulations, such as insurance companies. Laws and regulations restraining the activities of banks and other financial organizations have been changing, and continue to change. One example in the UK is the so-called Big Bang, which in 1986 deregulated the traditional procedures for dealing in UK securities. The changes taking place in the financial services industry are not confined to any one country, however, and innovation and development are contributing to general market evolution, both nationally and internationally.

A third trend in banking during recent years has been the growth in the application of technology in the industry. Accounting records are maintained with the aid of computer systems, where ledgers were once kept by hand. Messages can now be transmitted and funds can be transferred around the world electronically in a matter of moments. Dealing rooms often use the latest technology, with electronic hardware and software providing the essential data. The information systems used may include a transaction input capability, an interface with main office systems, large high resolution colour displays, and so on, to provide the up-to-the minute data on which effective trading decisions are based.

While electronic systems reduce time and paper, they do involve certain risks, such as those of computer system failure and fraud. Security operations in both cases are therefore of vital importance to modern banks. If a system breaks down, it is imperative that information is not lost. With large sums of money being sent around the world electronically, it is also imperative that banks prevent outsiders or unauthorized users* from penetrating their systems and diverting funds for their own use. One professional survey in the UK in the mid-1980s estimated that computer fraud involving funds transfer in the UK totalled some £50 million a year.

Banking services offered to the general public are also becoming increasingly automated, as banks try to reduce their costs associated with branch over-the-counter transactions, such as personnel cost.

Unit2

2.1 Test1

2.1.1 Read the letter and complete it with the following words and expressions.

the details of, this date, samples, enclosed, condition, a trial, to cancel, faithfully, Avenue, guarantee

L. THOMS & SON *.Hardware
Merchants*

150 Beachiew _____
Bournemouth H77 6 DP

30 January 1997

Modem Plastics Ltd.
Melox House Portsmouth P92 4CC

Dear Sirs

Thank you for your letter of 12 January and for _____ your plastic ware.

We are now seen _____ of your products and are prepared to give them _ ,
provided you can _____ delivery on or before 1 March. The ___ order is
placed strictly on this _____ , and we reserve the right ___ and to refuse
delivery after _____ .

Yours _____
L. THOMS AND SON

J. B. K. Thoms Managing Director

2.1.2 Choose the correct option (a, b or c) to complete each sentence.

- Shares certify that a definite sum of money has been ... by stockholder.
 - lost
 - earned
 - invested
- The ... is a place where stocks are bought and sold,
 - open market
 - stock exchange
 - money exchange
- Corporations issue stocks, which are certificates of owning part of the corporations

- a) human resources
 - b) utilities
 - c) capital
4. In franchising, a large company allows one or several entrepreneurs to use the corporate
 - a) capital
 - b) brand name
 - c) assets.
 5. Most McDonald's restaurants around the world are owned by ... with the McDonald's corporation as a franchiser.
 - a) franchisees
 - b) stockholders
 - c) stockbroker
 6. All owners of a corporation are called
 - a) brockers
 - b) employees
 - c) stockholders
 7. The highest... body in a company is the Board of Directors.
 - a) executive
 - b) execution
 - c) execute
 8. The President is the nominal ... of the company, and is elected at the annual stockholders' meeting.
 - a) operator
 - b) head
 - c) employer
 9. The ... Department may be divided into Financial Management Sector and Accounting Sector.
 - a) Marketing
 - b) Production
 - c) Finance
 10. Corporations often have subsidiaries that are more or less
 - a) dependant
 - b) autonomous
 11. Every business wants to have the most skilled, talented, competent, and employees.
 - a) promising
 - b) promise
 - c) promised .
 - 12.... do some of their recruiting in colleges and universities, picking out the brightest and the most promising students.
 - a) marketers
 - b) producers

- c) headhunters
13. A... or Curriculum Vitae is a detailed record of personal accomplishments.
 a) resume
 b) resuming
 c) report
14. A reference may be written at the applicant's request and given to him/her to be transmitted to the ... employer.
 a) prosperous
 b) prospective
 c) recent
15. During the period 1982-1989, real GDP grew by about 25%, while the inflation ... of 14 % was nearly halved.
 a) rate
 b) rating
 c) indicator

2.1.3 Give the Ukrainian for

1. to introduce goods to the market
2. in short supply
3. offer without obligation
4. trial order
5. to send out inquiries
6. volume of the order
7. seaworthy packing
8. advertising appeal
9. visual presentation
10. insure breakage

2.2 Test2

2.2.1 Read the letter and complete it with the following words and expressions.

confirmation, August, in stock, satisfied, method of payment, 15th, order,
 The General Bank of South Africa, to confirm, agent, immediate attention,
 Your, letter of credit

Aluminium Alloy Co. Ltd. Birmingham

79 Prince Albert St. Birmingham B21 8DJ Great Britain

The Jameson Construction Co. Ltd.
 Durban S.A.

10 _____ 1997

Dear Sirs,

We are pleased to have your __ _ and are able ____ that all the items required are ____ . It is a pleasure to have the opportunity of supplying you and we are quite sure you will be ____ both with the quality of our goods and our service.

Your choice of _____ is quite acceptable to us, and we note that this will be by irrevocable _____ for a sum not exceeding £625, valid till September ____ .

When we receive _____ of this credit from _____ London, we will make up your order and await dispatch instructions from your ■

We assure you that this order and all further orders made will have our ■

_____ faithfully

THE ALUMINIUM ALLOY CO. LTD.

2.2.2 Choose the correct option (a, b or c) to complete each sentence.

- Low profits mean that the business cannot... with other businesses.
 - compete
 - complete
 - expand
- Survival of a business is only possible if its ... (i.e, the goods or services it sells) is greater than its operating expenses.
 - input
 - investments
 - turnover
- Every industrial organization sells its goods, usually through some other companies that buy the goods
 - wholesale
 - wholesaling
 - retail
- Every private sector business organization tries to ... its profits.
 - maximum
 - maximize
 - reduce
- For commercial organizations ... - not production - is their main concern.
 - advertising
 - selling
 - promoting
- The machinery is to be ... within four months from date of payment.
 - produced

- b) delivery
 c) delivered
7. This firm was ... 20 years ago.
 a) set apart
 b) set up
 c) set forward
8. Our sales on the international markets are much lower than on the ... market.
 a) domestic
 b) home
 c) inside
9. Trade fairs and exhibitions ... all over the world.
 a) are hold
 b) are held
 c) holding
10. Financial capital includes liquid ... of a company.
 a) cash
 b) liabilities
 c) assets
11. The ... sheet shows the financial position of a business.
 a) balance
 b) balanced
 c) balancing
12. Debt is a result of the firm's ... money to finance its operations.
 a) issuing
 b) devaluing
 c) borrowing
- 13... of ordinary shares have voting rights and the right to elect the company's senior management.
 a) holdings
 b) holders
 c) brockers
14. For personal loans repayment is usually done in equal
 a) installments
 b) installation
 c) installing
15. At a fair producers do not only exhibit their goods but also may ... it on the spot.
 a) sell
 b) sale
 c) sail

