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А 64 **Английский язык** : пособие для реализации содержания образовательных программ высшего образования I ступени и переподготовки руководящих работников и специалистов / авт.-сост. : Т. П. Авдеенко, Е. В. Князькова. – Гомель : учреждение образования “Белорусский торгово-экономический университет потребительской кооперации”, 2015. – 96 с.
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Издание содержит тексты, охватывающие вопросы организации и функционирования экономической и финансовой систем. В пособии предусмотрены задания по усвоению экономических терминов, совершенствованию навыков чтения, перевода и понимания литературы по специальности.

Пособие предназначено для студентов заочной формы получения образования всех специальностей, слушателей системы переподготовки и повышения квалификации. Может быть использовано широким кругом лиц, изучающих английский язык.

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ПОЯСНИТЕЛЬНАЯ ЗАПИСКА

Издание предназначено для студентов заочной формы получения образования всех специальностей, изучающих английский язык и владеющих грамматическим и лексическим минимумом для дальнейшего совершенствования профессиональных языковых знаний.

Цели пособия – развитие навыков поискового и ознакомительного чтения, понимания и перевода оригинальной литературы по специальности; расширение лексического запаса и формирование профессионально ориентированной компетенции.

Пособие состоит из 11 разделов, охватывающих широкий круг вопросов организации и функционирования экономической и финансовой системы, включая тарифы, систему налогообложения, кредитование, маркетинг и банковское дело.

Каждый текст пособия снабжен кратким словарем и упражнениями, целью которых является эффективное усвоение лексических единиц и контроль понимания содержания прочитанного. Достаточное количество текстов позволяет обеспечить студентам практику в профессиональном чтении и переводе, сформировать умения самостоятельно читать и понимать профессионально ориентированные тексты для извлечения необходимой информации.

Данное пособие может быть использовано как для организации внеаудиторной самостоятельной работы, так и для организации аудиторной работы под руководством преподавателя для студентов всех форм получения образования.

UNIT 1. ENTREPRENEURSHIP

Text 1.1. Read and translate the text using the vocabulary that follows.

ENTREPRENEURS AND ENTREPRENEURSHIP

Entrepreneur is someone who starts a company, arranges business deals, and takes risks in order to make a profit. Of course, to work for someone else is less trouble. Someone creates a job for you, gets orders, collects money from the clients and takes on the responsibility for making both ends meet. Entrepreneur figures if he has enough money to write out your paycheque, pay the rent for the building, buy equipment and so on. On the other hand, entrepreneurship gives you an incomparable sense of personal freedom. The quality of entrepreneurship is seen by many economists as an important explanation of differences in the rate of technical progress between countries. It has been argued that two countries undertaking similar amounts of investment leading to more or less identical rates of growth in the fixed assets will not necessarily show the same rate of technical progress. In one country entrepreneurs may be undertaking enterprise investment that has as its aim the introduction of the most advanced types of production techniques, those that will lead to a rapid growth of labour productivity. In the other, because of hesitation or ignorance, the investment program may lead only to marginal changes in productive processes; the resulting growth in labour productivity and Gross National Product (GNP) will be small.

Vocabulary

Entrepreneur – предприниматель; entrepreneurship – предпринимательство; rate of economic growth – темп экономического роста; argue – спорить (with, against – с кем-либо, about – о чем-либо); undertake – брать на себя; identical – одинаковый; fixed assets – основные фонды; necessarily – обязательно; enterprise investment – вложение капитала в предприятие; introduction – введение; techniques – технология; labour productivity – производительность труда; hesitation – колебание; ignorance – невежество; marginal – несущественный; gross national product – валовой национальный продукт.

Tasks to text 1.1

1. Answer the following questions.

1. What is meant by the term “entrepreneur”? 2. What less trouble and why is? 3. What entrepreneurship can give you? 4. What the quality of entrepreneurship is seen by many economists as? 5. Will two countries undertaking similar amounts of investment necessarily show the same rate of technical progress? 6. In what country a rapid growth of labour productivity will take place? 7. When the resulting growth in labour productivity and Gross National Product will be small?

2. Agree or disagree with the following statements.

1. Entrepreneur sets up a company. 2. Entrepreneur makes business deals. 3. Entrepreneur risks his neck in order to make a profit. 4. Entrepreneur introduces new types of legal techniques. 5. Entrepreneur leads his company to a slow growth of labour productivity. 6. Entrepreneur must not be doubtful or ignorant. 7. Investment is the money that people or organizations have put into a company, business, or bank in order to get a profit, or to make a business activity successful. 8. Labour productivity is the rate at which goods are produced, compared with the work, time, and money needed to produce them. 9. The GNP is the total value of all the goods and services produced in a country, including income from abroad. 10. Fixed assets may be divided into the following groups: intangible – patents, goodwill, trademarks, etc.; tangible – land and buildings, plant and machinery, office equipment, etc.; investment – shares and loans to other companies.

3. Translate the following words, phrases and statements from Russian into English.

1. Предприниматель, приходить к соглашению, брать на себя риск, получать прибыль, брать на себя ответственность, сводить концы с концами, рассчитывать (полагать), платежный чек, платить за аренду, оборудование, темп экономического роста, спорить с кем-либо (о чем-либо), основные фонды, вложение капитала в предприятие; производственные технологии, производительность труда, несущественные изменения, валовой национальный продукт.

2. Предпринимательство – это форма деятельности в сфере производства товаров и предоставления услуг с целью получения прибыли.

Предприниматель – это человек, занимающийся любым видом экономической деятельности, приносящей прибыль. Предприниматель рискует, чтобы получить прибыль. Предприниматель применяет новые технологии производства. Рост компании зависит от деловой активности предпринимателя.

4. Complete the following statements.

1. Entrepreneur starts 2. Entrepreneur arranges 3. Entrepreneur takes risks 4. Entrepreneur creates 5. Entrepreneur gets 6. Entrepreneur collects 7. Entrepreneur takes on 8. Entrepreneur writes out 9. Entrepreneur pays 10. Entrepreneur buys 11. Entrepreneurship gives

Text 1.2. Read and translate the text using the vocabulary that follows.

COMPANY

Company is an organization that makes or sells goods or services in order to get money. Business enterprises usually take one of three forms: individual proprietorships, partnerships, or limited liability companies. In the first form, a single person holds the entire operation as his personal property, usually managing it on a day-to-day basis. Most businesses are of this type. The second form, the partnership, may have from two to 50 or more members, as in the case of large law and accounting firms, brokerage houses (companies of brokers), and advertising agencies. This form of business is owned by the partners themselves; they may receive varied shares of the profits depending on their investment or contribution. Whenever a member leaves or a new member is added, the firm must be reconstituted as a new partnership. The third form, the limited liability company, functions on the basis of limited liability. Limited liability is the legal position under which the loss that an owner (shareholder) of a business firm may incur is limited to the amount of capital invested by him in the business and does not extend to his personal assets. Acceptance of this principle by business enterprises and governments was a vital factor in the development of large-scale industry, because it enabled business firms to mobilize large amounts of capital from a wide variety of investors who were understandably unwilling to risk their entire personal fortunes in their investments.

Vocabulary

Enterprise – предприятие; individual proprietor – единоличный собственник; partnership – товарищество; limited liability company – компания с ограниченной ответственностью; brokerage house – брокерская фирма; agency – агентство; varied – разнообразный; contribution – долевой взнос; whenever – всякий раз когда; constitute – учреждать; incur – подвергаться; extend – простирается; assets – имущество; acceptance – принятие; vital – жизненно важный; large-scale industry – крупная промышленность; enable – дать возможность; entire – целый; fortune – судьба, богатство.

Tasks to text 1.2

1. Answer the following questions.

1. What is meant by the term “company”? 2. What forms do business enterprises usually take? 3. What is meant by the term “individual proprietorship”? 4. What is meant by the term “partnership”? 5. What is the third form of business enterprises? 6. What is meant by the term “limited liability”?

2. Agree or disagree with the following statements.

1. Company makes or sells goods or services in order to get profit. 2. Proprietor is an owner of a business. 3. Individual proprietor keeps the entire operation as his rented property. 4. Individual proprietor manages his personal property on a from time to time basis. 5. Partnership is a business owned by two or more partners who share the profits and losses. 6. Partners share the profits and losses according to their investment or contribution. 7. Whenever a partner leaves or a new partner is added, the firm must be reconstituted as a new partnership. 8. Sleeping (silent) partner is someone who owns part of a business but is not actively involved in operating it. 9. Limited liability company is a company whose owners only have to pay a limited amount if the company gets into debt. 10. Limited liability is the legal position of being responsible for paying only a limited amount of debt if something bad happens to yourself or your company.

3. Translate the following words, phrases and questions from Russian into English.

1. Товары и услуги, предприятие, единоличный собственник, частная

собственность, товарищество, брокерская фирма, рекламное агентство, компания с ограниченной ответственностью, долевой взнос, действовать, учреждать, подвергаться, убыток, акционер, имущество, принятие, жизненно важный, крупная промышленность, дать возможность, богатство.

2. Компания продает товары и услуги, чтобы заработать деньги, не так ли? Компанией может владеть индивидуальный собственник, не так ли? Компания с ограниченной ответственностью функционирует на основе принципа ограниченной ответственности, не так ли? Ограниченная ответственность – это ограничение возмещения убытков от хозяйственной деятельности суммой вложенного капитала, не так ли?

4. Complete the following statements.

1. Company is 2. Business enterprises take 3. The first form of business is 4. The second form of business is 5. The third form of business is 6. Individual proprietor holds 7. Individual proprietor manages 8. Partners receive 9. Whenever a partner leaves 10. Limited liability company functions 11. Limited liability is 12. Limited liability enables business firms to 13. Investors are understandably unwilling to

Text 1.3. Read and translate the text using the vocabulary that follows.

HOLDING COMPANY

Holding company is a company that owns enough voting stock (a controlling number of the shares) in one or more other companies to exercise control over them. A company that exists exclusively for this purpose is called a pure holding company, while one that also engages in a business of its own is called a holding-operating company. A holding company typically owns a majority of stock in a subsidiary (a company that is owned or controlled by another company), but if ownership of the remaining shares is widely diffused, even minority ownership may suffice to give the holding company control. A holding company provides a means of control of several companies with a minimum amount of investment. The use of a holding company is legally simpler and less expensive than other means of gaining control of another company, such as, for example, merger (the act of joining together two or more companies to form a single enterprise). A

holding company is able to reap the benefits of a subsidiary's goodwill (the success of a company, and its good relationship with its customers, calculated as part of its value when it is sold) and reputation, yet its liability is limited to the proportion of the subsidiary's stock that it owns. These and other factors make holding companies an effective form of organization on both national and international levels.

Vocabulary

Holding company – холдинг-компания; stock – акции; exercise – выполнять; exclusively – исключительно; engage – заниматься; majority – большинство; subsidiary – подконтрольная компания; ownership – владение; diffuse – распространять; suffice – хватать; gain – добывать; merger – поглощение, слияние; reap – пожинать плоды; goodwill – престиж фирмы; liability – денежные обязательства.

Tasks to text 1.3

1. Answer the following questions.

1. What does the term "holding company" mean? 2. What does the term "voting stock" mean? 3. What company is called a pure holding company? 4. What company is called a holding operating company? 5. What does the term "subsidiary" mean? 6. What stock gives the holding company control over its subsidiary? 7. What company provides a means of control of several companies with a minimum amount of investment? 8. What is the simplest way to gain control of another company? 9. What is meant by the term "merger"? 10. What is meant by the term "goodwill"? 11. What is a holding company able to get? 12. What is a holding company's liability limited to? 13. What is an effective form of organization on both national and international levels?

2. Agree or disagree with the following statements.

1. Holding company is a company that holds a control packet of shares in other companies. 2. Controlling interest is ownership of more than 50 per cent of a business. 3. If you have a controlling interest in a company, you own enough shares to be able to make decisions about what happens to the company. 4. Holding company controls the composition of the board of directors of the subsidiary company. 5. Goodwill is the favor or prestige that a business has acquired beyond the mere value of what it sells. 6. Holding

company is an inefficient form of organization.

3. *Translate the following words, phrases and statements from Russian into English.*

1. Владеть, контрольный пакет акций, осуществлять контроль над чем-либо, заниматься, холдинг-компания, большинство, меньшая часть, право собственности, подконтрольная (дочерняя) компания, быть достаточным, слияние компаний, успех компании, денежные обязательства, международный уровень.

2. Холдинг-компания – это компания, владеющая контрольным пакетом акций других компаний с целью осуществления контроля над их операциями. Контрольный пакет акций – это доля акций, сосредоточенная в руках одного владельца и дающая возможность осуществлять фактический контроль над акционерным обществом. Гудвилл – это престиж торговых марок, опыт деловых связей, устойчивая клиентура.

4. *Complete the following statements.*

1. Holding company is 2. ... is called a pure holding company. 3. ... is called a holding-operating company. 4. A holding company typically owns 5. Minority ownership may ... if 6. A holding company provides 7. The use of a holding company is 8. A holding company is able to 9. A holding company's liability is limited to

Text 1.4. Read and translate the text using the vocabulary that follows.

BANKRUPTCY

Bankruptcy – the status of a debtor who has been declared by judicial process to be unable to pay his debts. Although sometimes used indiscriminately to mean insolvency, the terms have distinct legal significance. Insolvency, as used in most legal systems, indicates the inability to meet debts. Bankruptcy, on the other hand, results from a legal adjudication that the debtor has filed a petition or that creditors have filed a petition against him. Bankruptcy laws were enacted to provide and govern an orderly and equitable liquidation of the estates of insolvent debtors. This purpose has remained an important aim of bankruptcy legislation since the Middle Ages. Because in the past bankruptcy was coupled with the loss of civil rights and imposition of penalties upon fraudulent debtors, the designation bank-

rupt came to be associated with dishonesty, casting a stigma on persons who were declared bankrupts. Eventually, however, bankruptcy legislation was extended to provide procedures for the adjustment of debts so as to avoid liquidation and for the rehabilitation of insolvent debtors. Modern bankruptcy laws include the salvage of an enterprise in financial difficulties. It has become the principal focus of bankruptcy legislation with particular concern for the maintenance of employment opportunities and the protection of members of the labour force.

Vocabulary

Bankruptcy – банкротство, несостоятельность; judicial process – судебная процедура; indiscriminately – неразборчиво; insolvency – неплатежеспособность; meet debts – оплачивать долги; adjudication in bankruptcy – объявление банкротом по суду; file a petition – подать петицию; enact – вводить закон; orderly – аккуратный; equitable – беспристрастный; estate – имущество; insolvent debtor – несостоятельный должник; couple – связывать; impose – налагать; fraudulent debtors – должники, дающие ложные сведения о своем имущественном положении; designation – название, указание; stigma – клеймо, репутация преступника; eventually – со временем; adjustment – улаживание, урегулирование; rehabilitation – восстановление в правах; salvage – спасение имущества; labour force – рабочая сила.

Tasks to text 1.4

1. Answer the following questions.

1. What is meant by the term “bankruptcy”? 2. What does insolvency indicate? 3. What does bankruptcy result from? 4. What were bankruptcy laws enacted to do? 5. What was bankruptcy coupled with in the past? 6. What did the designation bankrupt come to be? 7. What was bankruptcy legislation extended to do? 8. What do modern bankruptcy laws include? 9. What is the particular concern of bankruptcy legislation?

2. Agree or disagree with the following statements.

1. Bankruptcy is the state of being unable to pay your debts. 2. Insolvency indicates the ability to meet debts. 3. Bankruptcy laws provide a disorderly liquidation of the estates of solvent debtors. 4. Bankruptcy laws govern a prejudicial liquidation of the estates of insolvent debtors.

5. Bankruptcy was linked with the loss of civil liberties. 6. Bankruptcy inflicted punishment upon fraudulent debtors. 7. Bankruptcy legislation may include settlement of debts. 8. The designation bankrupt was connected with unfairness. 9. Bankrupt is someone who has officially said that they cannot pay their debts. 10. Bankrupt is an insolvent person who has been adjudicated bankrupt by the court.

3. *Translate the following words, phrases and statements from Russian into English.*

1. Несостоятельность, неплатежеспособность, судебная процедура, неспособность оплачивать долги, происходить в результате, объявление банкротом по суду, подать петицию, вводить закон, ликвидация имущества, несостоятельный должник, законодательство о банкротстве, связывать, утрата гражданских прав, назначить наказание (штраф), репутация преступника, урегулирование долгов, восстановление в правах, спасение имущества, занятость (рабочей силы), рабочая сила, должник, дающий ложные сведения о своем имущественном положении.

2. Банкрот не способен платить свои долги. Неплатежеспособность – это финансовое положение фирмы, при котором она не может своевременно выполнять свои финансовые обязательства. Неплатежеспособность необязательно означает банкротство. Кредитор может подать заявление в суд на должника. Законы о банкротстве ликвидируют имущество неплатежеспособных должников. Банкротство связано с потерей гражданских прав.

4. *Complete the following statements.*

1. Bankruptcy is 2. Insolvency indicates 3. Bankruptcy results from 4. Bankruptcy laws were enacted 5. Bankruptcy was coupled with 6. The designation bankrupt came to be 7. Bankruptcy legislation was extended 8. Modern bankruptcy laws include ... with particular concern for

UNIT 2. MONEY

Text 2.1. Read and translate the text using the vocabulary that follows.