2.2.3. Give the Ukrainian for:

1. protect from cold
2. wording of the contract
3. cargo-plan
4. provide
5. quality image
6. advertising costs
7. specify terms of delivery
8. a letter of complaint
9. meet the requirements
10. furnish a bill of lading

2.3 Test 3

2.3.1 Read the letter and complete it with the following words and expressions.

authorizing, Sir, your advice, shares, the purchase, the dividends, contract notes, certificates, In confirmation

THE WESTERN TRADING COMPANY LTD. PIYMOUTH

The Manager
1997
Bank of Commerce Ltd.
Plymouth PL24CF

3 January

Dear _____

_____ of our telephone instructions of this morning, will you pls. arrange for the purchase of the following _____ for my company at best:

1,000 Ordinary, Great Union Steel, @ about 150

500 Preference, Western Plastics, @ about 175

Our cheque to cover _____ price will be forwarded to you immediately upon receipt of _____ of completed purchase. Will you pls. meanwhile send me the _____ and documents _____ the companies to pay _____ to you for the credit of the Western Trading Company.

The share _____ should be forwarded to me in due course.

Yours faithfully
THE WESTERN TRADING CO. LTD.

Secretary

2.3.2 Choose the term which corresponds the definition.

1. Plastic money.
 - a) coins
 - b) cash
 - c) credit card
2. Promoting a product or service.
 - a) managing
 - b) marketing
 - c) production
3. The cost of buying foreign money.
 - a) currency cost
 - b) exchange rate
 - c) exchange cost
4. A small, specialized part of a market.
 - a) niche
 - b) part
 - c) area
5. Someone who pays rent on land or property.
 - a) payer
 - b) payee
 - c) tenant
6. An agreement for someone to use a property for a certain period of time in exchange for a regular payment.
 - a) loan
 - b) franchising
 - c) leasing
7. The money you pay to the insurance company for cover.
 - a) prime
 - b) premium
 - c) fee
8. The regular sum of money one receives after retirement.
 - a) pension
 - b) wage
 - c) compensation
9. Sale of goods to the public in small quantities.
 - a) resale
 - b) retail
 - c) wholesale
10. The annual estimate of country's revenue and expenditure.
 - a) state budget
 - b) state plan
 - c) business plan

11. Financial capital of a company.
 - a) liquidity
 - b) liquid assets
 - c) securities
12. Department in charge of manufacturing the goods.
 - a) Personnel
 - b) Finance
 - c) Production
13. The main office of a corporation.
 - a) chief office.
 - b) headquarters
 - c) managing office
- 14 Authorization to sell company s goods etc. in particulai area.
 - a) franchise
 - b) receipt
 - c) trademark
15. Bringing foreign goods from abroad.
 - a) transfer
 - b) borrow
 - c) import

2.3.3 Give the Ukrainian for:

1. consolidate a cargo
2. agreed prices
3. withdraw an order
4. to study inquiry
5. terms and conditions of the contract
6. transferable letter of credit
7. dock receipt
8. withdraw claim
9. in conformity with
10. make quality and quantity claims

2.4 Test 4

2.4.1 Read the letter and complete it with the following words and expressions.

look, to confirm, co-operation, displayed, the contract, competitive, points, monthly, sales, draft agreement, forward, 10 %

OFFICE AUTOMATS LTD. LONDON

27 March 1997

Olympus A.G.
Stuttgart.

Dear Sirs

We are pleased _____ the agreement reached at the recent discussions at Stuttgart between you and Mr. F, Henry, and look _____ very much to a successful

Before _____ is drawn up for signature we should like to re-state the main _____ of the agreement:

1. That we operate as sole agents for a period of _____ from date of agreement.
2. That we receive a commission of _____ on all sales of your machines in the United Kingdom.
3. That we handle no other imported machines of a _____ type.
4. That we render you _____ account sales and accept your drafts on us for the net amount of these.
5. That we maintain a comprehensive range of your products prominently in our main showrooms in Kingsway, London.

We _____ forward to your letter confirming these points, or your _____ .

Yours faithfully

2.4.2 Choose the correct option (a, b or c) to complete each sentence.

1. A CV and references are enclosed with the ... letter.
 - a) covering
 - b) cover
 - c) opening
2. The address in a business letter is usually placed in the top ... corner.
 - a) left-hand
3. A serves an evaluation of the applicant by an independent third person.
 - a) report
 - b) resume
 - c) reference
4. Only 22 per cent of the ... is employed in manufacturing.
 - a) labor market
 - b) labor force

- c) executives
- 5. Grain and sugar are the most important products of Ukraine`s
 - a) manufacture
 - b) industry
 - c) agriculture
- 6. If a firm sells its products through only one intermediary, it is usually a ... firm.
 - a) agent
 - b) retail
 - c) bankrupt
- 7. When there is only one ..., the price of a product is lower than when there are several.
 - a) president
 - b) middleman
 - c) accountant
- 8. It is done when ... spare parts is cheaper than organizing their production.
 - a) distributing
 - b) purchasing
 - c) consuming
- 9. Automation increases
 - a) productivity
 - b) productive
 - c) productiveness
- 10. Saving account allows you to have a little more money than you
 - a) invested
 - b) payed
 - c) deposited
- 11. To economize is to produce a given output of a product at the lower ... than before.
 - a) value
 - b) cost
 - c) profitability
- 12. Our head office is in Boston and we own 70% of a manufacturing ... in Colorado.
 - a) subsidiary
 - b) subsidy
- 13. Our company ... a new product once a year.
 - a) issues
 - b) lends
 - c) launches
- 14. Your company may own its factories and office buildings and may ... some of its property to paying tenants.

- a) lease
 - b) lose
 - c) sell
15. The law of patents protects the company's ... property.
- a) personal
 - b) intellectual
 - c) private

2.4.3 Give the Ukrainian for:

1. to deliver goods at the address
2. keep dry
3. adaptation of a product to a market
4. insurance indemnity
5. missing goods
6. market-oriented production
7. meet the claim fully
8. damage and delay in transit
9. payment order
10. contracting parties

2.5 Test 5

2.5.1 Read the letter and complete it with the following words and expressions.

Avenue, terms of sale, prices, Dealers, to meet the demand, order, forward, advise, enquiry, faithfully, kitchenware, pleased.

MODERN
PLASTICS LTD.
Manufacturers of Plasticware

Melox House
PORTSMOUTH

RBG/hk

12 January 1997

Messrs. L. Thorns & Son
150 Beachview ____
Bournemouth H77 60P

Dear Sirs

We are very ____ to have your ____, and are enclosing the price-list you requested, together with our ____ .