MONEY AND ITS FUNCTIONS

Money is a commodity commonly accepted as a medium of economic exchange. The idea of money as a universal equivalent is familiar to us since our childhood. Money circulates from person to person and country to country, thus facilitating trade, and it is the principal measure of wealth. Money has four functions: to serve as a medium of exchange, a commodity universally accepted in exchange for goods and services and for the discharge of debts or for the discharge of contracts; to act as a unit of account, the unit that makes the operation of the price system possible and provides the basis for keeping accounts and calculating cost, profit, and loss; to serve as a standard of deferred payments, the unit in which loans are made and future transactions are fixed; and to provide a store of wealth, a convenient form in which to hold any income not immediately required for use.

Vocabulary

Commodity – товар; medium of exchange – средство обмена; facilitate – содействовать; discharge of debt – погашение долга; discharge of contract – исполнение договора; unit of account – расчетная единица; price system – ценовая система; keep an account – вести счет; cost – стоимость; profit – прибыль; loss – убыток; deferred payment – отсроченный платеж; defer payment – откладывать платеж; loan – ссуда; future transactions (futures) – сделки на срок (купля-продажа товаров по фиксируемой в момент заключения сделки цене с исполнением операций через определенный промежуток времени); store of wealth – хранение материальных ценностей.

Tasks to text 2.1

1. Answer the following questions.

1. What is meant by the term “money”? 2. How many functions does money have? 3. What does money serve as? 4. What does money act as? 5. What does money make? 6. What does money provide? 7. What does money calculate? 8. What is the third function of money? 9. What is the

fourth function of money?

2. Agree or disagree with the following statements.

1. Money is a medium of communication. 2. The idea of money as a universal equivalent is unfamiliar to us. 3. Money has five functions. 4. Money is used in exchange for goods and services. 5. Money is used for the discharge of defendant. 6. Money is used for the discharge of agreements. 7. Money acts as a trustee. 8. Money makes the operation of the price system impossible. 9. Money ensures the basis for keeping accounts. 10. Money counts cost, profit, and loss. 11. Money is exercised as a standard of deferred payments. 12. Money serves as the unit in which borrowings are made. 13. Money serves as the unit in which futures are fixed. 14. Money provides a store of material values.

3. Translate the following words and phrases from Russian into English.

Обмен, удобный, держать, доход, немедленно, требовать, необходимый, возможный, хорошо знакомый, экономический, обыкновенно, эквивалент, товар, средство обмена, служить в качестве, общепринятый, товары, услуги, погашение долга, расчетная единица, ценовая система, обеспечивать, вести счет, подсчитывать, стоимость, прибыль, убыток, отсроченный платеж, ссуда, сделка на срок, хранение материальных ценностей, употребление, содействовать, исполнение договора.

4. Complete the following statements.

1. Money is 2. The idea of money as a universal equivalent is 3. Money has 4. Money serves as 5. Money is used in exchange for 6. Money is used for the discharge of 7. Money acts as 8. Money makes 9. Money provides 10. Money calculates 11. Money serves as a standard of 12. Money is the unit in which 13. Money provides a store of 14. Money is a convenient form in which

Text 2.2. Read and translate the text using the vocabulary that follows.

PAPER MONEY AND GOLD STANDARD

Metals, especially gold and silver, have been used for money for at

least 4,000 years. For perhaps 2,600 years, standardized coins have been the form in which money metals circulate. Gold and silver coins contain legally specified amounts of gold or silver and are theoretically equal in value to that quantity of the metal. Coins or uncoined bullion, however, can be an inconvenient and insecure mode for conveying large quantities of value. For large transactions, various forms of paper notes came into use. In the late 18th and early 19th centuries, banks began issuing such notes – banknotes. Each banknote was redeemable for gold or silver. This paper money became the principal money of growing industrial economies. Up to 1931, paper money was backed by a reserve of gold and any settlement of international debts was settled by the transfer of gold from one country to another. With the collapse of the gold standard in 1931, many countries suspended the movement of gold, but gold still being a precious metal is still quoted each day on the market in ounces against the US dollars.

Vocabulary

Specify – точно устанавливать; value – стоимость; bullion – слиток золота или серебра; insecure – небезопасный; mode – способ; convey – перевозить; issue – пускать в обращение; redeemable in gold – обратимый в золото; redeem – выкупать; settle – улаживать; transfer – перемещение; collapse – обвал; suspend – приостанавливать; precious – драгоценный; quote – дать расценку; ounce – унция (28.35 grams).

Tasks to text 2.2

1. Answer the following questions.

1. What has been used for money for 4,000 years? 2. What form did money metals circulate in? 3. What do gold and silver coins contain? 4. What can be inconvenient and insecure for conveying large quantities of value? 5. What came into use for large transactions? 6. When did banks begin issuing banknotes? 7. What was each banknote redeemable for? 8. What did this paper money become? 9. What was paper money backed by up to 1931? 10. What was settled by the transfer of gold from one country to another? 11. Why did many countries suspend the movement of gold? 12. What is still quoted each day on the market?

2. Agree or disagree with the following statements.

1. Metals were not used for money. 2. Money metals moved around in the form of coins. 3. Gold coins had legally specified amounts of gold as a part. 4. Coins might be convenient and secure for conveying large quantities of value. 5. Paper notes came out of use for large transactions. 6. Banks ceased issuing banknotes. 7. Each banknote might be bought in for gold. 8. This paper money became the most important money of economies. 9. Paper money was supported by a reserve of gold. 10. Any settlement of debts was ended by the transfer of gold. 11. Gold standard failed in 1931. 12. Gold is estimated each day on the market. 13. The gold standard means the use of the value of gold as a fixed standard on which to base the value of money.

3. *Translate the following words and phrases from Russian into English.*

Стандартизировать, выкупать, урегулирование, улаживать, перемещение, обвал, приостанавливать, драгоценный, дать расценку, унция, слиток золота или серебра, небезопасный способ, перевозить, сделка, пускать в обращение, обратимый в золото, быть в обращении, юридически, точно устанавливать, равный, стоимость, золотой стандарт.

4. *Complete the following statements.*

1. Gold and silver have been used for 2. Money metals circulate in the form of 3. Gold and silver coins contain 4. Gold and silver coins are equal in 5. Coins or uncoined bullion can be 6. Various forms of paper notes came into use for 7. Banks began 8. Each banknote was redeemable for 9. This paper money became 10. Paper money was backed 11. Any settlement of debts was settled by 12. Many countries suspended ... because of 13. Gold is still quoted

Text 2.3. Read and translate the text using the vocabulary that follows.

MONETARISM

Monetarism as an economic theory states that inflation is caused by an excessive supply of money. Thus the best way to manage and control a country's economic system is to limit the amount of money in circulation. Where there is too much money it will cause the price of goods to rise, i. e. the value of money will fall. The concept of money supply (all the money

that exists in a country's economic system at a particular time) plays an important role in economic policymaking, because many economists believe that it is the quantity of money within the economy that ultimately determines real price levels, the rate of economic growth, and the rate of inflation. The Federal Reserve Banks in the United States and the Bank of England in the United Kingdom regulate the money supply to stabilize their respective economies. The Federal Reserve Banks, for example, can buy or sell government securities, thereby expanding or contracting the money supply. Monetary systems are today very much alike in all the major countries of the world. Monetary systems consist of three levels: the holders of money (the "public") – individuals, businesses, governmental units; commercial banks, which borrow, by way of demand deposits (bank deposits that can be withdrawn without advance notice); from the public and make loans to individuals, firms, or governments; and central banks, which have a monopoly on the issue of money, serve as the bankers for the central government and the commercial banks, and have the power to determine the quantity of money in circulation.

Vocabulary

Monetarism – монетаризм; excessive – чрезмерный, излишний; money supply – денежная масса в обращении; ultimately – в конечном счете; determine – определять; price level – уровень цен; government securities – государственные ценные бумаги; expand – расширять; contract – сокращать; governmental units – правительственные подразделения; demand deposit – вклад до востребования.

Tasks to text 2.3

1. Answer the following questions.

1. What does monetarism state? 2. What is the best way to manage an economy? 3. What will cause the price of goods to rise? 4. What plays an important role in economic policymaking? 5. What do economists believe? 6. What might be done to expand or contract the money supply? 7. What is the first level of monetary systems? 8. What is the second level of monetary systems? 9. What is its third level?

2. Agree or disagree with the following statements.

1. Deflation is caused by an excessive supply of money. 2. Too much

money in circulation does not cause the price of goods to rise. 3. To limit the amount of money in circulation is the best way to control an economy. 4. Money supply plays an insignificant role in economic policymaking. 5. The quantity of money in circulation has a strong influence on real prices. 6. The quantity of money in circulation has a strong effect on the rate of economic growth. 7. Commercial banks do not borrow money from the public.

3. *Translate the following words and phrases from Russian into English.*

Монетаризм, экономическое учение, стабилизировать, соответственный, регулировать, темп экономического роста, инфляция, быть причиной, чрезмерный, денежная масса в обращении, стоимость, мнение, управлять, контролировать, количество, разработка политического курса, полагать, в конце концов, определять, уровень цен, государственные ценные бумаги, таким образом, расширять, сокращать, денежный, главный, держатель, фирма, правительственные подразделения, занимать, вклад до востребования, ссуда, эмиссия, темп развития инфляции, Федеративный резервный банк, общественность.

4. *Complete the following statements.*

1. Monetarism states 2. The best way to control a country's economic system is 3. ... will cause the price of goods to rise. 4. The concept of money supply plays 5. Many economists believe 6. ... regulate the money supply to stabilize 7. ... can buy or sell 8. Monetary systems consist of

Text 2.4. Read and translate the text using the vocabulary that follows.

MONEY LAUNDERING

Criminals use the financial system to put money which has been obtained illegally into legal businesses and bank accounts, so that they can hide it or use it. These activities are commonly referred to as money laundering. In January 1989 the Basle Statement of Principles on Money Laundering was circulated to all institutions authorised under the Banking Act. The Statement of Principles does not restrict itself to drug related

money laundering, but extends to all aspects of laundering through the banking system, i. e. the deposit, transfer and (or) concealment of money derived from illicit activities whether robbery, terrorism, fraud or drugs. The Statement of Principles seeks to deny to those involved in money laundering by the application of the following principles:

- know your customer – banks should make reasonable efforts to determine the customer's true identity, and have effective procedures for verifying the bona fides of new customers, that is, they are who they say they are;

- compliance with laws – banks should ensure that business is conducted in conformity with high ethical standards and laws; that a service is not provided where there is good reason to suppose that transactions are associated with laundering activities;

- cooperation with law enforcement agencies – within any constraints imposed by rules relating to customer confidentiality, banks should cooperate fully with national law enforcement agencies including, where there are reasonable grounds for suspecting money laundering, taking appropriate measures which are consistent with the law.

Vocabulary

Money-laundering – отмыwanie денег; laundered money – отмытые деньги; circulate (extend) – распространять; authorize – узаконить; restrict – ограничивать; transfer – перемещение; concealment – утаивание; illicit – незаконный; deny – не допускать; reasonable – разумный; true – подлинный; identity – опознание личности; verify – удостоверить подлинность; bona fides – добросовестность, честность; law compliance – соблюдение закона; constraints – ограничения; confidentiality – конфиденциальность; consistent – согласующийся; mistaken identity – принятие одного лица за другое.

Tasks to text 2.4

1. Answer the following questions.

1. What is commonly referred to as money laundering? 2. What was circulated to all banks in 1989? 3. What does the Statement of Principles extend to? 4. How many principles are included in the Statement of Principles? 5. What is the first one? 6. What is the second one? 7. What is the third one?

2. Agree or disagree with the following statements.

1. Banks should determine the customer's mistaken identity. 2. Banks should not check the bona fides of new customers. 3. If you check someone's bona fides, you check that they are who they say they are. 4. Banks should ensure that business is conducted in a way that obeys rules. 5. Banks should make it certain that a service is not provided where there are laundering activities. 6. Banks should disobey law enforcement agencies. 7. Banks should take correct or suitable measures against money laundering.

3. Translate the following words and phrases from Russian into English.

Ошибочное опознание личности, применение, разумный, подлинный, опознание личности, удостоверить подлинность, добросовестность, соблюдение закона, обеспечивать, соответствие, предоставлять, предполагать, распространять, трансферт, утаивание, незаконный, мошенничество, искать, не допускать, сделка, отмывание денег, узаконить, отмые деньги, ограничивать, ассоциироваться, полицейский орган, ограничения, конфиденциальность, согласующийся.

4. Complete the following statements.

1. Criminals use 2. These activities are referred to as 3. ... was circulated to 4. The Statement of Principles does not restrict ... but extends to 5. Banks should make 6. Banks should have ... for verifying 7. Banks should ensure that business is 8. Banks should ensure that a service is 9. Banks should co-operate ... including taking

UNIT 3. CREDIT

Text 3.1. Read and translate the text using the vocabulary that follows.

CREDIT AND CREDITING

Credit – transactions between two parties in which one (the creditor or lender) supplies money, goods, services, or securities in return for a promised future payment by the other (the debtor or borrower). Creditor is

someone who money is owed to. Debtor is someone who owes money. Credit given is an indication of trust in that person to pay for the goods given or money lent. Credit transactions normally include the payment of interest to the lender. Credit may be extended by public or private institutions to finance business activities, agricultural operations, consumer expenditures, or government projects. Most modern credit is extended through specialized financial institutions, of which commercial banks are the oldest and most important. The lender must judge each loan he makes on the basis of the character of the borrower (his intention to repay), his capacity to repay (based on his potential for earning income), and his collateral (property or other goods that you promise to give someone if you cannot pay back the money they lent you). Loan is an amount of money that you borrow from a bank. Customers and lenders may publicly regulate the terms of credit transactions to prevent abuses.

Vocabulary

Crediting – кредитование; securities – ценные бумаги (shares – акции; bonds – облигации); in return – взамен; owe – владеть, быть должным (кому-либо); given – предоставленный; indication – знак; extend – предоставлять; finance – финансировать; expenditures – расходы; judge – оценить; capacity – способность; collateral – залог; abuse – злоупотребление; imply – подразумевать; discharge of debt – погашение долга.

Tasks to text 3.1

1. Answer the following questions.

1. What is meant by the term “credit”? 2. What does credit normally include? 3. What institutions may extend credit? 4. What may credit finance? 5. How is most modern credit extended? 6. How must the lender judge each loan? 7. What does the character of the borrower imply? 8. What is the debtor’s capacity to repay based upon? 9. What does the debtor’s collateral imply? 10. What may be publicly regulated? 11. Why may the terms of credit transactions be publicly regulated?

2. Agree or disagree with the following statements.

1. Credit is an arrangement with a shop, bank etc. that makes it possible

for you to buy something and pay for it later. 2. The lender supplies shares in return for a future payment by the borrower. 3. Credit doesn't include the payment of interest to the lender. 4. Credit may sponsor consumer expenditures. 5. The lender must appreciate each loan. 6. The lender must estimate the character of the borrower. 7. The lender may not judge the borrower's intention to repay. 8. The borrower must judge the lender's capacity to repay. 9. The borrower's capacity to repay is based on his potential for making money. 10. The lender must judge the borrower's pledge. 11. The terms of credit can't prevent abuses by customers and lenders. 12. Customers and lenders may secretly correct the terms of credit transactions to prevent abuses.

3. *Translate the following words, phrases and statements from Russian into English.*

1. Кредитование, акции, взамен, обещать, обещанный долг, дебитор, заемщик, облигации, одалживать (у кого-либо), давать в займы, знак, доверие, сделка, проценты, предоставлять, финансировать, потребитель, расходы, оценить, ссуда, способность, заработать, доход, залог, условия соглашения, публично, предотвратить, заказчик, подразумевать, кредитор, ссудодатель, поставлять, ценные бумаги, предоставленный, злоупотребления, участвующее лицо, погашение долга.

2. Кредит – это ссуда в денежной или товарной форме на условиях возвратности. Кредитор – это один из участников кредитных отношений, выступающий как субъект, предоставляющий ссуду. Кредитором может быть государство, банк, предприятие или организация. Дебитор – это должник, юридическое или физическое лицо, имеющее денежную задолженность предприятию, организации, учреждению. Должник – это сторона в обязательстве, от которой другая сторона-кредитор вправе требовать передачи имущества, выполнения работы или уплаты денег в счет погашения долга.

4. *Complete the following statements.*

1. Credit means 2. Credit given is 3. Credit transactions include 4. Credit may be 5. Credit finance 6. Most modern credit is extended 7. The lender must judge 8. Customers may regulate

Text 3.2. Read and translate the text using the vocabulary that follows.

CREDIT RISK

Credit risk – in general, the risk that a lender will not be able to get the money loaned back from the borrower. To guard against this, the credit risk is assessed either by a lending manager at an interview, or by the submission of a specially prepared form which is designed to score the credit rating. Credit scoring is a method of measuring the risk factor in a personal lending situation. By using this computer method, the bank saves on management time, clerical costs, etc. The procedure only demands the time of a junior clerk to see that the customer completes the form correctly and such data as marital status, address, employment, income, etc., is fed into the computer and the answer is given. Should the answer be unreasonable, then the loan application can be referred to a senior official. Credit rating is a judgement made by a financial institution about how likely a person or business is to pay their debts. Credit rating is usually obtained through the banking system or through the credit analyst whose function is to research into the records (affairs) of an individual or company to assess whether that person (entity) has a degree of creditworthiness. Creditworthy is considered to be able to repay debts.