As you have evidently realized, plastic __ is here to stay - it has already ousted heavy and expendable metal, glass and china from the modern

kitchen.

_____ who have displayed our brightly coloured range have reported good sales even in the present season, when hardware sales are usually at their lowest.

After studying our ___and our liberal terms to the trade, you will understand why we are working to capacity . We would you, therefore, to let us have your ___by the end of the month, as this will enable you to have stocks of our attractive lines by Easter.

We look _____ to the opportunity of being of service to you.

Yours _____ _

p.p. MODERN PLASTICS LTD

R. B. Gordon

Sales Manager

2.5.2 Choose the term which corresponds the definition.

1. Workers and other employees as a whole.
 - a) employment force
 - b) labor party
 - c) labor force
2. Percentage of general rise in prices over a certain period.
 - a) inflation rate
 - b) exchange rate
 - c) devaluation
3. Money owed by the country to other countries.
 - a) investment
 - b) borrowings
 - c) external debt
4. The total market value of all goods and services produced by a nation's economy over a certain period.
 - a) gross national product
 - b) all national product
 - c) input
5. Return from investments, property.
 - a) expenditure
 - b) revenue
 - c) cost
6. The process of producing various goods.
 - a) processing
 - b) manufacturing
 - c) marketing
7. Hiring people to do work.
 - a) insurance
 - b) social securities
 - c) employment
8. Financial gain, excess of returns over outlay.

- a) profit
 - b) output
 - c) premium
9. Share of profit paid to shareholders.
- a) income
 - b) dividend
 - c) bonus
10. Employee's regular pay.
- a) capital
 - b) pension
 - c) wage
11. The costs to manufacture one single product.
- a) input costs
 - b) unit costs
 - c) retail price
12. The part of the market controlled by a firm or company.
- a) , market share
 - b) market segment
 - c) market niche
13. Rapid reduction in sales.
- a) sales increase
 - b) sales growth
 - c) sales drop
14. Difference between the cost and the price of a product.
- a) change
 - b) percent
 - c) margin
15. Getting the product from the manufacturer to the customer.
- a) distribution
 - b) contribution
 - c) promotion

2.5.3 Give the Ukrainian for:

1. Top, do not turn over
2. dry-cargo ship
3. bilateral agreement
4. insure against all risks
5. documentary evidence
6. product line's strengths and weaknesses
7. damaging weather conditions
8. enter into partnership
9. in exchange for
10. primacy of a product

2.6 Test 6

2.6.1 Read the letter and complete it with the following words and prepositions.

draft, a credit for £625,30 June, attaches order, attach, policy, agents, catalogue, include, commission, lading, confirmed, faithfully, commercial, airmail,

**THE JAMESON CONSTRUCTION ‘
CO. LTD.**

Durban, S.A.

The Aluminium Alloy Co. Ltd
Birmingham

3 August 1997

Dear Sirs

Many thanks for your letter of _____ enclosing your _____ and details of your terms. We have decided to place the _____ with you and would be glad if you would give it your early attention.

We have instructed The General Bank of South Africa to open _____ in your favour, valid until 15 September. The credit will be by The General Bank of South Africa, Clements Lane, London, who will accept your _____ on them at 60 days for the amount of your invoice. Please _____ the following documents to your draft:

2 bills of _____ ,
2 _____ invoices,
Insurance _____ for £700.

Dispatch and marking instructions will be given by our forwarding _____ in London, who will advise you of their charges. Your invoice should be _____ c.i.f. Durban, and the amount of our credit is sufficient to cover this and your bank _____ on the draft.

Please advise us by _____ when the goods have been dispatched.

Yours _____

THE JAMESON CONSTRUCTION COMPANY LTD.

2.6.2 Choose the correct option (a,b or c) to complete each sentence.

1. She studied ... at university and is now an economist with a big international bank.
 - a) economy
 - b) economics
 - c) economies
2. R&D... in the UK was £ 7,4 bn in 1995.
 - a) staff
 - b) value
 - c) spending
3. He was seeking employment and asked if we had any ... in our Accounts Department
 - a) vacancies
 - b) vacants
 - c) occupations
4. For the clients going abroad the bank can sell
 - a) foreign cheques
 - b) foreign bills
 - c) travelling cheques
5. Personnel Department... the personnel and trams them.
 - a) restricts
 - b) recruits
 - c) reminds
6. Franchisees do not need to spend money on ...because the corporate brand name is advertised nationwide or worldwide.
 - a) production
 - b) advertising
 - c) salaries
7. ... is all the personnel employed by some organization.
 - a) staff
 - b) stuff
 - c) stake
8. A rentier is a person whose income comes in the form of interest on ... or rent from property.
 - a) bills
 - b) securities
 - c) loans
9. In the 1980s, oil prices ... due to a combination of factors.
 - a) fall
 - b) fail
 - c) fell
10. Cuts in taxes were not big enough to result in any considerable increase in

total

- a) spends
- b) spending
- c) spent

11. Government... are known to be traded on the Stock Exchange.

- a) bonds
- b) means
- c) shares

12. In order to stop the growth of ... it is essential to create new jobs in nationalized enterprises.

- a) unemploy
- b) unemployment
- c) employment

13. The company needed ... in order to replace old equipment.

- a) expenditure
- b) expenses
- c) investment

14. Production costs are those payments which a firm has to make to produce its

- a) output
- b) input
- c) put

15. Economists believe ... prices to depend on production costs.

- a) Supplying
- b) supply
- c) supplied

2.6.3. Translate into Ukrainian:

1. There is no demand for material of the type you submit as a sample, and we shall not manufacture further supplies.
2. The greatest care must be given to packing and crating, as any damage in transit would cause us heavy loss.
3. On checking the goods received we find that several items on your invoice have not been included; we enclose a list of the missing articles.

2.7 Test 7

2.7.1 Read the letter and complete it with the following words and expressions.

Quality, an agency, modern design, you, catalogue, leading, faithfully, be sold, our, the market, orders, handling, proposals, this trade, forward

L. PETERSEN L.A.

Glostrupgade 154 Copenhagen S

3 January 1998

Modem Garden Implements Ltd.
Wendover Avenue Birmingham IIIIT 8FR England

Dear Sirs

The excellent _____ and _____ of your mechanical garden tools, a selection of which we saw recently in _____ here, appeals to us very much. We have since seen your full _____ and are interested to know whether you have considered the possibilities of _____ in this country.

As a _____ firm of importers and distributors of many years' standing in _____, we have an extensive sales organization and a thorough knowledge of the Danish market. We think your products would _____ very well here, and are prepared to do business with _____ either on a consignment basis or by placing firm _____, if your prices and terms are right.

We are also interested in _____ a sole agency for you, which we think would be to _____ mutual advantage.

Please let us have your views on these _____ if you are interested in establishing _____ here, our Mr Eriksen would be pleased to call on you in March, when he will be in England.

We look _____ to your reply.

Yours _____

L. Petersen A.S.

2.7.2 Choose the correct option (a, b or c) to complete each sentence.

1. Different relations within the economy such as the total amount of goods and services produced, total income earned are to be studied by

- a) microeconomics
- b) macroeconomics
- c) macroeconomy

2. The managers discussed how to allocate the money earned from ... additional amounts of output.

- a) selling
- b) seller
- c) advertising

3. If a country's resources are scarce, the government has to find other methods of satisfying people's

- a) requires
- b) demands
- c) enquiry

4. In a free market economy the government must not intervene in private business, but can often control important ... of national economy, such as transport.

- a) divisions
- b) departments
- c) branches

5. Private businesses are not interested in developing services for which they receive a ... price.

- a) high
- b) zero
- c) considerable

6. Good organization of managerial work is of great value for ... high profits.

- a) obtaining
- b) losing
- c) catching

7. Starting a business in a free market economy a person stimulates the production of different... which are important for society.

- a) good
- b) consume
- c) commodities

8. Practically in all economies there are some ... imposed on economic activities.

- a) expanding
- b) restrictions
- c) restricts

9. A rentier is a person whose income comes in the form of interest on ... or rent from property.

- a) wages
- b) securities
- c) bills

10. In the modern world, most goods are provided by organizations rather than....

- a) individuals
- b) individs
- c) individualists

11. Capital-intensive industries are industries that require larger f capital.

0

- a) waste
- b) outputs
- c) inputs

12. One expects tourism to ... more profit in some parts of Southern Italy than traditional agriculture.

- a) invest
- b) earn
- c) take

13. African countries have to develop the export of natural resources if they want to ... their national income.

- a) increasing
- b) increase
- c) decrease

14. Total ... is the amount of income which was earned from selling a given quantity of goods.

- a) revenue
- b) output
- c) spending

*

15. The amount of some ... demanded is often influenced by the season of a year.

- a) industrial goods
- b) financial services
- c) consumer goods

2.7.3 Translate into Ukrainian:

1. There is a discrepancy between the packing list of case 52 and your invoice: 3 dozen tea services are correctly entered on the invoice but there were only 2 dozen in the case.

2. Please note that goods supplied on approval must be returned, carriage paid, within 7 days if not required.

3. We are sure that these goods will meet your requirements, and we look forward to your first order.

2.8 Test 8

2.8.1 Read the letter and complete it with the following words and expressions.

Placed, Yours, a range of samples, available, Christmas, banker's transfer, confirmation, October, forward, Sirs, quality

FOURNIER ET CIE

Importers of Fashion Goods

PARIS

Avenue Ravigny 14

Paris XV

30 October 1995

The Western Shoe Co/ Ltd.

Dear _____

Thank you for your letter of 15_____. As you will already know, your Mr.J.Needham called on us a few days ago and left_____. We think articles of this _____ will find a ready market here, and we are prepared to order the following as a stock trial order:

20 "Angela" evening bags, catalogue no. 5

50 "Veronica" beauty boxes, catalogue no. 17

50 "Daphne" handbags, catalogue no. 27a

50 "Gloria" handbags, catalogue no.28

If nos. 27a and 28 are not _____ for immediate delivery, as Mr. Needham suggested might be the case, please send nos. 27 and 28a instead.

Since we must have the goods on display in time for the _____ season, our order is _____ on condition that they are dispatched by 10 November at the latest. and pro-forma invoice, we will arrange for _____

As soon as we receive your _____ and pro-forma invoice, we will arrange for settlement by _____.

We are looking _____ to hear from you shortly.

_____ faithfully

FOURNIER ET CIE SIA

2.8.2 Choose the correct option (a, b or c) to complete each sentence

1. The price of a commodity will usually affect the ... that individual will buy at a given time.
 - a) quantity
 - b) quality
 - c) quantitative
2. Knowing of ... natural resources people must examine possible alternatives of their better use.

- a) enough
 - b) scarce
 - c) sufficient
3. The economists have to ... the opportunity costs of all resources that are to be used in the production.
 - a) exclude
 - b) calculate
 - c) ignore
 4. Prices may rise most for those goods ... demand most.
 - a) consuming
 - b) consumerism
 - c) consumers
 5. The governments can sometimes affect the production process through restrictions they
 - a) expose
 - b) impose
 - c) input
 6. Any profits that are made in a ... are to be paid to the government.
 - a) open economy
 - b) market economy
 - c) command economy
 7. Part of the company s profits is to ... into business development.
 - a) put back
 - b) be put back
 - c) retain
 8. Both small businesses and large corporations are influenced by economic ... of the government.
 - a) policy
 - b) police
 - c) politics
 9. Governments typically ... ceiling prices for food in war years.
 - a) pay
 - b) decline
 - c) impose
 10. The simplest... channel is from producer to consumer.
 - a) distribute
 - b) distributings
 - c) distribution
 11. With its great natural resources, and ... labor force, Canada has excellent economic prospects.
 - a) unexperienced
 - b) skilled
 - c) subordinate

12. The automobile industry produces
 - a) motor vehicles
 - b) spare parts
 - c) steam engines
13. Money owed by the country to other countries is
 - a) receivables
 - b) internal debt
 - c) external debt
14. Advertising is one of the most effective ways of
 - a) selling
 - b) promotion
 - c) distributing
15. ... department is in charge of the personnel of a company.
 - a) R&D
 - b) Marketing
 - c) Human Resources

2.8.3. Translate into Ukrainian:

1. There is no market here for the higher-priced cameras. Please send only models in the medium price-range.
2. The enclosed invoice shows a charge of £ 3 each carboys. The amount involved will be credited to you on receipt of the returned empties.
3. It is true that we did business with them during the period 2003-2004, but the amount involved was not large and accounts were not always satisfactorily kept.

2.9 Test 9

2.9.1. Read the letter and complete it with the following words and expressions.

condition, secured, confirm, May, precaution, paper, concern, the Argentinian authorities, cartons, danger, weights, orders, wooden, Yours, consignments,

KAVEXPORT LENINGRAD
 Ascheim y Negrin SA
 Diputacion 235
 Asuncion
 Paraguay
 Dear Sirs
 6 June 1999

We thank you for your letter of 20 _____, and can _____ that we still offering our range of luxury foods at the prices quoted in our initial offer to you. We understand your ___ with packing, and can assure you that we take every possible _____ to ensure that our products reach our customers all over the world in prime.