Vocabulary

Credit risk – кредитный риск; interview – деловая встреча; credit scoring system – система оценки потенциальных заемщиков; clerical – канцелярский; marital status – брачный статус; refer – направлять; credit rating – рейтинг общей кредитоспособности заемщика; judgement – мнение, суждение; affairs – дела; assess – оценивать; entity – юридическое лицо.

Tasks to text 3.2

1. Answer the following questions.

1. What is meant by the term “credit risk”? 2. What is to be done to guard against credit risk? 3. Who has the right to assess credit risk? 4. What is meant by the term “credit scoring”? 5. What does the bank save by using credit scoring? 6. What does the procedure of credit scoring demand? 7. What is fed into the computer? 8. When can the loan application be referred to a senior official? 9. What does credit rating inform? 10. How is credit rating usually obtained? 11. What is the function of credit analyst?

2. Agree or disagree with the following statements.

1. A lending manager at an assignation assesses credit risk. 2. Credit risk might not be assessed. 3. Credit scoring is not a method of measuring risk factor. 4. The bank economizes clerical costs by using credit scoring. 5. The procedure demands the time of a senior clerk. 6. The customer completes the form untruthfully. 7. Such data as matrimonial status or address is fed into the computer. 8. The loan application can be referred to a junior official. 9. Credit rating is an estimation made by a financial institution. 10. Credit rating is derived through the banking system. 11. Credit rating is not obtained through the credit analyst. 12. Credit analyst studies the affairs of an individual in detail. 13. Credit analyst assesses whether that person has a degree of solvency. 14. Lender is a person that offers money to a borrower with the expectation that repayment will be made, with interest, either by instalments or in one amount, by a specified date.

3. Translate the following words, phrases and statements from Russian into English.

1. Юридическое лицо, риск неплатежа по кредиту, измерять, беречь, канцелярский, младший служащий, данные, брачный статус, питать, неразумный, прошение, направлять, старший, рейтинг общей кредитоспособности заемщика, мнение, представление документов, вероятный, исследовать, ссуда, оценивать, деловая встреча, система оценки потенциальных заемщиков, кредитоспособность.

2. Кредитоспособность определяется показателями, характеризующими заемщика: его аккуратностью при расчете по ранее полученным кредитам, его текущим финансовым положением, его способностью при необходимости мобилизовать денежные средства из различных источников. Кредитный риск – это вероятность неоплаты задолженности по платежам и обязательствам в установленный контрактом срок.

4. Complete the following statements.

1. Credit risk means 2. Credit risk is assessed 3. Credit scoring is 4. The bank saves ... by using 5. Credit scoring demands 6. Credit scoring includes such data as 7. The loan application is referred ... when 8. Credit rating is ... and is obtained through 9. The function of credit analyst is

Text 3.3. Read and translate the text using the vocabulary that follows.

CREDIT UNION

Credit union – a system, popular in North America, by which people with a common bond – membership of the same club, church, tenants' association or trade union – can collaborate to put their savings (all the money that one has saved, especially in a bank) into a joint fund. Members can then apply to borrow from the fund and make repayments at an annual rate of interest of 12 per cent. The loans are usually short-term consumer loans, mainly for automobiles, household needs, medical debts, and emergencies. In less developed countries these loans are particularly important, constituting the only credit source for many people, and are used primarily for farm production and small business enterprise. Credit unions generally operate under government charter and supervision. At annual meetings, the members elect the directors, the credit committee, and the supervisory committee. The Credit Union Act 1979 included the following:

- the minimum membership shall be 21 and the maximum 5,000;
- the maximum savings permitted per person to be \$3,000;
- the unions must be non-profit making and the purpose is to provide a service to its members.

Vocabulary

Credit union – кредитный союз; common bond – общая связь; collaborate – сотрудничать; savings – сбережения; repayment – погашение; rate of interest – процентная ставка; short-term loan – краткосрочный заем; supervisory – наблюдательный.

Tasks to text 3.3

1. Answer the following questions.

1. What people can put their savings into a joint fund? 2. Can the members of credit unions apply to borrow from the fund? 3. What repayments can the members make? 4. What loans can the members take? 5. What do these loans constitute? 6. What are these loans used for? 7. What do credit

unions operate under? 8. What do the members do at annual meetings?
9. What is said about credit unions in the Credit Union Act 1979?

2. Agree or disagree with the following statements.

1. People can cooperate together to put their savings into a joint fund.
2. The members of credit unions can appeal to borrow from the fund.
3. The members of credit unions make repayments at a monthly rate of interest of 15 per cent. 4. The loans are usually long-term consumer loans.
5. These loans are not for emergencies. 6. These loans compose the only credit source for many people. 7. These loans are used primarily for major concerns. 8. Credit unions generally operate under Magna Charter. 9. Credit unions do not operate under government supervision. 10. Credit unions must be uncommercial organizations. 11. Credit union is not obliged to provide a service to its members. 12. Fund is an amount of money that is collected and kept for a particular purpose. 13. A non-profitmaking organization uses the money it earns to help people. 14. Repayment is an amount of money that you pay back. 15. Tenant is someone who lives in a house, room etc. and pays rent to the person who owns it. 16. Loan is an amount of money that you borrow from a bank etc. 17. Consumer is someone who buys and uses products and services. 18. Charter is a signed statement from a government, which allows an organization to officially exist and have special rights.

3. Translate the following words, phrases and statements from Russian into English.

1. Общая связь, избирать, учреждать, источник, предприятие, обычно, хартия, надзор, наблюдательный, разрешать, не ставящий себе целью извлечение прибыли, цель, членство, арендатор, союз, профсоюз, сотрудничать, сбережения, совместный, фонд, медицинский, обращаться, занимать, погашение, годовой, процентная ставка, ссуда, краткосрочный, потребительский, главным образом, домашнее хозяйство, непредвиденный случай, особенно, включать, обеспечить, долг, развивающиеся страны.

2. Кредитные союзы – это финансовые кооперативные организации, объединяющие частные лица по какому-либо общему признаку (например, лица наемного труда или проживающие в одной местности). Принципы деятельности кредитных союзов те же, что и у акционерных обществ, они предоставляют своим членам потребительский кредит с условием погашения его в рассрочку.

4. Complete the following statements.

1. Credit union is 2. People with a common bond are 3. People can collaborate 4. Members can apply 5. Members make 6. The loans are 7. These loans constitute 8. These loans are used 9. Credit unions operate, 10. The members of credit unions elect 11. The Credit Union Act included

Text 3.4. Read and translate the text using the vocabulary that follows.

CREDIT CARD AND CREDIT CARDHOLDERS

Credit card is a piece of plastic about 85 mm by 54 mm, bearing the name and computer number of the holder and the period of availability. The holder must sign it. The best known cards in the UK are the VISA card and ACCESS; the American Express and Diners' Club (introduced by the Diners' Club, Inc., in 1950) are leisure or entertainment cards as no credit is permitted. VISA is an international credit card scheme which has worldwide representation. Major banks in a number of countries have issued cards through VISA. ACCESS is the name given to a credit card company jointly owned by three banks, namely, Lloyds, Midland and National Westminster. The American Express Company issues American Express card whose holders have no limit placed on the sum they spend, but all outstanding debts must be settled by a given date. Any creditworthy mature person can be a credit card holder. Before a card is issued, certain details are supplied and references given. Reference is a letter written by someone who knows you well, usually to a new employer, giving information about you. On approval a credit card is given to the holder and the cardholder is at the same time notified of the maximum credit available to him or her. The credit card can be used at any retail outlet displaying the credit card company symbol. It is usual for settlement or partial settlement to be made by the credit cardholder within 25 days of receipt of the statement.

Vocabulary

Credit card – кредитная карточка; availability – годность; issue –

выпуск; access – доступ; outstanding – неуплаченный; mature – зрелый; retail outlet – розничная торговая точка; settlement – расчет; receipt – получение; statement – отчет.

Tasks to text 3.4

1. Answer the following questions.

1. What does credit card bear? 2. What must the holder sign? 3. What credit cards are the best-known cards in the UK? 4. What credit cards are leisure cards and why? 5. What is known about VISA? 6. What is known about ACCESS? 7. What is known about American Express card? 8. Who can be a credit card holder? 9. What is supplied and given before a card is issued? 10. What is the cardholder notified of? 11. Where can the credit card be used? 12. What is to be made by the cardholder within 25 days of receipt of the statement?

2. Agree or disagree with the following statements.

1. Credit card is a piece of wood. 2. Credit card bears the name of the owner. 3. Credit card bears the computer number of the possessor. 4. Credit card bears the period of serviceable life. 5. The holder must subscribe credit card. 6. Holders have limit-placed on the sum they can spend. 7. All debts must be settled by a given date. 8. Any solvent person can be a credit card holder. 9. Recommendations are to be given before a card is issued. 10. The cardholder is announced of the minimum credit available to him. 11. The credit card can be used far and near. 12. Retailer is someone who sells things in a shop.

3. Translate the following words, phrases and statements from Russian into English.

1. Доступ, досуг, извещать, доступный, розничная торговая точка, демонстрировать, частичный, расчет, получение, зрелый, держатель, годность, развлечения, разрешать, неуплаченный, заслуживающий, кредитоспособность, отчет, пускать в обращение, снабжать, рекомендация, одобрение, подписывать.

2. Кредитная карточка – это выпускаемая организацией карточка, которая дает ее владельцу возможность делать покупки в кредит в тех предприятиях торговли, которые заключили с данной организацией соглашение. Существуют одноцелевые карточки, выпускаемые конкретными фирмами, многоцелевые карточки (например, “Америкен экспресс”, “Карт-бланш”) и банковские карточки (например, “Ма-

стеркард” и “Виза”). Владелец карточки – это лицо, которому выдана кредитная карта для использования в личных, семейных, домашних или коммерческих расчетах.

4. Complete the following statements.

1. Credit card is 2. Credit card bears 3. The holder must
4. The best known cards in the UK are 5. VISA is 6. ACCESS is
7. American Express card is known for its holders have 8. Any credit-worthy person can 9. Before a card is issued 10. The cardholder is notified of 11. The credit card can be used 12. The credit cardholder should make ... within 25 days

UNIT 4. BANK

Text 4.1. Read and translate the text using the vocabulary that follows.

BANK AND ITS CLASSES

Bank – an institution that deals in money and its substitutes and provides other financial services. Banks accept deposits and make loans and derive a profit from the difference in the interest rates. They also have the power to create money. The two major classes of banks are commercial and central banks. Commercial banks accept savings deposits, make: loans and other investments, and offer financial services that facilitate the exchange of funds among individuals and institutions. In addition to the profit derived from the difference in the interest rates, commercial banks charge fees for various services. Central banks are involved in the issue of money and maintain the country's foreign currency reserves. Central banks maintain the accounts of other banks and supervise their activities. Central banks act as bankers to governments, as the designers of monetary and credit policies, and as lenders of last resort to commercial banks in the case of a financial crisis. Central banks also play a significant psychological role as guarantors of the monetary system. Central banks may be nationalised organisations and are subject to government control, but some of them can have independence from governmental supervision.

Vocabulary

Deal in – торговать; deposit – вклад в банк; derive a profit – извле-

кать прибыль; savings deposit – сберегательный вклад на неопределенный срок под процент; facilitate – способствовать; funds – денежные средства; charge fees – начислять комиссионные; issue – эмиссия; lender of last resort – последний кредитор в критической ситуации; guarantor – гарант; monetary system – денежная система.

Tasks to text 4.1

1. Answer the following questions.

1. What is meant by the term “bank”? 2. What do banks accept? 3. What do banks make? 4. What do banks derive a profit from? 5. What power do banks have? 6. What are the two major classes of banks? 7. What do commercial banks accept? 8. What do commercial banks make? 9. What do commercial banks offer? 10. What are central banks involved in? 11. What do central banks maintain? 12. What do central banks supervise? 13. What do central banks act as? 14. What role do central banks play?

2. Agree or disagree with the following statements.

1. Bank trades in money. 2. Bank gives various financial services. 3. Banks receive deposits. 4. Banks don't make loans. 5. Banks derive a profit by skillfully deceiving people. 6. Commercial banks aid the exchange of funds among individuals and institutions. 7. Central banks act as bankers to organized crime. 8. Central banks act as the designers of default. 9. Central banks act as the designers of foreign policy. 10. Central banks act as lenders of last resort to counterfeiters. 11. Central banks play an important role as guarantors of the monetary system. 12. Central banks have the right to issue money. 13. Central banks keep the country's foreign currency reserves. 14. Central banks back up the accounts of other banks. 15. Central banks oversee the activities of other banks. 16. Central banks may be private owned organisations. 17. Central banks are totally dependent on their bank customers.

3. Translate the following words, phrases and statements from Russian into English.

1. Торговать, сберегательный вклад на неопределенный срок под процент, способствовать, денежные средства, начислять комиссионные, валютная политика, кредитная политика, последний кредитор в

критической ситуации, денежная система, вклад в банк, ссуда, извлекать прибыль, процентная ставка.

2. Банк торгует деньгами и их заменителями. Банк обеспечивает различные финансовые услуги. Банк принимает депозиты. Банки предоставляют займы. Банки получают прибыль из разницы в процентных ставках. Банки могут быть независимы от государственного контроля.

4. Complete the following statements.

1. Bank deals in 2. Bank provides 3. Banks accept 4. Banks make 5. Banks derive 6. Banks have 7. The two major classes of banks are 8. Commercial banks accept 9. Commercial banks make 10. Commercial banks offer 11. Commercial banks charge 12. Central banks are involved in 13. Central banks maintain 14. Central banks supervise 15. Central banks act as 16. Central banks play 17. Central banks may be 18. Central banks are subject to 19. Central banks can have

Text 4.2. Read and translate the text using the vocabulary that follows.

EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT

The European Bank, with its headquarters in London, was established in May 1990. It is the first international financial institution of the post-Gold War period. Its purpose is to foster the transition towards open market oriented economies and to promote private and entrepreneurial initiative in the countries of Central and Eastern Europe. The European Bank will endeavour to help the economies of these countries integrate into the international economy, with particular concern for strengthening democratic institutions, respect for human rights and for environmentally sound policies. In fulfilling its purpose, the Bank performs a wide range of functions designed to assist countries with operations to implement structural economic reforms, including demonopolization, decentralization and privatization. The European Bank has the following departments: merchant banking (merchant bank – a bank that provides banking services for business); development banking, finance, personnel and administration, project evaluation, secretary general, chief economist, communications and press, internal audit. The Bank has 59 members: 57 countries and two institutions –

the European Investment Bank (EIB) and the Economic Community (EC), known as the European Economic Community or Common Market.

Vocabulary

Headquarters – центральный орган управления (штаб-квартира); foster – благоприятствовать; transition – переход; entrepreneur – предприниматель; endeavour – пытаться; environmentally sound – относящийся к борьбе с загрязнением окружающей среды; range – ряд; implement – осуществлять; demonopolization – демонополизация; decentralization – децентрализация; privatization – приватизация; banking – банковские услуги; personnel administration – управление кадрами; evaluation – оценка; internal audit – внутренняя ревизия.

Tasks to text 4.2

1. Answer the following questions.

1. When was the European Bank established? 2. Where is its headquarters? 3. What is its purpose? 4. What will the European Bank endeavour to do? 5. What are the European Bank's requirements to integrate into the international economy? 6. What does the European Bank perform in fulfilling its purpose? 7. What departments does the European Bank have? 8. What members does the European Bank have?

2. Agree or disagree with the following statements.

1. The European Bank's headquarters is in Paris. 2. The European Bank was founded in 1980. 3. The European Bank's ambition is to favour the transition to a planned economy. 4. The European Bank's aim is to promote business initiative. 5. The European Bank will help less developed countries join into the international economy. 6. Industrial nations should strengthen democratic institutions. 7. Commonwealth countries must respect human rights. 8. The countries of European Union have to conduct environmentally sound policies. 9. The European Bank brings the underdeveloped countries to ruin with privatization. 10. The European Bank assists the open market oriented economies with monopolization. 11. The European Bank lends the open market oriented economies a helping hand with centralization.

3. Translate the following words, phrases and statements from Rus-

sian into English.

1. Пытаться, оценка, особый, забота, укреплять, уважение, ряд, осуществлять, торговый, проект, благоприятствовать, частная инициатива, банковские услуги, экономическое, развитие, штаб-квартира, учреждать, переход, ориентированный на, предприниматель, управление кадрами, внутренняя ревизия, относящийся к борьбе с загрязнением окружающей среды.

2. Европейский банк реконструкции и развития был учрежден в 1990 г. Его цель состоит в том, чтобы благоприятствовать переходу к рыночной экономике. Банк осуществляет множество функций. Банк помогает странам осуществить приватизацию. Банк имеет множество отделов. Банк предоставляет долгосрочные кредиты развивающимся странам.

4. Complete the following statements.

1. The European Bank has its headquarters in 2. It was established 3. It is the first 4. Its purpose is 5. The European Bank will endeavour 6. Its particular concern is 7. The Bank performs 8. These functions are designed to assist 9. The European Bank has ... departments and ... members.

Text 4.3. Read and translate the text using the vocabulary that follows.

EUROPEAN INVESTMENT BANK (EIB)

The EIB was formed in 1958 with its headquarters in Luxembourg. It is administered by a Board of Governors which consists of a Minister (usually the Finance Minister) of each member country that lays down general directives on credit policy, approves the balance sheet, decides on capital increases and appoints directors and members of the management and audit committees. The Board of Directors has overall responsibility for deciding on loans and setting interest rates. The EIB makes loans for a wide range of projects. The pattern of lending depends on demand, the viability of the projects and their consistency with the European Economic Community's policies. Almost all the funds necessary to finance its lending operations are raised by borrowing on capital markets, mainly through public bond issues. While its traditional product is fixed-rate loans, adjustable fixed-rate and variable-rate loans are also available. Maturities range be-

tween 4–20 or more years with repayment of principal and interest normally in equal six-monthly installments. Depending on the borrower's preferences and the EIB's holdings, loans are disbursed in a single currency, such as the ECU (Euro), or the borrower's own currency, or in a mix of several currencies. The European Investment Bank does not charge commitment, management or other fees.

Vocabulary

Directives – указания; increase – рост; viability – жизнеспособность; consistency – согласованность; adjustable – регулируемый; variable – переменный; maturities – сроки платежа; range – колебаться; disburse – платить; charge – требовать; commitment fee – комиссия за обязательство предоставить кредит.

Tasks to text 4.3

1. Answer the following questions.

1. When was the EIB formed? 2. Where is its headquarters? 3. What is it administered by? 4. Whom does the Board of Governors consist of? 5. What are the functions of the Board of Governors? 6. What does the Board of Directors have? 7. What does the EIB make? 8. What does the pattern of lending depend on? 9. Where does the EIB take its funds? 10. What loans are available by the EIB? 11. What do the EIB's maturities range? 12. How the EIB's loans are disbursed? 13. Does the EIB any fees charge?

2. Agree or disagree with the following statements.

1. The Board of Directors formulates general directives on credit policy. 2. The Board of Directors sanctions the balance sheet. 3. The Board of Directors decides on capital decreases. 4. The Board of Directors ousts directors. 5. The Board of Directors doesn't assume responsibility for deciding on loans. 6. The EIB makes investments for a wide range of projects. 7. The EIB's pattern of lending depends on market 8. Borrowing on capital markets cuts the EIB's funds. 9. The EIB's traditional product is variable-rate loans. 10. The EIB's loans are paid in a single currency. 11. The EIB charges commitment and management fees.

3. Translate the following words, phrases and statements from Russian into English.

1. Формулировать, указания, жизнеспособность, согласованность, рынок капитала, облигация, эмиссия, кредит с фиксированной процентной ставкой, регулируемый, переменный, сроки платежа, колебаться в пределах, очередной платеж при рассрочке платежа, предпочтения, вклады, платить, требовать, комиссия за обязательство предоставить кредит, балансовый отчет, рост, всеохватывающий, процентная ставка, основная сумма, на которую начисляются проценты.

2. Европейский инвестиционный банк был создан в 1958 г. Банк заимствовал средства на рынке капитала. Банк субсидировал многие проекты. Банк не требовал комиссию за обязательство предоставить кредит. Банк не требовал комиссию за обязательство предоставить менеджмент. Кредит с фиксированной процентной ставкой означает заем с фиксированной ставкой процента, установленной на весь срок его действия, предоставляемый на фиксированный период времени.

4. Complete the following statements.

1. The EIB was formed 2. Its headquarters is 3. The EIB is administered by 4. The Board of Governors lays down 5. The EIB makes 6. The EIB's pattern of lending depends on 7. The EIB's funds are raised 8. The EIB's traditional product is 9. The EIB's maturities range 10. The EIB's loans are disbursed 11. The EIB does not charge

Text 4.4. Read and translate the text using the vocabulary that follows.

BANK OF ENGLAND

The central bank in the United Kingdom (UK) is the Bank of England. Established in 1694 by Royal Charter, it had a capital of £1,200,000. This charter was renewed periodically and over the course of time, the Bank of England very gradually moved from being a commercial to being a central bank. Under the 1844 Bank Charter Act the Bank of England was divided into departments: the Banking Department and the Issue Department. Both these departments had to issue a balance sheet each week and still do. The Bank of England acquired the note issuing monopoly in England and Wales. Its present functions are:

- Banker to the government.

- Bankers' bank.
- Manages the Exchange Equalisation Account. (Exchange Equalisation Account – an account held at the Bank of England for the Treasury that contains the country's foreign currency and gold reserves. This account is used to stabilise the value of sterling against other international currencies, so that if the Bank of England considers that sterling is drifting too low, it will buy sterling with funds from the account, or if sterling is becoming expensive the Bank of England will sell sterling and receive foreign currency and replenish the account).
- Handles the issue of Treasury bills.
- Supervises the banking institutions in the UK.
- Maintains the sterling accounts of other central banks and international organisations.
- Lender of last resort.
- The note issuing authority in England and Wales.

Vocabulary

Banking – банковские услуги; issue – эмиссия; balance sheet – балансовый отчет; Exchange Equalisation Account – Фонд (счет) стабилизации валюты (золотые и валютные резервы страны); acquire – получать, приобретать; equalize – уравнивать; replenish – пополнять; supervise – контролировать; treasury bill – казначейский вексель (кратко-срочная, срок действия до 1 года, правительственная ценная бумага, регулярно поступающая в обращение).

Tasks to text 4.4

1. Answer the following questions.

1. What bank is the central bank in the UK? 2. When was it established? 3. What was it established by? 4. What capital did it have? 5. How was the charter renewed? 6. How did the Bank of England move over the course of time? 7. How was the Bank of England divided? 8. What did those departments have to do? 9. What did the Bank of England acquire? 10. What are its present functions?

2. Agree or disagree with the following statements.

1. The Bank of England is one of the commercial banks in the UK. 2.

The Bank of England is a borrowing bank from the government. 3. The Bank of England manages the gold and currency reserves of the nation. 4. The Bank of England handles the issue of long-term bills. 5. The Bank of England supervises the educational institutions in the UK. 6. The Bank of England has nothing to do with the sterling accounts of other central banks. 7. The Bank of England can scarcely be a lender of last resort. 8. The Bank of England does not participate in banknote circulation in England. 9. The Treasury is a government department that controls the money that the country collects and spends.

3. *Translate the following words, phrases and statements from Russian into English.*

1. Учреждать, приобретать, банкнот, королевская хартия, управлять, казначейство, полагать, обновлять, со временем, банковские услуги, эмиссия, балансовый отчет, дрейфовать, счет стабилизации валюты, уравнивать, казначейский вексель, пополнять, контролировать, последний кредитор в критической ситуации.

2. Английский банк является центральным банком в Великобритании. Банк Англии является банкиром правительства. Английский банк обслуживает счета в фунтах стерлингов других стран. Банк Англии выступает как последнее средство при получении кредита. Этот банк является учреждением, которое уполномочено выпускать банкноты английской национальной валюты. Английский банк не имеет право выпускать банкноты, не обеспеченные драгоценными металлами. Общественность доверяет банкнотам, выпущенным в обращение Английским банком.

4. *Complete the following statements.*

1. The Bank of England is 2. The Bank was established in ... by 3. The Bank had 4. The Bank moved from ... to 5. The Bank was divided into 6. The Bank's departments had to 7. The Bank acquired 8. The Bank's present functions are 9. The Exchange Equalisation Account is

UNIT 5. EXCHANGE

Text 5.1. Read and translate the text using the vocabulary that follows.

STOCK EXCHANGE

Stock exchange – organized market for the sale and purchase of securities such as shares and bonds. Share is one of the equal parts into which the ownership of a company is divided. Bond is an official document promising that a government or company will pay back money that it has borrowed, often with interest. In developed countries, the stock exchange has important functions: as a ready market for securities, it ensures their liquidity (the state of being readily convertible into cash) and thus encourages people to channel savings into business; and, as a pricing mechanism, it determines prices that reflect the actual value of a company's stock (the capital of a company). Trading is done in various ways: it may occur on a continuous auction basis or it may involve brokers buying and selling shares in a company for other people. Membership requirements of the exchanges of different countries vary mainly with respect to the number of members and the rigour of the eligibility requirements. Membership requirements also differ in the degree to which government participates in their management. The London Stock Exchange, for example, functions as an independent institution, free from government legislation. In the United States, stock exchanges are subject to specific legislative regulation. In Europe, it is quite common for the members of the exchanges to be appointed by a government official and to have semi-governmental status.

Vocabulary

Stock exchange – фондовая биржа; sale – продажа; purchase – покупать; securities – ценные бумаги; share – акция; bond – облигация; ready market – большой спрос; ensure – обеспечивать; liquidity – ликвидность (легкость превращения материальных ценностей в наличные деньги); encourage – поощрять; channel – направлять в; savings – сбережения; determine – определять; actual value – действительная стоимость; continuous – постоянный; auction – торг; vary – изменяться; rigour – строгость; eligibility – обладание правом в силу удовлетворения соответствующим установленным требованиям; legislation – законодательство; legislative – законодательный.

Tasks to text 5.1

1. Answer the following questions.

1. What is meant by the term “stock exchange”? 2. What functions does the stock exchange have? 3. How is trading done? 4. How do membership requirements of the exchanges of different countries vary? 5. What does the London Stock Exchange function as? 6. What are stock exchanges in the United States subject to? 7. Who appoints the members of the exchanges in Europe? 8. What is meant by the term “liquidity”?

2. Agree or disagree with the following statements.

1. Stock exchange is a place where shares are bought and sold. 2. Stock exchange is not a ready market for securities. 3. Stock exchange keeps people from putting savings into business. 4. Stock exchange is a pricing device. 5. Stock exchange determines the exact value of a company's stock. 6. Stock exchange trading might be based on an auction basis. 7. Stock exchange trading must not involve brokers. 8. Stock exchange may act as an independent institution. 9. Stock exchange stands upon government legislation. 10. Stock exchange might have semi-official status.

3. Translate the following words, phrases and statements from Russian into English.

1. Фондовая биржа, продажа, покупка, ценные бумаги, собственность, большой спрос, акция, облигация, обеспечивать, ликвидность, конвертируемый, наличные деньги, поощрять, сбережения, ценообразование, определять, фактическая стоимость, происходить, торг, вовлекать, требование, членство, в отношении, независимый институт, законодательство, назначать.

2. Фондовая биржа – это организованный и регулярно функционирующий рынок по купле-продаже ценных бумаг. Фондовая биржа мобилизует временно свободные денежные средства через продажу ценных бумаг. Фондовая биржа устанавливает рыночную стоимость ценных бумаг. Фондовая биржа осуществляет перелив капитала между компаниями, отраслями и сферами. Биржа может функционировать как независимый институт. Биржа может иметь полуофициальный статус. Члены биржи назначаются правительственными чиновниками.

4. Complete the following statements.

1. Stock exchange is 2. As a ready market for securities, stock ex-

change ensures 3. Stock exchange encourages 4. As a pricing mechanism, stock exchange determines 5. Stock exchange trading may occur 6. Stock exchange trading may involve 7. Membership requirements vary 8. Membership requirements differ 9. The London Stock Exchange functions as 10. In the United States, stock exchanges are 11. In Europe, the members of the exchanges may be appointed by ... and may have

Text 5.2. Read and translate the text using the vocabulary that follows.

NEW YORK STOCK EXCHANGE

New York Stock Exchange – world's largest marketplace for securities. The exchange evolved from a meeting of 24 men under a plane tree in 1792 on what is now Wall Street in New York City. The present name was adopted in 1863. Membership, limited to 1,366 since 1953, is obtained by purchasing a seat from an existing member. Greater commercial activity in the United States after the War of 1812 and speculation in railroad stocks in the 1830s increased demand for capital and stimulated trading at the New York Stock Exchange. After the Civil War, the exchange provided the capital for the accelerating industrialization of the United States. After the Panic of 1837, when many investors suffered heavy losses, the New York Stock Exchange began to demand that companies disclose to the public information about their finances as a condition of offering stock. The Stock Market Crash of 1929, which signaled the start of the Great Depression, led to investigation by the federal government and regulation by the Securities and Exchange Commission, which was authorized to provide supervision over buying and selling of securities. A corporation must meet certain requirements to be listed on the New York Stock Exchange (NYSE). These include that the company must earn \$2,500,000 (before taxes), have at least 1,000,000 outstanding shares, give common stockholders voting rights, and publish periodic financial statements.

Vocabulary

Marketplace – рынок; evolve – развиваться; plane-tree – платан (плоское дерево); adopt – принимать; obtain – получать; purchase – покупать; speculation – спекуляция; increase – увеличивать; demand – спрос; provide – обеспечивать; accelerating – ускоряющий; industrialization – индустриализация; suffer losses – терпеть убытки; disclose –

раскрывать; finances – финансы; crash – крах; signal – дать сигнал; investigation – расследование; Securities and exchange commission – Комиссия по ценным бумагам и биржам; authorize – поручать; supervision – контроль; requirements – требования; NYSE – Нью-Йоркская биржа; list – вносить в список, регистрировать; outstanding shares – акции, выпущенные в обращение; stockholder – владелец акций; voting right – избирательное право; financial statement – финансовый отчет.

Tasks to text 5.2

1. Answer the following questions.

1. What is the NYSE? 2. What did it evolve from? 3. When was the present name adopted? 4. What is its membership limited to? 5. What is its membership obtained by? 6. What increased demand for capital and stimulated trading at the exchange? 7. What did the exchange provide the capital for after the Civil War? 8. What did the exchange begin to demand as a condition of offering stock? 9. What did the Stock Market Crash of 1929 lead to? 10. What must a corporation do to be listed on the NYSE?

2. Agree or disagree with the following statements.

1. The NYSE deals with securities. 2. The NYSE was conceived in 1792. 3. Its present name was adopted in 1793. 4. Its membership was without restriction. 5. Its membership is obtained by borrowing a seat from an existing member. 6. The War of 1812 and currency speculation stimulated trading at the New York Stock Exchange. 7. The New York Stock Exchange provided the capital for the expansionism of the United States. 8. The New York Stock Exchange began to demand that companies conceal the information about their finances from the public. 9. A corporation is to satisfy certain requirements to be listed on the NYSE.

3. Translate the following words, phrases and statements from Russian into English.

1. Рынок, развиваться, принимать, получать, покупать, спекуляция, увеличивать спрос, обеспечивать, терпеть убытки, раскрывать информацию, крупнейший экономический кризис, расследование, поручать, контроль, отвечать требованиям, регистрировать, акции, выпущенные в обращение, владелец акций, избирательное право, финансовый отчет.

2. Фондовая биржа – это рынок ценных бумаг. Комиссия по ценным бумагам и биржам уполномочена осуществлять постоянный надзор за операциями купли-продажи ценных бумаг. Спекуляция – это купля-продажа биржевых ценностей (акций, облигаций, валюты)

с целью получения прибыли от разницы между покупной и продажной ценой при перепродаже этих ценностей. Крах фондовой биржи может случиться в любое время. Брокер – это официальный посредник при заключении сделок между покупателями и продавцами ценных бумаг на фондовых биржах. Брокер обладает местом на бирже. Брокер заключает сделки от своего имени по поручению и за счет клиентов. Акционер – это совладелец акционерного предприятия.

4. Complete the following statements.

1. The NYSE is 2. The NYSE evolved from 3. Its membership is obtained 4. ... increased demand for capital and stimulated trading at the NYSE. 5. The NYSE provided the capital for 6. The NYSE began to demand 7. To be listed on the NYSE, a corporation must

Text 5.3. Read and translate the text using the vocabulary that follows.

COMMODITY EXCHANGE

Commodity Exchange – also called Futures Market, or Futures Exchange, organized market where futures contracts are traded. A futures contract represents a binding agreement to buy a commodity at a specified price on a specified future date. Thus it is possible for a trader to obtain a guarantee for the price he will have to pay for a commodity in the future. The method of obtaining a price is usually an open outcry in the commodity exchange. There are two basic types of traders in a futures market: hedgers and speculators. Both are necessary to the market in order to generate a sufficient volume of two-way business. Hedging – the process whereby a dealer or investor will seek to gain some protection against the possible loss of their investment owing to some sudden movement in the market. Hedgers seek to avoid or minimize the financial risks associated with their current commercial activity by taking out an insurance policy in the shape of a futures contract against adverse price or interest rate movements. On the other hand, the speculator, in the expectation of making a

profit, seeks risk by committing his funds to back his own view of higher or lower prices or interest rates. Speculation – a risk on the purchase of an asset (an item of property or value) that it will rise at some time in the near future and can be sold for a profit, or the sale of an asset on the assumption that its price will drop and it can be purchased at a lower price, hence make a profit.