For your information, “Ariel” caviar is packed as follows:
 Each jar is wrapped in tissue ___ before being placed in its individual decorative cardboard box. The boxes are then packed in strong cardboard , twelve to a carton, separated from each other by corrugated paper dividers. The cartons are then packed in strong ____ crates. Since the crates are specially made to hold twenty-four cartons, there is no movement inside them. In addition, the crates are lined with waterproof, airtight material. The lids are _____by nailing, and the crates are strapped with metal bands.
 In the case of _____ being sent to you, transshipment at Buenos Aires will be necessary, so each case will be marked with details required by _ , as well as with your own mark, details of ___ , etc., and symbols representing the following warnings and directions:
USE NO HOOKS, STOW AWAY FROM HEAT, and DO NOT DROP.
 We hope this has answered your questions, and look forward to receiving _____ from you.
 _____ faithfully

2.9.2 Choose the correct option (a, b or c) to complete each sentence.

- 1 The operating expenses are the costs of... a business.
 - a) opening
 - b) running
 - c) liquidating
2. There are financial institutions like banks and ... companies,
 - a) insurance
 - b) insure
 - c) insuring
3. The company which dominates on the market usually holds ... in supplying certain goods.
 - a) oligopoly
 - b) monopoly
 - c) monopolistic
4. Business strategy is the method of ... the objectives of the company.
 - a) avoiding
 - b) restricting
 - c) achieving
5. Greater ... means greater profits in the future.
 - a) market leader
 - b) market share
 - c) market competition
6. The ... of a firm depends on the quality.
 - a) competitiveness
 - b) competition

- c) competitor
- 7. ... increases when prices are lowered.
 - a) turndown
 - b) turnover
 - c) turn
- 8. You find out what consumers want and then produce it to ... their requirements.
 - a) settle
 - b) solve
 - c) meet
- 9. ... is a group of consumers the company aims to sell its product to. a) target market
 - b) market share
 - c) service market
- 10. Marketing involves ... a suitable price for your product.
 - a) extending
 - b) determining .
 - c) c) increasing
- 11. Special sales promotions may also be used when a new product into the market.
 - a) is withdrawn
 - b) is taken out
 - c) is launched
- 12. The ... sells the goods to retailers.
 - a) wholesaling
 - b) wholesaler
 - c) whole seller
- 13. ... is making a decision about the price of a product or service.
 - a) pricing
 - b) distribution
 - c) marketing
- 14. ... is supplying a product to the customer.
 - a) profitability
 - b) delivery
 - c) loading
- 15. Bigger firms usually sell their products to customers through
 - a) insurance
 - b) shop
 - c) intermediaries

2.9. 3. Translate into Ukrainian:

1. In view of the fragile nature of the goods we require them to be forwarded

by air, and we would therefore be glad to know the lowest rates.

2. The goods of your order no 137 are packed and ready for dispatch, and we would be pleased if you would fill up, sign and return the attached instructions form as soon as possible.

3. Thank you for your advice of receipt of £ 235 from the XXX Banking Corporation on behalf of Mr. Jacques.

2.10 Test 10

2.10.1. Read the letter and complete it with the following words and expressions.

assistance to, Yours, accounts, replying, excellent reputation, referees, have traded, confirmed, the credit limit,

| | |
|--|-----------------|
| Satex S.p.a | |
| Via di Pietra Papa, 00146 Roma, Italy | |
| <i>R. G.Electronics A G</i> | |
| Haumart 323 | |
| D-6000 Frankfurt-Main | Your ref: HM/am |
| Germany | Our ref: PC/CR |
| 13 January 2001 | |

| |
|--|
| Dear Mr Mainz |
| I am _____ to your inquiry of 20 December 2000 in which you asked about Ukrprom of Kyiv, Ukraine. |
| We contacted them yesterday and they ___ that they wanted us to act as their _____ , and I am pleased to be able to do so. |
| The firm has an _____ in Ukraine for both sendee and the way they conduct their business with their associates in the trade. |
| We _____ with the company on monthly terms for three years and they have always settled their _____ promptly. We consider that _____ you propose is appropriate. |
| We hope that this information will be of _____ you. |

sincerely P.
Causio
General
Manager

2.10.2 Complete the following task: You are Mr. H. Mainz from R.G Electronics AG. Compose the letter of enquiry of 20.12.2000 asking referees about credit rating of your customers. Use the following wording:

a) We are suppliers to Ukrprom LTD, (address).....

- b) They told us you would be prepared to act as their referees
- c) We would just like confirmation that their credit rating warrants, monthly settlements of up to \$10000

2.10.3 Choose the correct option (a, b or c) to complete each sentence

1. In continuous production the same product ... for a long period of time.
 - a) is done
 - b) is manufactured
 - c) is priced
2. Goods for everyday use are called
 - a) convenience goods
 - b) industrial goods
 - c) specialty goods
3. Only National Bank of Ukraine has right to ... banknotes.
 - a) certify
 - b) issue
 - c) distribute
4. Plastic cards, cheques are money
 - a) substitutes
 - b) subsidy
 - c) exchange
5. A product which makes great profits is called
 - a) money spinner
 - b) money maker
 - c) money loser
6. A loan is a fixed amount of money that is at the customer's ... for a definite period of time.
 - a) disposition
 - b) disposal
 - c) exposition
7. When somebody applies for a loan, the bank always requests information regarding ... of a loan.
 - a) the exchange
 - b) the state
 - c) the purpose
8. Monopoly is known as a situation in which one seller controls the ... supply.
 - a) partial
 - b) total
 - c) local
9. Forecasts of... are often of great value in business activity.
 - a) market splitting
 - b) non popular markets
 - c) market tendencies

10. The purpose of government regulations is to allocate scarce resources
 - a) irrationally
 - b) rationally
 - c) rational
11. High taxes are ... on expensive goods for the purpose of raising money for the poor.
 - a) levied
 - b) fixed
 - c) determined
12. Alfred Marshall determined factors... prices over short periods.
 - a) affected
 - b) affecting
 - c) to effect
13. One should replace old equipment in due time to keep up labour ... at the required level.
 - a) effective
 - b) efficient
 - c) efficiency
14. There was an increase in total spending as a result of
 - a) tax imposed
 - b) tax cuts
 - c) tax increase
15. The inflation ... for 10 percent of the increase in population's bank balances.
 - a) gained
 - b) fluctuated
 - c) accounted

2.10.3. Translate into Ukrainian:

1. We enclose our shipping instructions form and will be glad if you will fill this in and return it to us, together with a copy of the invoice, for customs clearance abroad.
2. Please suspend payment of our cheque No. 105 drawn in favour of Messrs. Pink & Brown, as it appears to have been lost in the post.
3. Unfortunately, we are unable to agree to your request for credit.

2.10.4 Translate into English:

1. Ми зв'яжемося з Вами як тільки будемо готові дати вам певну відповідь.
2. Ми додаємо зразок нашого рахунку-фактури та просимо Вас відкрити на наше ім'я безвідкличний кредит на 600 000 доларів США.
3. Просимо якнайшвидше надіслати нам авіарейсом 5 персональних комп'ютерів, щоб дати нам можливість повністю виконати замовлення наших клієнтів.

2.11 Test 11

2.11.1. Read the letter and complete it with the following words and expressions.

will review, order, unable to agree, supply, method of payment, to learn, increased, requiring, request

R. Hughes & Son Ltd.

21 Mead Road, Swansea, Great Britain Glamorgan 3ST 1 DR

Spezelevatorbud Ltd.

123/18 Vulytsia Lyvama

34675 Dnipropetrovsk

Ukraine

Your ref: 45 JIP/45

Our ref: RH/34-56 6

June 2000

Dear Mr Potapenko

Thank you for your letter of 23 April 2000 _____ quarterly trading terms.

We are very pleased _____ that you intend to place a big ___ with us, and we

are sure that that you can _____ the necessary references to support your _____

Unfortunately, we are _____ to your request for credit. However, we _____ the matter in some time. Until then we must ask you to continue the present _____.

We look forward to supplying your _____ order.

Your sincerely

R.Hughes

General Manager

2.11.2. Complete the following task: You are Mr. Potapenko General Manager of Spezelevatorbud Ltd. Compose the letter to Mr. Hughes from R.Hughes & Son Ltd. Use the following wording:

- We intend to place a substantial order with you
- Our present method of payment is by letter of Credit....
- ... supply us on monthly terms payment against statement within 30 days.
- As referees we can offer

2.11.3 Choose the term which corresponds the definition.

1. A primary product, such as coffee, copper, cotton, tin, etc.

a) commodity

b) inputs

2. A condition in which a person or commodity is doing well inancially.

a) prosperity

b) poverty

3. The record of the movement of cash into and out of a company's account.

- a) cash flow
- b) cash income
- 4. Goods which are offered for sale.
 - a) merchandise
 - b) property
- 5. Items of value owned by a business.
 - a) assets
 - b) liabilities
- 6. Countries' specialization in the production of some goods.
 - a) division of labour
 - b) collaboration
- 7. Payment in a country's balance of payments which include all kinds of financial transactions.
 - a) capital account
 - b) current account
- 8. The account by which a country's imports exceed its exports.
 - a) trade deficit
 - b) trade surplus
- 9. Giving something that you own to somebody allowing them to use it for period of time.
 - a) lending
 - b) borrowing
- 10. One country's currency which is held by another country.
 - a) foreign exchange
 - b) means of exchange
- 11. An amount of money that you gain when you are paid more or something than it cost you.
 - a) profit
 - b) dividends
- 12. The value of shares issued by a company.
 - a) equity
 - b) return
- 13. Funds that finance the operation of a business.
 - a) capital
 - b) cash stock
- 14. The price an individual or business pays for borrowing money.
 - a) interest rate
 - b) expenditures
- 15. A profit from a business deal.
 - a) return
 - b) investment

2.11.4. Translate into Ukrainian:

1. Please open a current account for us in the name of John Smith & Co. We

enclose specimen signatures of the partners, either of whom may sign cheques on our behalf.

2. We are very pleased to learn that you intend to place a big order with us, and we are sure that you can supply the necessary references to support your request.
3. We have checked the invoice carefully but cannot agree with your calculation. We feel that you may have overlooked the c.i.f. charge (£ 100), which is entered separately on the invoice.

2.11.5 Translate into English:

1. Сподіваємося, що наші пропозиції виявляться для вас прийнятними.
2. Ми звернули увагу, що замовлення повинно бути відправлене до 29 липня 2004 р. за умовами с.і.ф. до Києва.
3. Ми додаємо копію аварійного сертифікату та були б вдячні, якщо б ви від нашого імені зробили позов до страховальників. Номер страхового сертифікату - J 45678.

2.12 Test 12

2.12.1 Read the letter and complete it with the following words and expressions.

faithfully, hand-made shoes and gloves, fashionable, Sirs, forward, heard, high-quality goods, leathers, catalogue, terms of payment

FOURNIER ET CIE
Importers of Fashion Goods
PARIS
JdP/AG

Avenue Ravignv 14
Paris XV
12 October 2000

The Western Shoe Co. Ltd.

Yeovil, Somerset S19 3AF
ENGLAND

Dear _____

We have _____ from the British Embassy in Paris that you are producing for export

_____ in natural materials.

There is a steady demand in France for _____ of this type. Sales are not high, but a good price can be obtained for _____ designs.

Will you please send us your _____ and full details of your export prices and _____, together with samples of leathers used in your articles and, if possible, specimens of some of the articles themselves.

We are looking _____ to hear from you.

Yours _____

FOURNIER ET CIE SA

J. du Pont

Managing Director

2.12.2 Complete the following task: You are Western Shoe Co. Ltd. Compose the letter replying to enquiry of Fournier El CIE, 14 Avenue Ravigny, Paris XV. Use the following wording:

- a) Many tasks for your letter of...
- b) We are enclosing our catalogue and full details ...
- c) We can promise delivery within three weeks from the date of receiving

2.12.3 Choose the correct option (a, b or c) to complete each sentence.

1. Those oil shares were a good
 - a) investment
 - b) access
 - c) restrictions
2. The average ... of the factory is 20 cars a day.
 - a) output
 - b) input
 - c) capital
3. I have just... money into another bank account.
 - a) transferred
 - b) overcome
 - c) spent
4. You should get a good ... on these shares.
 - a) return
 - b) equity
 - c) substitute
5. Sterling has once again become one of the strongest....
 - a) currencies
 - b) cash
 - c) money
6. Japan announced that its ... grew by 24 per cent last month.
 - a) trade surplus
 - b) foreign exchange
 - c) current account
7. Italy gained ... over many countries in mass producing wine.
 - a) a comparative advantage
 - b) consumer goods
 - c) many commodities
8. This country is ... in energy supplies.
 - a) self-sufficient
 - b) available
 - c) enough
9. Trade in ... is known as invisible trade,
 - a) services
 - b) consumer goods

- c) export
- 10. If business is ..., we call it "monkey" business.
 - a) illegal
 - b) fair
 - c) balanced
- 11. International business relations may be private or
 - a) governmental
 - b) common
 - c) wide-spread
- 12. Direct investment takes place when ... follows the investment.
 - a) control
 - b) statement
 - c) balance
- 13. Liquor sales in Sweden are a government....
 - a) monopoly
 - b) policy
 - c) stock
- 14. The national... is strong now.
 - a) economy
 - b) economics
 - c) economical
- 15. Trade restrictions are ... for a nation's welfare.
 - a) harmful
 - b) useful
 - c) necessary

2.12.4 Translate into Ukrainian:

1. We have no record of this sum in our files neither documents that might explain this entry.
2. You have not replied to our letter of September 30 and October 10 and we have been instructed by our accounts department to insist on immediate payment of this overdue account.
3. Please withhold payment of £ 500 deposit to Messers. ... as the purchase of the equipment concerned may not now be made, we will keep you informed of any developments.