Vocabulary

Commodity exchange – товарная биржа; futures market – рынок сделок на срок; futures contract – фьючерсный контракт (соглашение о будущей купле-продаже ценных бумаг или товара по определенной цене); trade – торговать (in – чем-либо; with – с кем-либо); binding agreement – обязательное соглашение; specify – точно определять; open outcry – свободный биржевой торг; hedger – хеджер (физическое или юридическое лицо, осуществляющее операции хеджирования на фьючерсной бирже); generate – производить; sufficient volume – достаточный объем; two-way business – двусторонние сделки; whereby (wherewith) – посредством чего; seek – стремиться; avoid the risk – избегать риска; owing to – вследствие; associate – связывать; insurance – страховой; adverse movements – неблагоприятные изменения; interest rate – процентная ставка; expectation – ожидание; commit to – фиксировать; speculation – спекуляция, игра на бирже; asset – имущество; on the assumption that – при условии, что; hence – следовательно.

Tasks to text 5.3

1. Answer the following questions.

1. Where are futures contracts traded? 2. What does a futures contract represent? 3. Wherewith can a trader obtain a guarantee for the price he is to pay for a commodity? 4. What is the method of obtaining a price in? 5. What dealers generate a sufficient volume of two-way business? 6. What do hedgers seek? 7. What do hedgers minimize financial risks by? 8. Why does the speculator seek risk? 9. What does the speculator seek risk by? 10. What is meant by the term “hedging”? 11. What is meant by the term “speculation”?

2. Agree or disagree with the following statements.

1. A futures contract deals with a commodity at a specified price on a specified future date. 2. A futures contract is a contract to buy or to sell a

specific amount of a named commodity or financial paper at an agreed price on a given future date. 3. There are three basic types of traders in a futures market. 4. Hedgers seek financial risks. 5. Hedgers seek to minimize financial risks. 6. Speculators seek to avoid financial risks. 7. Buying a house will be a hedge against inflation. 8. One may buy gold or diamonds as a hedge against inflation. 9. To speculate means to buy goods in a company hoping that you will make a large profit when you sell them.

3. *Translate the following words, phrases and statements from Russian into English.*

1. Товарная биржа, рынок сделок на срок, соглашение о будущей купле-продаже ценных бумаг или товара, обязательное соглашение, точно определять, свободный биржевой торг, достаточный объем, двусторонние сделки, избегать риска, связывать, страховой, неблагоприятные изменения, процентная ставка, игра на бирже, имущество.

2. Фьючерсный рынок имеет дело с фьючерсными контрактами. Фьючерсный контракт – это контракт, заключаемый по фиксируемой в момент заключения контракта цене, с исполнением через определенный промежуток времени. Хеджеры стремятся избегать финансовых рисков. Спекулянты ищут финансовые риски. Спекуляция – это купля-продажа биржевых ценностей с целью получения прибыли от разницы между покупной и продажной ценой при перепродаже этих ценностей.

4. *Complete the following statements.*

1. Commodity Exchange is 2. A futures contract represents 3. A futures contract allows a trader to obtain 4. The method of obtaining a price is 5. Hedgers and speculators are necessary to 6. Hedgers seek 7. In the expectation of ... speculators seek 8. Hedging is 9. Speculation is

Text 5.4. Read and translate the text using the vocabulary that follows.

CHICAGO BOARD OF TRADE

The largest commodity exchange is the Chicago Board of Trade. The Board of Trade is the first grain futures exchange in the United States, organized in 1848 in Chicago. The Chicago Board of Trade began as a voluntary association of prominent Chicago grain merchants. Merchants in

Chicago who bought wheat from outlying territories were not sure of the arrival time and quality of a delivery. The introduction of futures contracts enabled the sellers to get a better price for their product and buyers to avoid serious price risk. In 1849 the Chicago Board of Trade received a charter from the Illinois legislature, and in 1859 it was incorporated by a special legislative act. At first grain was sold by sample (a small part or amount of something that is examined in order to find out something about the whole), but soon a system of inspection and grading was introduced to standardize the market and facilitate trading. By 1858 access to the trading floor, known as the “pit”, was limited to members with seats on the exchange, who traded either for their own account or for their clients. The Chicago Board of Trade was eventually to become the largest of the world’s futures markets in terms of volume and value of business. The Chicago Board of Trade deals with wheat, corn, oats, rye, soybeans, soybean oil, and soybean meal.

Vocabulary

Chicago Board of Trade – Чикагская торговая палата; grain – зерно; voluntary – добровольный; association – союз; prominent – выдающийся; merchants – купцы; wheat – пшеница; outlying – отдаленный; enable – давать возможность; avoid – избегать; legislature – законодательная власть; incorporate – регистрировать как корпорацию; legislative – законодательный; sell by sample – продавать по образцам; grade – сортировать; standardize – стандартизировать; facilitate – содействовать; access – доступ; trading floor (pit) – операционный зал товарной биржи; pit – яма; account – выгода; eventually – со временем; volume – объем; value – стоимость; corn – кукуруза; oats – овес; rye – рожь; soy-beans – соевые бобы; oil – масло.

Tasks to text 5.4

1. Answer the following questions.

1. What is the Chicago Board of Trade? 2. When and where was it organized? 3. What did it begin as? 4. What did it enable the sellers and buyers to do? 5. What did it receive in 1849? 6. When and by what was it incorporated? 7. What was introduced to standardize the market and facilitate trading? 8. Who could obtain admittance to its trading floor? 9. What does the Chicago Board of Trade deal with?

2. Agree or disagree with the following statements.

1. The Chicago Board of Trade is the third grain futures exchange in the US. 2. The Chicago Board of Trade was organized in 1847. 3. The Chicago Board of Trade began as a voluntary association of employees. 4. The Board of Trade refused to accept a charter from the Illinois legislature. 5. The Chicago Board of Trade was not incorporated by a special legislative act. 6. The Chicago Board of Trade became the smallest of the world's futures markets. 7. The Chicago Board of Trade grows fresh fruit for the market.

3. Translate the following words, phrases and statements from Russian into English.

1. Добровольный союз, купцы, отдаленные территории, давать возможность, избегать риска, регистрировать как корпорацию, продавать по образцам, сортировать, содействовать, операционный зал товарной биржи, выгода, объем, стоимость, кукуруза, пшеница, рожь, овес, зерно.

2. Чикагская торговая палата торговала зерном. Чикагская торговая палата начинала как ассоциация купцов. Чикагская торговая палата позволила продавцам получать более высокую цену за свои товары. Чикагская торговая палата позволила покупателям избежать ценового риска. Чикагская торговая палата торгует пшеницей, кукурузой и рожью. Чикагская торговая палата специализируется на торговле серебром, золотом и ценными бумагами. Чикагская торговая палата – это крупная биржа срочных сделок.

4. Complete the following statements.

1. The largest commodity exchange is 2. The Chicago Board of Trade is 3. The Chicago Board of Trade was organized in 4. The Chicago Board of Trade began as 5. Merchants in Chicago bought 6. Merchants in Chicago were not sure of 7. ... enabled the sellers to get ... and buyers to avoid 8. The Chicago Board of Trade received 9. The Chicago Board of Trade was incorporated by 10. The Chicago Board of Trade became 11. The Chicago Board of Trade trades in

UNIT 6. TAXATION

Text 6.1. Read and translate the text using the vocabulary that follows.

OBJECTIVES OF TAXATION

Tax is a compulsory levy on individuals and companies by the state to meet the expenses of the government. Taxation is imposition of compulsory levies on persons or other entities by governments. Taxes are levied in almost every country of the world, primarily to raise revenue (money that a business or organization receives over a period of time, especially from selling goods or services) for government expenditures. One useful way to view the purpose of taxation is to distinguish between objectives of resource allocation, income redistribution, and economic stability. Economic growth or development and international competitiveness (the ability of a company or a product to compete with others) are sometimes listed as separate goals. In the absence of a strong reason for interference, such as the need to reduce pollution, the resource allocation objective is furthered if tax policy does not interfere with market-determined allocations. The redistributive objective is to lessen inequalities in the distribution of income and wealth to the extent they are considered excessive and unjust. The stabilization objective is the maintenance of high employment and price stability.

Vocabulary

Objectives of taxation – цели налогообложения; impose – облагать; compulsory – принудительный; levy – сбор, взимать; entity – юридическое лицо; raise revenue – увеличить доход; expenditures – расходы; view – рассматривать; distinguish – различать; resource allocation – распределение, размещение ресурсов; income redistribution – перераспределение дохода; competitiveness – конкурентоспособность; interference – вмешательство; reduce – понижать; pollution – загрязнение окружающей среды; further – продвигать; lessen – уменьшать; inequality – неравенство; to the extent – до такой степени; excessive – чрезмерный; unjust – несправедливый; stabilization – стабилизация; maintenance – поддержание; employment – занятость; tax evasion – уклонение от уплаты налогов; tax avoidance – уход от налогового обложения.

Tasks to text 6.1

1. Answer the following questions.

1. What is meant by the term “tax”? 2. What is meant by the term “taxation”? 3. Where are taxes levied? 4. What are taxes levied to do? 5. What is the first objective of taxation? 6. What is the second objective of taxation? 7. What is the third objective of taxation? 8. What is the fourth objective of taxation? 9. What is the fifth one? 10. What is meant by the term “competitiveness”? 11. When is the resource allocation objective furthered? 12. What is the distributive objective to do? 13. What is the stabilization objective?

2. Agree or disagree with the following statements.

1. Tax is an amount of money paid by citizens to the government. 2. Taxation is the system of charging taxes. 3. Taxes are charged to increase revenue for government expenses. 4. Taxation provides resource allocation. 5. Taxation ensures income redistribution. 6. Taxation provides economic instability. 7. Taxation provides economic regression. 8. Taxation provides economic stagnation. 9. Taxation fails to provide international competitiveness. 10. Tax evasion is illegal ways of paying less tax. 11. Tax avoidance is legal ways of paying less tax.

3. Translate the following words, phrases and statements from Russian into English.

1. Налогообложение, цели налогообложения, облагать, частное лицо, взимать, принудительный сбор, правительственные затраты, юридическое лицо, увеличить доход, за период времени, расходы, рассматривать, различать, распределение ресурсов, перераспределение дохода, конкурентоспособность, вмешательство, понижать, загрязнение окружающей среды, продвигать, уменьшать неравенство, поддержание занятости, стабильность цен, уклонение от уплаты налогов.

2. Каждый человек должен платить налоги. Налоги существуют во всех странах мира. Налогообложение не должно вмешиваться в рыночное распределение ресурсов. Налогообложение должно уменьшать неравенство в распределении дохода. Налогообложение должно поддерживать стабильность цен.

4. Complete the following statements.

1. Tax is a compulsory levy on 2. Taxation is 3. Taxes are lev-

ied in 4. Taxes are levied to raise 5. To view the purpose of taxation, it is necessary to distinguish between 6. Economic development and international competitiveness are listed 7. Competitiveness is the ability of 8. The resource allocation objective is furthered if 9. The redistributive objective is to lessen ... 10. The stabilization objective is to maintain

Text 6.2. Read and translate the text using the vocabulary that follows.

PRINCIPLES OF TAXATION

The 18th-century philosopher Adam Smith attempted to systematize the rules that should govern a rational system of taxation. In his books he set down three general canons. First, the subjects of every state ought to contribute towards the support of the government in proportion to their respective abilities, that is, in proportion to the revenue which they respectively enjoy under the protection of the state. Second, the tax which each individual is bound to pay ought to be certain, and not arbitrary. The time of payment, the manner of payment, the quantity to be paid, ought all to be clear and plain to the contributor, and to every other person. Third, every tax ought to be levied at the time, or in the manner, in which it is most likely to be convenient for the contributor to pay it. Although they need to be reinterpreted from time to time, these principles, especially the first, retain remarkable relevance. From the first can be derived both of the leading views of what is fair in the distribution of tax burdens among taxpayers. These are the belief that taxes should be based on the individual's ability to pay, known as the ability-to-pay principle, and the benefit principle, the idea that there should be some equivalence between what the individual pays and the benefits he derives from governmental activities.

Vocabulary

Govern – определять, регулировать; systematize – систематизировать; rational – разумный; canons – критерии; subject – подданный, гражданин; contribute – жертвовать; respective – соответственный; ability – платежеспособность; revenue – доход; enjoy – пользоваться, обладать; bind (bound) – обязывать; certain – определенный; arbitrary – произвольный; quantity – количество; clear –

недвусмысленный; plain – простой, понятный; contributor – жертвователь (лицо, вносящее долевого взнос); levy – сбор, взимать; convenient – удобный; retain – сохранять; relevance – уместность; derive – извлекать; fair – справедливый; tax burden – налоговое бремя; benefit – выгода; equivalence – равноценность; oblige – обязывать, принуждать; loose – неопределенный; ambiguous – двусмысленный, неясный; ambulatory – непостоянный; tax haven – налоговая гавань; exile – изгнанник.

Tasks to text 6.2

1. Answer the following questions.

1. Who was Adam Smith? 2. What did he attempt to do? 3. What did he set down in his books? 4. What was the first canon? 5. What was the second canon? 6. What was the third canon? 7. What are the two leading principles that taxes should be based on?

2. Agree or disagree with the following statements.

1. Adam Smith arranged the rules of taxation. 2. Adam Smith set down five general canons. 3. The subjects of the state ought to give money, help and ideas to the government in proportion to their abilities. 4. Each individual is not obliged to pay taxes. 5. The tax ought to be loose. 6. The tax ought to be arbitrary. 7. The time of payment ought to be incomprehensible to the contributor. 8. The manner of payment ought to be ambiguous to the contributor. 9. The quantity to be paid ought to be ambulatory to the contributor. 10. Every tax ought to be inconvenient for the contributor to pay it. 11. These principles of taxation are to be reinterpreted from time to time. 12. These principles of taxation retain remarkable irrelevance. 13. Taxes should be based on the individual's ability to make money. 14. Taxes should be based on the benefits the individual derives from governmental activities. 15. Tax haven is a place where people go to live to avoid paying high taxes in their own country. 16. Tax exile is someone who lives abroad in order to avoid paying high taxes in their own country.

3. Translate the following words, phrases and statements from Russian into English.

1. Регулировать, систематизировать, критерии, пытаться, подданный, жертвовать, помощь, платежеспособность, доход, пользоваться,

обязывать, определенный, недвусмысленный, понятный, справедливый, произвольный, неопределенный, неясный, непостоянный, взимать, извлекать, выгода, равноценность, принуждать, лицо, вносящее долевой взнос.

2. Вы должны платить налоги в соответствии со своей платежеспособностью. Никто не любит платить налоги. Надо сделать так, чтобы налоги было выгодно платить. Налоги должны быть разумными. Налоги должны быть уместными. Налоги должны быть недвусмысленными и понятными для налогоплательщика. Налоги не должны быть неопределенными, неясными и непостоянными.

4. *Complete the following statements.*

1. Adam Smith attempted 2. Adam Smith set down 3. The subjects of every state ought to contribute 4. The tax ought to be 5. The time of payment ought to be 6. The manner of payment ought to be 7. The quantity to be paid ought to be 8. Every tax ought to be levied 9. The canons of Adam Smith need to be ... but they retain 10. The ability – to-pay principle is the belief that 11. The benefit principle is the idea that

Text 6.3. Read and translate the text using the vocabulary that follows.

TAX RETURN

Tax return is the form on which you have to give information so that your tax can be calculated. The definition of the amount subject to taxation requires an analysis of the taxpayer's situation and of the legal provisions that apply to him. With the income tax (and also some taxes on the transfer of property, such as the inheritance tax), the taxpayer submits a tax return providing information as to his occupation, his real and personal property, his professional expenditures, and other pertinent matters; a corporation supplies, additionally, copies of the balance sheet, profit and loss statement, and minutes of the general meeting that approved these financial reports. The return, with the attached reports and statements, is meant to provide such complete information that the assessing tax official (someone who works for the government, deciding how much tax a person or company should pay) can rely on it to compute the correct tax. In examining tax returns, the basic principle is that a return is assumed to be correct until the assessing official determines otherwise. In countries such as the United

States, where the self-assessment method prevails (the income taxpayer's liability is computed by himself), a minority of returns is selected for audit; most of them are only checked as to timely arrival, inclusion of all required forms and attachments, and arithmetical accuracy.

Vocabulary

Tax return – налоговая декларация; legal provision – правовая норма; transfer of property – передача собственности; inheritance tax – налог на наследство; submit – подавать (документы); real property – недвижимость; personal property – движимое имущество; pertinent – имеющий отношение; balance sheet – балансовый отчет; statement – официальный отчет; profit and loss statement – отчет о прибылях и убытках; minutes – протокол; attach – прикладывать; compute – подсчитывать; assume – предполагать; otherwise – иначе; liability – обязательство; minority – меньшинство; audit – ревизия; timely – своевременный; arithmetical – арифметический; accuracy – точность; deductions – налоговое изъятие; exemption – освобождение (от налога); lean – полагаться; income tax – подоходный налог; net income – чистый доход.

Tasks to text 6.3

1. Answer the following questions.

1. What is meant by the term “tax return”? 2. What analysis does the definition of the amount subject to taxation require? 3. What does the taxpayer submit? 4. What does a tax return provide? 5. What does a corporation supply? 6. What is the return meant to provide? 7. What is the basic principle in examining tax returns? 8. Where does the self-assessment method prevail? 9. What does the self-assessment method in countries such as the United States mean?