2.12.5 Translate into English:

1. Будемо вдячні, якщо ви приймете запропонований нами порядок дій.
2. Якщо я не одержу Вашої відповіді при першій можливості, я буду вимушений звернутися до іншого постачальника.
3. 200 комплектів бавовни, яких бракувало, було надіслано сьогодні вранці компанією Брітіш Ервейз, а папери вже надіслано Вам поштою.

2.13 Test 13

2.13.1. Read the letter and complete it with the following words and expressions.

proceedings, faithfully, replied, overdue, to prevent, preferable, return of post, cheque, accounts department

J.H. Heath Ltd
Townley Road, Hanley, Staffordshire, England
Asta Boutique
8 Vulytsia Artioma
61012 Kharkiv
Ukraine

Your ref:
Our ref: HI/Ir3

20 October 2001

Dear Sirs

You have not _____ to our latter of September 30 and October 10 and we have been instructed by our _____ to insist on immediate payment of this ___ account.

An amicable settlement is _____ to us but no hesitation will be shown if formal _____ become necessary.

Your _____ should be sent to this office at the above address by _ in Order _____ further correspondence and inconvenience.

Your _____

Howard Lynn
Commercial Manager

2.13.2 Complete the following task: You are Ivan Mytko Commercial Manager from Asta Boutique. Compose the letter advising of payment to J.H. Heath LTD. Use the following wording:

- Thank you for your invoice No ... dated ...
- ... instructed our bank to remit...
- Our cheque will be sent to ...

2.13.3 Choose the correct option (a, b or c) to complete each sentence

- International trade is essential for the growth of... in all countries
 - prosperity
 - debt
 - dependence
- Examples of absolute advantage are ..., because few countries are sole suppliers.
 - rare
 - frequent

- c) average
- 3. Trade ... is a reduction on the retail price.
 - a) discount
 - b) discharge
 - c) mark-up
- 4. The economic integration of the US, Europe and Japan will ...
 - a) stimulate
 - b) complicate
 - c) prevent
- 5. His business needs substantial injection of new
 - a) capital
 - b) output
 - c) interest
- 6. The investing firm may supply technology, personnel, and markets in exchange for
 - a) an interest
 - b) restrictions
 - c) commodity
- 7. Direct investment sometimes has... effect,
 - a) chain
 - b) opposite
 - c) environment
- 8. ... is the people employed in an organization.
 - a) personnel
 - b) personal
 - c) person
- 9. When two or more companies ... ownership of a foreign direct investment, the operation is called a joint venture.
 - a) share
 - b) restrict
 - c) has
- 10. Joint ventures ... faster market entry and payback.
 - a) facilitate
 - b) retard
 - c) prevent
- 11. The balance of payment is ... of the international economic health of a country.
 - a) an indicator
 - b) a result
 - c) a deficit
- 12. The way imports and exports stack up at the end of each year is referred to as a nation's....

- a) balance of trade
- b) trade deficit
- c) balance of payment

13. The capital account measures transactions that involve ... rather than currently produced assets.

- a) existing
- b) future
- c) planned

14. Trade restrictions that stop free flow of goods are ... for a nation's welfare.

- a) harmful
- b) useful
- c) necessary

15. Foreign investment is the ... of property abroad.

- a) ownership
- b) buying
- a) absence

2.13.4 Translate into Ukrainian:

1. Your cheque should be sent to this office at the above address by return of post in order to prevent further correspondence and inconvenience.

2. The crates were damaged on the outside and look as if they had been thrown without care. When we unpacked them we found that some of the chair legs were bent and rusty, the goods are rubbish.

3. Send a letter to a British bank enclosing an acceptance from a British importer, and asking the bank to make certain payments to British firms on your behalf against this acceptance.

2.13.5 Translate into English:

1. Ми відкриємо акредитив як тільки одержимо зразок **Вашого** рахунку-фактури.

2. Я відправив Вам листа 1 липня, де просив повідомити мене про деталі Ваших торгових знижок.

3. Здається, що груз у доброму стані, за винятком контейнера № 17.

2.14 Test 14

2.14.1. Read the letter and complete it with the following words and expressions.

entered, arrived, crate, checking, consignment, flight from London, customers, invoice, will be forced, the documents, short-shipped

| | |
|---|-------------------------------------|
| Textile Co. Ukraine 135/45 Vulylsia 50 Richya SRSR 61057 Kharkiv Ukraine | |
| Roots Ltd. 17 Argyle Way Chelmsford Essex ES16DP United Kingdom | Your ref: CM/OH2 Our ref: CH/CKЛ |
| | 16 July 2000 |
| Dear Sirs | |
| <u>Order No. MDX/13/68B</u> | |
| We have received _____ and taken delivery of the above order which _____ at Piraeus on the M.V. Victory | |
| On _____ the goods we found that _____ 17 contained only 400 sets of cotton cloth, although 600 had been _____ on both the packing list and the _____. | |
| The full _____ is urgently required to complete orders for two of our major _____ so it is absolutely essential that you ship the additional 200 sets of cotton cloth on the earliest possible _____. | |
| This is the third time in the last twelve months that you have _____ one of our orders. | |
| If there is any further repetition of this we _____ to look for an alternative supplier. | |
| Yours faithfully | |
| Sergiy Nikonenko Assistant Manager | |

2.14.2 Complete the following task: You are Collin Smith Export Manager from Root LTD. Answer the above mentioned letter making up excuse for you mistake. Use the following wording:

- a) Thank you for your letter of...
- b) We are very sorry to know about Please accept our apologies for...
- c) to give you trouble
- d) have been sent by British airways.

2.14.3 Choose the correct option (a, b or c) to complete each sentence.

1. A contract defines rights and obligations of the ... involved.
 - a) parts
 - b) parties
 - c) partless
2. The exporter in the agreement of a letter of credit is called
 - a) beneficiary
 - b) benefit
 - c) applicant
3. Drafts that are to be paid when presented for payment are called
 - a) time drafts
 - b) terminated drafts
 - c) sight drafts
4. While the goods are in warehouse the ... covers the risk of fire, burglary and damages.
 - a) insurance
 - b) insuring
 - c) issuing
5. The chronological ... lists employers and positions held starting with the most recent job.
 - a) interview
 - b) autobiography
 - c) resume
6. A market where foreign currencies are traded is called
 - a) bull market
 - b) forex market
 - c) commodity market
7. When a person or business is unable to pay its debts they are considered to be in state of
 - a) insolvent
 - b) insolvency
 - c) increase
8. ... is an accounting function that involves the review and evaluation of financial records of a company.
 - a) planning
 - b) checking
 - c) auditing
9. ... is a sum of money left with a bank for safe keeping,
 - a) deposit
 - b) deposition
 - c) depositor
10. ... is a cheque that guarantees payment by a bank.