2. Agree or disagree with the following statements.

1. Tax return is a formal statement on a required legal form showing taxable income, allowable deductions and exemptions, and the computation of the tax due. 2. Taxation is required to analyse the taxpayer's situation. 3. Taxation is asked to analyse the legal norms that apply to the taxpayer. 4. The taxpayer is not bound to submit a tax return. 5. The taxpayer

er's return provides information of his intellectual facilities. 6. The corporation's return supplies copies of commercial secrets. 7. The assessing tax official cannot lean on a return to compute the correct tax. 8. The return is assumed to be proper until the assessing official determines otherwise. 9. Income tax is a tax on the net income of an individual or a business. 10. Inheritance tax is a tax on the money or property that you give to someone else after you die. 11. Real property is property in the form of land or houses. 12. Personal property is something that belongs to you. 13. Tax inspector is someone who works for the government, deciding how much tax a person or company should pay.

3. Translate the following words, phrases and statements from Russian into English.

1. Налоговая декларация, правовая норма, передача собственности, налог на наследство, недвижимость, движимое имущество, подоходный налог, чистый доход, балансовый отчет, официальный отчет, протокол, подавать налоговую декларацию, подсчитывать, обязательство, ревизия, освобождение (от налога).

2. Налогоплательщик должен представить налоговую декларацию. Налоговая декларация обеспечивает полную информацию. Сборщик налогов доверяет налоговой декларации. Налоговые декларации должны быть подвергнуты аудиту. Налоговая декларация должна подаваться вовремя.

4. Complete the following statements.

1. Tax return is the form 2. Taxation requires 3. The taxpayer submits 4. A corporation supplies 5. The return is meant to provide 6. In examining tax returns, the basic principle is 7. The self-assessment method prevails in 8. In the United States, a minority of returns is selected for 9. In the United States, a majority of returns are checked as 10. The assessing tax official is someone who

Text 6.4. Read and translate the text using the vocabulary that follows.

CLASSES OF TAXES

Taxes are most commonly classified as either direct or indirect, an ex-

ample of the former type being the income tax (inheritance tax, real estate tax) and of the latter the sales tax (value-added tax, excise tax). Direct taxes are taxes on persons; they are aimed at the individual's ability to pay as measured by his income or his net wealth. Income taxes are levied on total personal net income in excess of some stipulated minimum. They are also adjusted to take into account the circumstances influencing the ability to pay of the individual, such as family status, number and age of children, and financial burdens resulting from illness. Income taxes are often levied at graduated rates, that is, at rates that rise as income rises. Inheritance taxes are taxes on the money or property that you give to someone else after you die. Real estate taxes are taxes imposed upon immovable property consisting of land, any natural resources, and buildings. Indirect taxation is a system of collecting taxes by adding an amount to the price of goods and services that people buy. Sales tax is a tax that you have to pay in addition to the cost of something you are buying. Value-added taxes are taxes on the rise in value of a product at each stage of manufacture and marketing. Sales tax levied on the manufacture, purchase, sale, or consumption of a specific commodity is known as an excise tax.

Vocabulary

Income tax – подоходный налог; inheritance tax – налог на наследство; real estate tax – налог на недвижимость; sales tax – налог с оборота; sales – сбытовые операции; value-added tax (VAT) – налог на добавленную стоимость; excise tax – акцизный налог; ability to pay – платежеспособность; net – чистый; levy – сбор, взимать; in excess of – сверх; stipulate – обуславливать; adjust – приспособлять; graduated income tax – прогрессивный подоходный налог; rate – (налоговая) ставка; impose – облагать; consumption – потребление.

Tasks to text 6.4

1. Answer the following questions.

1. What are taxes classified as? 2. What direct taxes are mentioned in the text? 3. What indirect taxes are mentioned in the text? 4. What are direct taxes aimed at? 5. What are income taxes levied on? 6. What are income taxes adjusted to? 7. What circumstances influence the ability to pay of the individual? 8. What rates are income taxes levied at? 9. What is meant by the term “inheritance tax”? 10. What is meant by the term “real estate tax”? 11. What does indirect taxation collect taxes by? 12. What is

meant by the term “sales tax”? 13. What is meant by the term “value-added tax”? 14. What is known as an excise tax?

2. Agree or disagree with the following statements.

1. Taxes may be either direct or indirect. 2. Inheritance taxes are indirect taxes. 3. Excise taxes are direct taxes. 4. Direct taxes are taxes on landowners. 5. Direct taxes are aimed at the individual's inability to pay. 6. The individual's ability to pay is measured by his gross profit. 7. Income taxes are imposed on total personal net income. 8. Income taxes have respect to the circumstances influencing the ability to pay of the individual. 9. Income taxes are progressive taxes. 10. Direct taxation collects taxes by adding an amount to the price of goods and services. 11. Direct tax is a tax exacted directly from the taxpayer. 12. Indirect tax is a tax on a commodity which is collected from the manufacturer or supplier, but is ultimately paid by the consumer. 13. Income tax is a tax paid on the money that you earn. 14. Progressive tax is a tax that takes a larger percentage of money from people with higher incomes than from people with lower incomes.

3. Translate the following words, phrases and statements from Russian into English.

1. Подоходный налог, прямые налоги, косвенные налоги, налог на наследство, налог на недвижимость, налог с оборота, налог на добавленную стоимость, акцизный налог, чистый налог, прогрессивный подоходный налог, налоговая ставка.

2. Налоги бывают двух видов: прямые и косвенные. Подоходным налогом облагается чистый личный доход человека. Налог на добавленную стоимость – это система налогообложения продуктов на сумму стоимости, добавленной на каждом этапе их производства и обмена. Налог с оборота – это налог с продаж товаров и услуг. Налог с оборота – это косвенный налог.

4. Complete the following statements.

1. Taxes are classified as 2. Direct taxes include 3. Indirect taxes include 4. Direct taxes are taxes on 5. Direct taxes are aimed at 6. Income taxes are levied on 7. Income taxes are adjusted to 8. Income taxes are levied at 9. Inheritance taxes are taxes on 10. Real estate taxes are taxes imposed upon 11. Indirect taxation is a system of 12. Sales tax is a tax that 13. Value-added tax is a tax on

... . 14. Sales tax levied on ... is known as

UNIT 7. ACCOUNTING

Text 7.1. Read and translate the text using the vocabulary that follows.

ACCOUNTING AND ITS FINANCIAL STATEMENTS

Accounting is the systematic development and analysis of information about the economic affairs of an organization. This information may be used in a number of ways: by the organization's managers to help them plan and control the organization's operations; by owners and legislative bodies to help them appraise the organization's performance and make decisions as to its future; by owners, lenders, suppliers, employees, and others to help them decide how much time or money to devote to the organization; by governmental bodies to determine how much tax the organization must pay; and by customers to determine the price to be paid. Accounting provides information for all these purposes through the maintenance of files of data, analysis and interpretation of these data, and the preparation of various kinds of reports. These reports are called financial statements. Three financial statements will be discussed: the balance sheet, the income statement, and the statement of cash flows. Accountant is a professionally qualified person who is able to record, keep, check, and prepare financial statements.

Vocabulary

Accounting – бухгалтерское дело; legislative body – законодательный орган; appraise – оценивать; performance – показатели работы; devote – уделять; data – данные; financial statement – финансовый отчет; balance sheet – балансовый отчет; income statement – отчет о доходах; cash flow statement – баланс оборотных средств; financial situation – финансовое положение.

Tasks to text 7.1

1. Answer the following questions.

1. What is meant by the term “accounting”? 2. What people deal with

accounting and why? 3. What does accounting provide its information through? 4. What three financial statements are mentioned in the text? 5. What is meant by the term “accountant”?

2. Agree or disagree with the following statements.

1. Accounting is the systematic analysis of illegal ways of paying less tax. 2. The organization's managers to plan and control the organization's operations use intercom. 3. Owners to appraise the organization's performance use illegal tapping. 4. Lenders to decide how much time or money to devote to the organization use the newspapers that print shocking stories about people's personal lives. 5. Governmental bodies to determine how much tax the organization must pay use tax legislation. 6. Customers to determine the price to be paid use their common sense. 7. Accounting provides its information through Internet. 8. Accounting provides its information through the preparation of various kinds of statements. 9. Balance sheet is a statement of how much money a business has earned and how much money it has paid for goods and services. 10. Cash flow is the movement of money coming into a business as income and going out as wages, materials etc. 11. Income is a gain or recurrent benefit usually measured in money that derives from capital or labour. 12. It's only reasonable that people on a high income should pay more tax. 13. Accountant is a professionally qualified person who is able to find legal ways of paying less tax. 14. Accountant is someone who does his best to conceal unlawful income.

3. Translate the following words, phrases and statements from Russian into English.

1. Бухгалтер, бухгалтерское дело, законодательный орган, анализ информации, экономическое положение организации, оценивать, принимать решение, уделять, налог, платить, цена, данные, финансовый отчет, балансовый отчет, отчет о доходах, баланс оборотных средств, финансовое положение, национальный доход.

2. Бухгалтерское дело – это систематический анализ информации об экономическом положении организации. Финансовый отчет – это отчет о финансовом положении организации. Документами финансового отчета являются: балансовый отчет, отчет о доходах и баланс оборотных средств. Балансовый отчет – это доклад о финансовом положении организации на определенную дату. Отчет о доходах – это документ о денежных или материальных ресурсах, поступающих госу-

дарству, предприятию, учреждению или отдельному лицу в процессе распределения национального дохода. Баланс оборотных средств – это доклад об изменениях в финансовом положении организации.

4. Complete the following statements.

1. Accounting is 2. Accounting is used by managers to 3. Accounting is used by legislative bodies to 4. Accounting is used by lenders and employees to 5. Accounting is used by governmental bodies to 6. Accounting is used by customers to 7. Accounting provides information through 8. Three financial statements are 9. Accountant is a professionally qualified person who

Text 7.2. Read and translate the text using the vocabulary that follows.

BALANCE SHEET

A balance sheet describes the resources that are under a company's control on a specified date and indicates where these resources have come from. Any balance sheet consists of three major sections: the assets, the liabilities and the owners' equity. The assets are material values and money resources owned by the company. The liabilities are the funds that have been provided by outside lenders and other creditors in exchange for the company's promise to make payments or to provide services in the future. The owners' equity is the funds that have been provided by the company's owners or on their behalf. The list of assets shows the forms in which the company's resources are kept; the lists of liabilities and the owners' equity indicate where these same resources have come from. The balance sheet, in other words, shows the company's resources from two points of view, and the following relationship must always exist: total assets are total liabilities plus total owners' equity. This same identity is also expressed in another way: total assets minus total liabilities equals total owners' equity. In this form, the equation emphasizes that the owners' equity in the company is always equal to the net assets (assets minus liabilities). Any increase in one will inevitably be accompanied by an increase in the other, and the only way to increase the owners' equity is to increase the net assets.

Vocabulary

Balance sheet – балансовый отчет; assets – активы; liabilities – обязательства; in exchange for – в обмен на; equity – собственные средства; чистая стоимость капитала компании; on behalf of – от имени кого-либо; total assets – сумма баланса (общая стоимость имущества); identity – тождество; equation – уравнение; inevitably – неизбежно; accompany – сопровождать, сопутствовать; current assets – оборотный капитал; fixed assets – основной капитал; intangible assets – нематериальные активы; real estate – недвижимость; trademark – торговая марка; goodwill – репутация компании.

Tasks to text 7.2

1. Answer the following questions.

1. What does a balance sheet describe? 2. What does a balance sheet indicate? 3. What sections does any balance sheet consist of? 4. What is meant by the term “assets”? 5. What is meant by the term “liabilities”? 6. What funds does the owners’ equity include? 7. What does the list of assets show? 8. What do the lists of liabilities and the owners’ equity indicate? 9. What equation must the balance sheet show? 10. What does this equation emphasize? 11. What is the only way to increase the owners’ equity?

2. Translate the following words, phrases and statements from Russian into English.

1. Балансовый отчет, активы, обязательства, материальные ценности, денежные средства, на определенную дату, производить платеж, предоставлять услуги, собственные средства, сумма баланса, тождество, уравнение, оборотный капитал, основной капитал, остаточная (балансовая) стоимость капитала, нематериальные активы, наличные деньги, недвижимость, торговая марка, репутация компании.

2. Балансовый отчет – это документ бухгалтерского учета, который в денежном выражении дает представление о состоянии дел фирмы на определенную дату. Активы компании – это оборотный капитал компании, основной капитал компании и нематериальные активы компании. Оборотный капитал компании – это наличные деньги и сырье. Основной капитал компании – это недвижимость, машины и

оборудование. Нематериальные активы компании – это патенты, репутация и торговая марка.

3. Complete the following statements.

1. A balance sheet describes 2. A balance sheet consists of
3. The assets are 4. The liabilities are 5. The owners' equity is
6. The balance sheet must show 7. The owners' equity in the company is always
8. The net assets are 9. The only way to increase the owners' equity is
10. The current assets are 11. The fixed assets are 12. The intangible assets are

Text 7.3. Read and translate the text using the vocabulary that follows.

INCOME STATEMENT

The company uses its assets to produce goods and services. The company's success depends on whether it is wise or lucky in the assets it chooses to hold and in the ways it uses these assets to produce goods and services. The company's success is measured by the amount of profit it earns. Net income is the accountant's term for the amount of profit that is reported for a particular time period. The company's income statement for a period of time shows how the net income for that period was derived. The first line in the company's income statement shows the company's net sales revenues for the period: the assets obtained from customers in exchange for the goods and services. The second line summarizes the company's revenues from other sources. The income statement next shows the expenses of the period: the assets that were consumed while the revenues were being created. The expenses are usually broken down into several categories (cost of merchandise sold, salaries of employees, depreciation, and etc.) indicating what the assets were used for. The income statement shows only a single number, the net gain on the sale. If net income is negative, it is referred to as a net loss.

Vocabulary

Income statement – отчет о доходах; assets – активы; profit – прибыль; net income – чистый доход; sales revenue – доходы от продаж; obtain – получать; consume – расходовать; cost of merchandise

sold – стоимость реализованных товаров; depreciation – амортизация; net gain (net income) – чистая прибыль; net loss – чистый убыток; interest revenues – доходы от процентов; expenses – расходы; interest expense – расходы на выплату процентов.

Tasks to text 7.3

1. Answer the following questions.

1. What is the company's success measured by? 2. What is meant by the term "net income"? 3. What does the company's income statement show? 4. What does the first line in the company's income statement show? 5. What does the second line in the company's income statement summarize? 6. What expenses does the income statement show? 7. What categories are the expenses usually divided into? 8. What number does the income statement show?

2. Translate the following words, phrases and statements from Russian into English.

1. Отчет о доходах, получать прибыль, чистый доход, доходы от продаж, получать, расходовать, стоимость реализованных товаров, жалование служащих, амортизация, расходы, расходы на выплату процентов.

2. Чистый доход – это доход после уплаты всех налогов. Чистый убыток – это когда расходы превышают доходы. Зарплата работающих по найму отражена в отчете о доходах. Амортизация – это постепенное снижение ценности основных фондов вследствие их изнашивания.

3. Complete the following statements.

1. The company uses 2. The company's success depends on 3. The company's success is measured by 4. Net income is 5. The company's income statement shows 6. The first line in the company's income statement shows 7. The second line in the company's income statement summarizes 8. The income statement next shows 9. The expenses are broken down into ... and indicate 10. The income statement shows only

UNIT 8. ADVERTISING

Text 8.1. Read and translate the text using the vocabulary that follows.

ADVERTISING AND ITS HISTORY

To advertise means to tell people publicly about a product or service in order to persuade them to buy it. Advertising – the techniques and practices used to bring products, services or opinions to public notice for the purpose of persuading the public to respond in a certain way toward what is advertised. Most advertising involves promoting a good that is for sale, but similar methods are used to encourage people to drive safely, to support various charities, or to vote for political candidates. In many countries advertising is the most important source of income for the media through which it is conducted. The media are all the organizations, such as television, radio, and the newspapers, that provide information for the public. In the ancient and medieval world such advertising as existed was conducted by word of mouth. The first step toward modern advertising came with the development of printing in the 15th and 16th centuries. In the 17th century weekly newspapers in London began to carry advertisements, and by the 18th century such advertising was flourishing. The great expansion of business in the 19th century was accompanied by the growth of an advertising industry; it was that century, primarily in the United States that saw the establishment of advertising agencies. Advertising agency is a company that designs and makes advertisements for other companies. By the 1920s advertising agencies could plan and execute complete advertising campaigns.

Vocabulary

Techniques – технические приемы; persuade – убедить; respond – реагировать; charities – благотворительные дела; media – средства массовой информации; by word of mouth – устно; flourish – процветать; primarily – главным образом; execute – осуществлять.

Tasks to text 8.1

1. Answer the following questions.

1. What is meant by the term “advertising”? 2. What does most adver-

tising involve? 3. Where is advertising used? 4. What is the most important source of income for the media? 5. How was advertising conducted in the ancient and medieval world? 6. What was the first step toward modern advertising? 7. Who began to carry advertisements in the 17th century in London? 8. What was the great expansion of business in the 19th century accompanied by? 9. What century saw the establishment of advertising agencies?