- a) loan
 - b) bill
 - c) draft
11. Trade between buyers and sellers in the same country is called
- a) domestic trade
 - b) inner trade
 - c) local trade
12. This company is the largest... of steel.
- a) export
 - b) exporter
 - c) exporting
13. The single European currency, the euro, was in 1999.
- a) withdrawn
 - b) launched
 - c) lasted
14. A credit card enables the ... to buy goods and repay at a later date.
- a) holding
 - b) hold
 - c) holder
15. ... is a bankruptcy procedure initiated by creditors.
- a) insolvency
 - b) liquidation
 - c) initiation

2.14.4 Translate into Ukrainian:

1. Your bank informs you that a 6 d/s bill drawn by you on a foreign customer has been dishonoured without any explanation. Write to the customer, and also give your bank instructions.

2. On checking the goods received we find that several items on your invoice have not been included; we enclose a list of the missing articles.

3. Kindly confirm acceptance of the order by return and send advice of dispatch together with 3 copies of your invoice to my office at Liverpool docks.

2.14.5 Translate into English:

1. Ми дізналися про помилку, яку на жаль було зроблено під час пакування контейнера № 17 зазначеного замовлення.

2. Як тільки ми одержимо підтвердження щодо відкриття рахунку, то ми віддамо розпорядження про відвантаження та транспортування замовлення.

3. Консайнмент знаходиться на борту торговельного судна „Орієнт”, яке покинуло Франкфурт-на-Майні 29 липня 2003 р та очікується в Києві 11 серпня.

2.15 Test 15

2.15.1 Read the letter and complete it with the following words and expressions.

Bills of Lading, irrevocable, below, Invoice, Policy, valid, covering, amount, 10%, Kyiv, issued

Poznan Inc. Bank

13/56 Zvctkowska Street, Poznan, Poland, P45 134

R.G. Electronics AG
Haumart 323, D-6000
Frankfurt-Main, Germany

Your ref:
Our ref: JK/4567

22 July 2000

Dear Sirs

We advise that The Promtorg Bank, Ukraine, have opened an ___ Letter of Credit with us in your favour on the account of Ukr Prom Ltd. of 123/35 Vulytsia Chervonoarmiyska, _____, Ukraine to the _____ of 600, 000 USD.

The credit is _____ until 31 August 2000. Your draft for the above amount will be paid if accompanied by the documents listed _____ .

1. _____ in triplicate, signed and marked Licence No. JKIL 34 2000
2. Certificate of Origin _____ by a Chamber of Commerce.
3. Full set of clean on board Shipping Company's _____ made out to order and blank endorsed, marked "Freight Paid" and "Notify UkrProm Ltd., 123/35 Vulytsia Chervonoarmiyska, Kyiv, Ukraine."
4. Insurance _____ or Certificate in duplicate, _____ Marine and War Risks up to buyer's warehouse, for invoice value of the goods plus _____ .

Your faithfully

JOZEPH KLABOVSKY
Assistant Manager

2.15.2. Complete the following task: You are RG Electronics AG Haumart 323, D-6000 Frankfurt-Main, Germany. Compose the letter to Ukr Prom Ltd, 123/35 vulytsia Chervonoarmiyska, Kyiv 01245, Ukraine. Thank them for their orders (No. 3547/1700) of 400 computers and ask to open irrevocable credit on amount of \$ 600 000. Use the following wording:

- a) enclose a sample of our Invoice
- b) ... request you to open an irrevocable credit in our favour for \$600 000...
- c) As soon as we receive notification

2.15.3. Choose the term which corresponds the definition.

1. A sum of money invested in a business.
 - a) stake
 - b) bill
 - c) bonus
2. A business owned by one person.
 - a) partnership
 - b) sole proprietorship
 - c) limited liability company
3. All the companies selling goods to the general public.
 - a) retail sector
 - b) service sector
 - c) public sector
4. A person who is looking for a job.
 - a) employer
 - b) jobseeker
 - c) employee
5. Goods such as cars, furniture that last for a long time.
 - a) non-durables
 - b) boom
 - c) durables
6. A customer of someone who provides a professional service.
 - a) client
 - b) offerer
 - c) seller
7. Goods, esp. food, that can go bad or decay quickly.
 - a) durables
 - b) perishables
 - c) brown goods
8. An organization that you owe money to.
 - a) lender
 - b) borrower
 - c) creditor
9. Goods that can be imported without customs duties.
 - a) duty-free goods
 - b) consumer goods
 - c) luxury goods
10. The movement of goods to places where they can be sold.
 - a) promotion
 - b) distribution
 - c) exchange
11. The money spent to run a business, such as rents, salaries, heat, etc.

a) liabilities

b) output

c) overheads

12. A rise in prices and lowering of currency's value.

a) inflation

b) foreign exchange

c) fluctuations

13. Shares and bonds.

a) papers

b) business papers

c) securities

14. A business agreement to buy or sell goods or provide a service.

a) option

b) deal

c) portfolio

15. The state of being unable to pay your debts.

a) liquidation

b) solvency

c) bankruptcy

2.15.4 Translate into Ukrainian:

1. I told to the shipping company that we cannot take these goods from you, and they have contacted your insurers. As we will be unable to sell these goods in our stores, you will have to pay when the goods are returned.

2. We cannot accept these containers as they are not the size and 'shape we ordered.

3. In view of the steady increase in the demand for our beauty preparations, we have decided to appoint an agent to handle our export trade with your country.

2.15.5 Translate into English:

1. Ми дуже перепрошуємо за незручності, спричинені Вам цією та двома попередніми помилками.

2. Персональні комп'ютери знаходяться у сорока коробках, маркованих DJ UKRPROM LTD KYIV та пронумерованих від 1 до 4.

3. Ми додаємо наш чек на 98 348, 21 фунтів стерлінгів та були б вдячні, якщо б Ви надали нам кредитове авізо на 100 фунтів стерлінгів чи виправили рахунок-фактуру відповідним чином.

Рекомендована література

1. Англійська мова для фінансистів: навч. посіб./О.Л. Жеронкіна, І.Й.Жашкевич. – К.: Київ. Нац.торг.-екон. Ун-т,2013, - 368с.
2. Бондаренко Є. Бізнес-кореспонденція у зовнішньоекономічній діяльності. - Харків: Веста: „Ранок”, 2001.
3. Кинг Ф.Х., Знн Кри Д.. Коммерческая корреспонденция на английском языке. — М.: Астрель, — 2003.
4. Рудешко Є.В., Орлик Л.С.. English for Business Communication with Foreign Partners. - К.: КНТЕУ, 2002.
5. English for Banking: пособие для студ. фин. вузов / Н.А. Самуэльян. – Менеджер, 1999. – 240с.
6. English for Economists: навч. посіб. для студ. вищ.навч.закл./ А.П. Розум. – К.: Київ.нац.торг.-екон. ун-т, 2014, - 312с.
7. English for Financial Sector. Ian Mackenzie, Cambridge University Press, 2008.