2. Agree or disagree with the following statements.

1. To advertise means to make an announcement, for example in a newspaper or on a poster, that a job is available. 2. Advertisement is a picture, set of words, a film etc. that is used to advertise a product or service. 3. Advertising is used to bring its preconceived opinions to public notice. 4. Advertising promotes unsalable goods for sale. 5. Advertising encourages people to make traffic violations. 6. Advertising discourages people to back up various charities. 7. Advertising has the purpose of persuading the public that charity begins at home. 8. Advertising encourages people to vote for political candidates holding extreme views in politics. 9. Advertising encourages people to hold a candle to the devil. 10. Advertising is something that gives people what they want knowing it is not good for them. 11. Advertising is the most important source of income for the gutter press. 12. Advertising tucks any man of sense out. 13. Advertising makes anyone extremely angry or annoyed.

3. Translate the following words, phrases and statements from Russian into English.

1. Технические приемы, убеждать, привлекать внимание, поддерживать, голосовать, процветать, источник дохода, благотворительные дела, средства массовой информации.

2. Реклама используется для того, чтобы привлечь внимание публики к определенным товарам. Реклама убеждает нас осторожно водить автомобиль. Реклама поддерживает благотворительные дела. Реклама призывает нас голосовать за политических кандидатов. Реклама процветает.

4. Complete the following statements.

1. To advertise means ... 2. Advertising is... 3. ... is the action of calling something to the attention of the public especially by paid announce-

ments. 4. Most advertising involves 5. Advertising encourages 6. Advertising supports 7. Advertising helps people to vote 8. The most important source of income for the media is 9. Advertising is conducted through 10. Advertising was conducted by ... in the ancient and medieval world. 11. Modern advertising came with 12. Weekly newspapers in London began 13. ... was accompanied by 14. The United States saw 15. Advertising agencies could

Text 8.2. Read and translate the text using the vocabulary that follows.

ADVERTISING AND ITS MEDIA

There are some principal media for advertising. Newspapers can offer advertisers large circulations (circulation – the average number of copies of a newspaper or magazine that are usually sold each day, week, month etc.) and the opportunity to alter their advertisements frequently and regularly. Magazines may be of general interest or they may be aimed at specific audiences (such as people interested in computers or literature) and offer the manufacturers of products of particular interest to such people the chance to make contact with their most likely customers. The most pervasive (existing or spreading everywhere) media are television and radio. Advertisers can buy short “spots” of time to promote their products or services. Advertising spots are broadcast between or during regular programs. For advertisers the most important facts about a given television or radio program are the size and composition of its audience. The size of the audience determines the amount of money the broadcaster can charge an advertiser, and the composition of the audience determines the advertiser’s choice as to when a certain message, directed at a certain segment of the public, should be run. The other advertising media include direct mail, outdoor billboards, posters, and etc. Advertising is on some occasions too intrusive (affecting someone’s private life or interrupting them in an unwanted and annoying way).

Vocabulary

Medium – средство; the media – средства массовой информации; circulation – тираж; likely – вероятный; pervasive – всюду проникающий; spot – место; composition – состав; charge – запросить; segment – сектор; direct – направлять; billboards – рекламные щиты;

poster – плакат, афиша; intrusive – назойливый, навязчивый.

Tasks to text 8.2

1. Answer the following questions.

1. What can newspapers offer advertisers? 2. What may magazines be aimed at? 3. What may magazines offer the manufacturers? 4. What are the most pervasive media? 5. What and why can advertisers buy? 6. When are advertising spots broadcast? 7. What facts are the most important for advertisers? 8. What does the size of the audience determine? 9. What does the composition of the audience determine? 10. What do the other advertising media include? 11. Do you find advertising too intrusive?

2. Agree or disagree with the following statements.

1. Newspapers can offer advertisers small circulations. 2. Newspapers can offer advertisers the opportunity to buy printing machines. 3. Magazines may help the manufacturers of products to foist their substandard goods upon their customers. 4. The most pervasive media are old wives' tales. 5. Advertisers can buy television and radio to promote their products or services. 6. The term "direct mail" means advertisements that are sent by post to many people. 7. Billboard is a large sign used for advertising. 8. Poster is a large printed notice, picture, or photograph, used to advertise something or as a decoration. 9. Audience is a group of people who watch and listen to someone speaking or performing in public. 10. Audience is the number or kind of people who regularly watch or listen to a particular programme. 11. Target audience is the kind of people that a programme or advertisement is supposed to attract.

3. Translate the following statements from Russian into English.

1. Размещать рекламу в газетах выгодно. 2. Журналы предлагают производителям установить контакты с потенциальными покупателями их товаров. 3. Телевидение и радио проникают повсюду. 4. Рекламу можно назвать "навязчивой". 5. Реклама полезна всем.

4. Complete the following statements.

1. Newspapers can offer 2. Magazines may be 3. Magazines may

offer 4. The most pervasive media are 5. Advertisers can buy 6. Advertising spots are broadcast 7. The size of the audience determines 8. The composition of the audience determines 9. The other advertising media include 10. Advertising on some occasions affects 11. ... is the kind of people that an advertisement is expected to attract. 12. ... is the number or kind of people who at regular times watch or listen to a peculiar programme. 13. ... is a large photograph used to advertise something. 14. ... is a large signboard used for advertising.

Text 8.3. Read and translate the text using the vocabulary that follows.

ADVERTISING AND ITS EFFECTIVENESS

There is no serious disagreement over the power of advertising to inform consumers of what products are available (can easily be bought or found). In a free-market economy effective advertising is extremely important and necessary to a company's survival, for unless consumers know about a company's product they are unlikely to buy it. For an advertisement to be effective its production and placement must be based on a knowledge of the public and a skilled use of the media. A career in advertising is a difficult one. Good advertisers are in great demand. Advertising agencies serve to organize complex advertising campaigns. The effectiveness of advertising campaigns is based on research into consumer behaviour and demographic analysis of the market area. Demography is the study of human populations and the ways in which they change. Advertisers combine creativity in the production of the advertising messages with canny scheduling and placement, so that the messages are seen by, and will have an effect on, the people advertisers most want to address. Given a fixed budget, the advertiser faces a basic choice: he can have his message seen or heard by many people fewer times, or by fewer people many times.

Vocabulary

Power – способность; unless – пока не; unlikely – вряд ли; advertisement – рекламное объявление; placement – размещение; skilled – искусный; to be in demand – пользоваться спросом; research – исследование; consumer behavior – поведение потребителей (например, реакция на новый товар, упаковку); creativity – творчество; canny – хитрый; schedule – планировать; fixed budget – твердая смета; thing

of naught – ненужная вещь.

Tasks to text 8.3

1. Answer the following questions.

1. Why is effective advertising extremely important and necessary to a company's survival? 2. What must be done for an advertisement to be effective? 3. A career in advertising is a difficult one, isn't it? 4. Good advertisers are in great demand, aren't they? 5. What do advertising agencies serve to do? 6. What is the effectiveness of advertising campaigns based on? 7. What and why do advertisers combine? 8. What budget is the advertiser given? 9. What does the advertiser face?

2. Agree or disagree with the following statements.

1. There is no dispute over the power of advertising to inform consumers of what products are available. 2. Free market is a market in which prices are not controlled or limited in any way. 3. Effective advertising is essential to a company's survival. 4. Consumer is someone who buys and uses products and services. 5. As soon as consumers know about a company's product they are likely to buy it. 6. A career in advertising is an easy one. 7. Good advertisers are in good demand. 8. Advertising agencies serve to organize whispering campaigns. 9. Whispering campaign is an attack, on someone that is made by privately spreading criticism about them. 10. The effectiveness of advertising campaigns is based on research into consumer private life. 11. Advertisers have to be clever, careful, and not easily deceived, especially in business or politics. 12. Advertisers are given a permanent budget. 13. Advertisers play the fool with consumers.

3. Translate the following words, phrases and questions from Russian into English.

1. Разногласия, служить, поведение потребителей, спрос, пользоваться большим спросом, твердая смета, рекламное агентство, распространение ложных слухов про своего противника, частным образом, распространять, научное исследование, частная жизнь, обманывать, перманентный, валять дурака, рекламировать, информировать, потребитель, имеющийся в распоряжении, свободный рынок, цена,

контролировать, ограничивать, эффективный, существенный.

2. Реклама создает спрос на товары и услуги? Вы любите рекламу? Что есть хорошая реклама? На чем основывается эффективность рекламной компании? Вы купите товар, если у него плохая реклама? Может ли хорошая реклама убедить покупателя купить ненужный ему товар? Хороший рекламодатель пользуется большим спросом?

4. Complete the following statements.

1. Effective advertising is 2. Unless consumers know 3. For an advertisement to be effective 4. A career in advertising is 5. Good advertisers are 6. Advertising agencies serve 7. The effectiveness of advertising campaigns is based on 8. Advertisers combine ... so that 9. Advertisers are given 10. Advertisers face

Text 8.4. Read and translate the text using the vocabulary that follows.

ADVERTISING, ITS COST AND ITS INFLUENCE

In criticism of advertising it has been argued that the consumer must pay for the cost of advertising in the form of higher prices for goods; against this point it is argued that advertising enables goods to be mass marketed, thereby bringing prices down. It has been argued that the cost of major advertising campaigns is such that few firms can afford (to have enough money to buy or pay for something) them, thus helping these firms to dominate (to have power and control over) the market; on the other hand, whereas smaller firms may not be able to compete (to try to be more successful) with larger ones at a national level, at the local level advertising enables them to hold their own. Finally, it has been argued that advertisers exercise an undue (more than is reasonable, suitable, or necessary) influence over the regular contents of the media they employ – the editorial stance (an opinion that is stated publicly) of a newspaper or the subject (the thing one is talking about or considering in a conversation, discussion, book, film etc.) of a television show. In response it has been pointed out that such influence is counteracted, at least in the case of financially strong media firms, by the advertiser's reliance on the media to convey his messages; any compromise (an agreement between two contracting parties that is achieved by both of them accepting less than they wanted at first) of the integrity of a media firm might result in a smaller audience (the persons

reached by a publication, radio, TV, etc.) for his advertising.

Vocabulary

Argue – утверждать, доказывать; enable – давать возможность; market – сбывать; thereby – таким образом; whereas – тогда как; hold one's own – сохранять свои позиции; exercise – использовать; undue – чрезмерный; editorial stance – редакторская позиция; counteract – нейтрализовать; reliance – зависимость; convey – сообщать; contracting parties – договаривающиеся стороны; integrity – неприкосновенность; break – прерывать; preserve one's existence – выжить; go without – обойтись без; forceless – бессильный.

Tasks to text 8.4

1. Answer the following questions.

1. What is the first point at issue in criticism of advertising? 2. What is the second matter of dispute in criticism of advertising? 3. What is the third subject of controversy in criticism of advertising?

2. Agree or disagree with the following statements.

1. The advertiser must pay for the cost of advertising. 2. Advertising enables goods to be mass marketed. 3. Advertising brings prices up. 4. The cost of major advertising campaigns is such that few firms can have enough money to pay for them. 5. Advertising helps only very large companies to have power and control over the market. 6. Smaller firms are not successful in comparison with larger ones at a national level. 7. Advertising enables smaller firms to flourish at the local level. 8. Advertisers exercise an unreasonable influence over the editorial stance of a newspaper. 9. Advertisers exercise an excessive influence over the subject of a television show. 10. The advertiser's influence is neutralized by the advertiser's reliance on the media to convey his messages.

3. Translate the following words, phrases and questions from Russian into English.

1. Рекламодатель, немногие, рынок, в сравнении с, удачный, на национальном уровне, процветать, распространенный в отдельных местах, непомерный, влияние, нейтрализовать, сообщение, всецело, подвластный, платить, стоимость, массовый, влечь за собой, рекламная компания, злой умысел.

2. Потребитель должен платить за рекламу? Вам нравится, когда фильм прерывается рекламой? Телевидение проживет без рекламы? Вы верите рекламе? Какой товар может обойтись без рекламы? Средства массовой информации бессильны перед злой волей рекламодателя?

4. Complete the following statements.

1. The consumer must pay 2. Advertising enables 3. Few firms can afford 4. Advertising helps large companies to dominate 5. Small firms can't compete 6. Advertising enables small firms 7. Advertisers exercise 8. The advertiser's influence is counteracted by 9. Any compromise ... might 10. ... an agreement between two parties achieved by both of them accepting less than they wanted at first.

UNIT 9. INSURANCE

Text 9.1. Read and translate the text using the vocabulary that follows.

INSURANCE, THE INSURER AND THE INSURED

To insure means to buy insurance to protect yourself against something bad happening to you, your family or your possessions. The insurer is a person or company that provides insurance. The insured is the person or people who are insured. Insurance is a contract in writing between an insurance company and the insured, whereby the insurance company will pay the insured a stated sum of money on the happening of a stated event. (Frequently the word insurance and "assurance" are used in the same way.) In return for a specified consideration, the insurer undertakes to pay the insured some specified amount in the event that the insured suffers loss through the occurrence of a contingent event covered by the insurance contract (insurance policy). By pooling the financial contributions of a large number of policyholders, the insurer is usually able to absorb losses incurred over any given period much more easily than would the uninsured

individual. While the destruction of an automobile in a traffic accident imposes a heavy financial loss on an individual, for example, one such loss is of relatively small consequence to an insurer who is collecting sufficient premiums (insurance premium is the money that you pay regularly to an insurance company) on a large number of automobiles.

Vocabulary

Insurance – страхование; the insurer – страховщик; the insured – страхователь; insure – страховать(ся); consideration – компенсация; undertake – обзаться, гарантировать; suffer losses – терпеть убытки; occurrence – происшествие; pool – объединять; incur – навлечь на себя; contingent – непредвиденный; insurance policy – страховой полис; absorb – амортизировать; impose – налагать; consequence – следствие; insurance premium – страховой взнос.

Tasks to text 9.1

1. Answer the following questions.

1. What is meant by the term “to insure”? 2. Who provides insurance? 3. What is meant by the term “insurance”? 4. What does the insurer undertake to do? 5. When is the insurer usually able to absorb losses more easily? 6. What is called insurance premium?

2. Agree or disagree with the following statements.

1. Insurance is a contract for reducing losses from accident incurred by an individual party through a distribution of the risk of such losses among a number of parties. 2. Insurance is an arrangement with a company in which you pay them money each year and they pay the costs if anything bad happens to you, such as an illness or an accident. 3. To insure means to sell insurance to protect yourself against something bad happening to you. 4. The insurer is a person who plays a confidence trick on you in order to get your money. 5. The insurer is someone who deceives people to gain money. 6. The insured is a victim of insurance fraud. 7. The insurer takes responsibility for paying the insured some specified amount when the insured incurs losses. 8. The insurer is able to make up losses much more easily than would the uninsured individual. 9. To incur means to put yourself in an unpleasant situation by your own actions.

3. Translate the following words and phrases from Russian into English.

Посредством чего, установленный, несчастный случай, в обмен, точно определять, брать на себя обязательства, в случае, охватывать, объединять в общий фонд, разрушение, налагать, относительно, последствие, достаточный, договор страхования, уменьшать, сторона в договоре, распределение, соглашение, случаться, злоупотребление доверием, обманывать, заработать, жертва, мошенничество при страховании, ответственность, терпеть убытки, возместить убытки, неприятная ситуация, страхование, страховщик, страхователь, страховать, издержки, компенсация, происшествие, навлечь на себя, неподвижный, страховой полис, взнос, амортизировать, страховой взнос.

4. Complete the following statements.

1. ... means to buy insurance to protect yourself against something bad happening to you. 2. ... is a person or company that provides insurance. 3. ... is the person or people who are insured. 4. ... is a contract in writing between an insurance company and the insured. 5. ... will pay the insured a stated sum of money on the happening of a stated event. 6. The insurer undertakes to pay ... in return for 7. The insurer is able ... by pooling 8. ... is the money that you pay regularly to an insurance company.

Text 9.2. Read and translate the text using the vocabulary that follows.

THE INSURER AND AN INSURABLE RISK

Insurance relies heavily on the “law of large numbers”. In large homogeneous groups of population it is possible to estimate the normal frequency of common events such as deaths and accidents. Losses can be predicted with reasonable accuracy, and this accuracy increases as the size of the group expands. From a theoretical standpoint, it is possible to eliminate all pure risk if an infinitely large group is selected. From the standpoint of the insurer, an insurable risk must meet the following requirements:

- The objects to be insured must be numerous enough and homogeneous enough to allow a reasonably close calculation of the probable fre-

quency and severity of losses.

- The insured objects must not be subject to simultaneous destruction. For example, if all the buildings insured by one insurer are in an area subject to flood, and a flood occurs, the loss to this insurer may be catastrophic.

- The possible loss must be accidental in nature, and beyond the control of the insured. If the insured could cause the loss, the element of randomness and predictability would be destroyed.

- There must be some way to determine whether a loss has occurred and how great that loss is. This is why insurance contracts specify very definitely what events must take place, what constitutes loss, and how it is to be measured.

Vocabulary

Rely on – полагаться; groups of population – слои общества; estimate – оценивать; reasonable – разумный; expand – расширяться; eliminate – исключить; infinitely – бесконечно; insurable risk – страхуемый риск; insurable – могущий быть предметом страхования; numerous – многочисленный; homogeneous – однородный; severity – жестокость; severe losses – большие убытки; occur – происходить; catastrophic – катастрофический; accidental – случайный; randomness – случайность; predictable – предсказуемый; specify – точно определять; constitute – составлять.

Tasks to text 9.2

1. Answer the following questions.

1. What does insurance rely on? 2. When is it possible to estimate the normal frequency of common events? 3. What does the insured object that is numerous enough and homogeneous enough allow estimating? 4. What is the second requirement the insured risk must meet? 5. What must the possible loss be in nature? 6. When would the element of randomness and predictability be destroyed? 7. What is it necessary to determine from the standpoint of the insurer? 8. What must insurance contracts specify very definitely?

2. Agree or disagree with the following statements.

1. The objects to be insured must be small in numbers and heterogeneous.

ous to estimate the probable frequency and severity of losses. 2. The insured objects must be subject to simultaneous destruction. 3. The possible loss must be non-random in nature. 4. The possible loss must be within the control of the insured. 5. If the insured could cause the loss, the element of randomness and predictability would be completely useless. 6. The insured must be morally, legally, or officially allowed to cause the loss. 7. If the insured causes the loss, he has to repair damage on his own account. 8. Insurance contracts state in an exact and detailed way what events must pass, what forms loss, and how it is to be estimated.

3. *Translate the following words and phrases from Russian into English.*

Слои общества, подверженный, одновременный, разрушение, наводнение, происходить, случайный, вызывать, случайность, предсказуемый, определять, оценить, предсказывать, разумный, расширяться, исключить, бесконечно страхуемый риск, могущий быть предметом страхования, точка зрения, требование, многочисленный, однородный, разумно, частота, большие убытки, точно определять, определено, составлять, измерять.

4. *Complete the following statements.*

1. Insurance relies 2. It is possible to estimate 3. Losses can be 4. Reasonable accuracy increases 5. It is possible to eliminate 6. The objects to be insured must be ... to allow 7. The insured objects must not be 8. The possible loss must be 9. The element of randomness and predictability would be ... if 10. There must be some way 11. Insurance contracts specify very definitely

Text 9.3. Read and translate the text using the vocabulary that follows.

THE INSURED AND AN INSURABLE RISK

From the viewpoint of the insured person, an insurable risk is one for which the probability of loss is not so high as to require excessive premiums (premium – the cost of insurance, especially the amount to pay each year). What is “excessive” depends on individual circumstances, including the insured’s attitude toward risk. What is “excessive” stands upon insurance adjusters who are employed by an insurance company to decide how

much to pay people who have had an accident. At the same time, the potential loss must be severe enough to cause financial hardship if it is not insured against. Insurable risks include losses to property resulting from fire, explosion, windstorm, burglary, etc.; losses of life or health; and the legal liability arising out of use of automobiles, occupancy of buildings, employment, or manufacture. Uninsurable risks include losses resulting from price changes and competitive conditions in the market. Political risks such as a war, cabinet crisis, monetary crisis or deepening economic crisis are usually not insurable by private insurance companies but may be insurable by governmental institutions. Very often insurance contracts can be drawn in such a way that an “uninsurable risk” can be turned into an “insurable” one.

Vocabulary

Excessive – чрезмерный; premium – страховой взнос; insurance adjuster – оценщик размера страхового убытка; severe losses – большие убытки; financial hardship – финансовые трудности; windstorm – буря; burglary – ночная кража со взломом; legal liability – юридическая ответственность; occupancy – владение; competitive – конкурирующий; insurable – могущий быть предметом страхования; draw – составлять.

Tasks to text 9.3

1. Answer the following questions.

1. What is an insurable risk from the viewpoint of the insured person?
2. What does “excessive” depend on? 3. What does “excessive” stand upon?
4. What losses do insurable risks include? 5. What losses do uninsurable risks include?
6. What are political risks? 7. What institutions may political risks be insured?

2. Agree or disagree with the following statements.

1. Risk is a person or business judged according to the danger involved in giving them insurance or lending them money.
2. Risk is the possibility that something bad, unpleasant, or dangerous may happen.
3. Risk management is a system to prevent or reduce dangerous accidents or mistakes.
4. Loss adjuster is someone who is employed by an insurance company to decide how much should be paid to people who make claims on their insurance.
5. Insurable risks include losses to property resulting from de-

bauchery. 6. Insurable risks include financial losses and fraud losses. 7. Insurable risks include legal responsibility for paying money that is owed, or for damage or injury. 8. Uninsurable risks include losses resulting from a violent and sudden event or change, such as a serious flood or earthquake. 9. Political risks include losses resulting from opinions, ideas, and actions that most people think are unreasonable and unacceptable.

3. *Translate the following words and phrases from Russian into English.*

Составлять контракт, большие убытки, быть причиной, финансовые трудности, собственность, взрыв, буря, юридическая ответственность, возникать, точка зрения, страхователь, страхуемый риск, вероятность, ущерб, требовать, чрезмерный, страховой взнос, разумный, необходимый, зависеть от, обстоятельства, включать, отношение к, оценщик размера страхового убытка, взять на работу, страховая компания, несчастный случай, потенциальный, владение, занятость, конкурирующий, могущий быть предметом страхования, правительственный кризис, денежный кризис.

4. *Complete the following statements.*

1. An insurable risk is ... from the viewpoint of 2. What is “excessive” depends on 3. Insurance adjusters are 4. The potential loss must be ... to cause 5. Insurable risks include 6. Uninsurable risks include 7. Political risks are 8. Insurance contracts can be drawn

Text 9.4. Read and translate the text using the vocabulary that follows.

KINDS OF INSURANCE

Life insurance is a contract in writing whereby the insured person will pay the insurance company stated premiums, so that he or she will receive a certain sum of money with or without bonuses on reaching a certain age or at death, whichever is the sooner. Property insurance is used to insure against loss from accidental destruction of property. Marine insurance contracts are written to cover the vessel, the cargo, the freight revenue to be received by the ship owner, and legal liability for negligence of the shipper or the carrier. There are at least four major types of liability insurance contracts: liability arising out of the use of automobiles, liability arising out of

the conduct of a business, liability arising from professional negligence (applicable to doctors, lawyers, etc.), and personal liability. Theft insurance covers all acts of stealing. Aviation insurance covers physical damage to the aircraft and legal liability arising out of its ownership and operation. Workers' compensation insurance, sometimes called industrial injury insurance, compensates workers for losses suffered as a result of work-related injuries. Industrial injury insurance is a contract whereby payments are made regardless of negligence. Credit insurance covers the risk of bad debts from insolvency (that is, the inability of a person or company to pay their debts as they fall due), death, and disability. Also, credit insurance covers the risk of loss of savings from bank failure and the risk of loss from export credit because of war or other political causes.

Vocabulary

Premium – страховой взнос; bonus – премиальная надбавка; whichever – какой бы ни; accidental – случайный; marine – морской; vessel – корабль; cargo – груз; freight revenue – выручка от перевозки грузов; legal liability – юридическая ответственность; negligence – небрежность; shipper – грузоотправитель; carrier – транспортная компания; liability insurance – страхование ответственности; conduct – ведение; applicable – применимый; aviation – авиация; physical damage – материальный ущерб; insolvency – неплатежеспособность; disability – нетрудоспособность.

Tasks to text 9.4

1. Answer the following questions.

1. What kinds of insurance do you know? 2. What is life insurance? 3. What is meant by the term “bonus”? 4. What is property insurance used to? 5. What does marine insurance cover? 6. What are major types of liability insurance contracts? 7. What does industrial injury insurance compensate? 8. What does credit insurance cover?

2. Agree or disagree with the following statements.

1. Life insurance is a type of insurance that someone makes regular payments into so that when they die their family will receive money. 2. Bonus is money added to someone's wages, especially as a reward for good

work. 3. Property insurance is used to insure against loss from burglary. 4. Marine insurance covers personal liability for negligence of the shipper. 5. Liability insurance covers liability arising out of the use of motorcycles and bicycles. 6. Theft insurance covers all acts of cheating. 7. Aviation insurance covers aviation accidents. 8. Industrial injury insurance compensates workers for losses suffered as a result of lateness and nonattendance. 9. Credit insurance doesn't cover the risk of bad debts from disability.

3. *Translate the following words and phrases from Russian into English.*

Неплатежеспособность, нетрудоспособность, страховой взнос, премияльная надбавка, выручка от перевозки грузов, юридическая ответственность, грузоотправитель, транспортная компания, страхование ответственности, безнадежный долг, экспортный кредит, страхование жизни, материальный ущерб.

4. *Complete the following statements.*

1. Life insurance is 2. Property insurance is used 3. Marine insurance covers 4. Liability insurance covers 5. Theft insurance covers 6. Aviation insurance covers 7. Industrial injury insurance compensates 8. Credit insurance covers... .

UNIT 10. MARKETING

Text 10.1. Read and translate the text using the vocabulary that follows.

MARKETING AND ITS FUNCTIONS

Marketing is the ability to assess, by whatever means, the needs of the consumer, then using the available resources, design, produce, advertise, and deliver the goods at the right time and at the right place and price to the customer. Marketing's principal function is to promote and facilitate exchange. Through marketing, individuals and groups obtain what they need and want by exchanging products and services with other parties. Such a process can occur only when there are at least two parties, each of whom has something to offer. In addition, exchange cannot occur unless

the parties are able to communicate about what they offer and to deliver what they offer. Marketing is not a coercive process: all parties must be free to accept or reject what others are offering. So defined, marketing is distinguished from other modes of obtaining desired goods, such as through self-production, begging, theft, or force. Marketing is not confined to any particular type of economy, because goods must be exchanged and therefore marketed in all economies and societies except perhaps in the most primitive one. Furthermore, marketing is not a function that is limited to profit-oriented business; even such institutions as hospitals, schools, and museums engage in some forms of marketing.

Vocabulary

Marketing – система организации и управления деятельностью фирмы, направленная на обеспечение максимального сбыта ее продукции, достижение высокой эффективности экспортных изделий и расширение рыночной доли; assess – оценивать; consumer – потребитель; available – имеющийся в распоряжении; promote – содействовать; facilitate – помогать, способствовать; occur – происходить; unless – если не; communicate – сообщать; coercive – принудительный; mode – способ; begging – нищенство; confine – ограничивать; market – купить или продать на рынке; furthermore – кроме того; engage – вовлекать.

Tasks to text 10.1

1. Answer the following questions.

1. What is marketing? 2. What is marketing's principal function? 3. What do individuals obtain through marketing? 4. When do exchange of products and services occur? 5. Is marketing distinguished from other modes of obtaining desired goods?

2. Agree or disagree with the following statements.

1. Marketing is the sum of activities involved in directing the flow of goods and services from producers to consumers. 2. Marketing is the activity of trying to sell a company's products by advertising, using attractive packages etc. 3. Marketing helps exchange to develop and be successful. 4. Marketing is to facilitate exchange. 5. Through marketing, individuals obtain needless and unwanted products. 6. Marketing is a compulsory pro-

cess. 7. Through marketing, consumers obtain desired goods. 8. Museums do not take part in some forms of international marketing. 9. Hospitals become involved in some forms of marketing.

3. Translate the following words and phrases from Russian into English.

Маркетинг, принять, отвергать, давать определение, проводить различие, способ, желать, изготовление для себя, нищенство, просить подаяния, кража, принуждение, ограничивать, особый тип экономики, следовательно, купить или продать на рынке, исключая, к тому же, ориентированный на прибыль, бизнес, способность, оценивать, любые средства, потребности, потребитель, доступный, ресурсы, проектировать, производить, рекламировать, доставлять, товары, заказчик, содействовать, способствовать, обмен, приобретать, участвующее лицо, происходить, предложить, быть в состоянии, сообщать, принудительный, вовлекать.

4. Complete the following statements.

1. Marketing is 2. Marketing's principal function is 3. Through marketing, individuals obtain 4. Exchange of products and services can occur 5. Exchange of products and services cannot occur 6. Marketing is not 7. Marketing is distinguished from 8. Marketing is not confined to 9. Marketing is not a function 10. Hospitals, schools and, museums engage in

Text 10.2. Read and translate the text using the vocabulary that follows.

MARKETING STRATEGY

The marketing process is divided into a strategic and a tactical phase. The strategic phase has three components – segmentation, targeting, and positioning (STP). The organization must distinguish among different groups of customers in the market (segmentation) and choose which groups it can serve effectively (targeting). A key step in marketing strategy, known as positioning, involves creating and communicating a message that clearly positions the company or its brand in relation to competitors. Thus, Volvo (Sweden) has positioned its automobile as the “safest”, and Daimler-Benz (Germany), manufacturer of Mercedes-Benz vehicles, has

positioned its car as the best “engineered”. Some products may be positioned as “outstanding” in two or more ways. However, claiming superiority along several dimensions may hurt a company’s credibility because consumers will not believe that some company can do better than others in all dimensions. Furthermore, although the company may communicate a particular position, customers may perceive a different image of the company as a result of their actual unpleasant experiences with the company’s product or through word of mouth.

Vocabulary

Strategy – стратегия; strategic – стратегический; segmentation – сегментация (процесс выявления наиболее благоприятных условий на рынке с целью выбора варианта ориентации производственно-сбытовой политики); targeting – определение цели; positioning – позиционирование (действия, направленные на обеспечение товару конкурентоспособного положения на рынке и разработку соответствующего комплекса маркетинга); communicate – сообщить; position – занять позицию; engineer – проектировать; superiority – превосходство; dimension – измерение; credibility – правдивость; perceive – воспринимать; by words of mouth – устно; superiority complex – мания величия.

Tasks to text 10.2

1. Answer the following questions.

1. What phases is marketing process divided into? 2. What are three components of the strategic phase? 3. What is segmentation? 4. What is targeting? 5. What does positioning involve? 6. How do producers position their products? 7. What is meant by the term “credibility”? 8. What may hurt a company’s credibility?

2. Agree or disagree with the following statements.

1. Strategy is a well-planned series of actions for achieving an aim, especially success against an opponent. 2. The marketing process is not divided into any phases. 3. The strategic phase has two components. 4. Segmentation is the act of dividing something into smaller parts. 5. Target is an object, person, or place that is deliberately chosen to be attacked. 6. Position is the place where someone or something is, especially in relation to other objects and places. 7. Credibility is the quality of deserving to be be-

lieved and trusted. 8. Claiming superiority along several dimensions may hurt a company's honesty because consumers will not believe that some company can exceed the rest in all dimensions. 9. Although the company may state a particular position, customers may receive a different image of the company as a result of their real experiences with the company's product or through word of mouth.

3. *Translate the following words and phrases from Russian into English.*

Маркетинг, конкурент, таким образом, проводить различие, воспринимать, отличающийся, лицо, репутация, результат, самый безопасный, производитель, автотранспортное средство, проектировать, выдающийся, несмотря на это, предъявлять претензию, превосходство, измерение, повредить, правдивость, потребитель, стратегия, ход развития, делиться на, фаза, составная часть, сегментация, покупатель, рынок, выбирать, обслуживать, эффективно, включать в себя, создание, послать сообщение, недвусмысленно, занять позицию, фабричная марка, по отношению к, полагать, кроме того, несмотря на, определение цели, позиционирование, фактически существующий.

4. *Complete the following statements.*

1. The marketing process is divided into 2. The strategic phase has 3. Segmentation is 4. Targeting is 5. Positioning involves 6. Some products may be positioned as 7. Claiming superiority may ... because 8. Customers perceive ... as a result of

Text 10.3. Read and translate the text using the vocabulary that follows.

MARKETING TACTICS

Having developed a strategy, a company must then decide which tactics will be most effective in achieving strategy goals. Tactical marketing involves creating a marketing mix of three main components – product, price and place. Before assembling a product, the marketer's role is to communicate customer desires to the engineers who design the product. This is in contrast to past practice, when engineers designed a product based on their own preferences, interests, or expertise and then expected marketers

to find as many customers as possible to buy this product. The second marketing mix element is price. A Mercedes-Benz vehicle is generally considered to be a high-quality automobile, and it therefore can command a high price in the marketplace. On the other hand, in order to gain market share, some companies have moved to “more for the same” or “the same for less” pricing, which means offering prices that are lower than those of their competitors. Place, or where the product is made available, is the third element of the marketing mix. When a product moves along its path from producer to consumer, it is said to be following a channel of distribution including, for example, food-processing plants, warehouses, wholesalers, and supermarkets. Because of this, some marketers may decide to skip steps in the channel and instead market directly to buyers through direct mail (advertisements that are sent by post to many people), telemarketing (a method of selling things in which you telephone people to see if they want to buy something), door-to-door selling (visiting each house in a street or area, to sell something), shopping via television, or factory outlets.

Vocabulary

Goal – цель; mix – структура; marketer – торговец; preferences – предпочтения; expertise – знания, опыт; expect – ожидать, рассчитывать; channel of distribution – канал товародвижения; processing – переработка; skip – перескакивать; market – сбывать; outlet – торговая точка.

Tasks to text 10.3

1. Answer the following questions.

1. What must company then decide having developed a strategy?
2. What elements does tactical marketing involve? 3. What is the marketer's role before assembling a product? 4. Can high-quality products command a high price in the marketplace? 5. What do some companies have to do in order to gain market share? 6. What does “more for the same” or “the same for less” pricing mean? 7. What do channels of distribution include?

2. Agree or disagree with the following statements.

1. Salesmen employ all sorts of tricky and fraudulent tactics to try and

persuade customers. 2. Tactical marketing creates intentionally false information about products and prices. 3. Marketers' role in the marketplace is to hide the truth or confuse people. 4. Marketers deliberately intend to deceive people. 5. Marketers are to express customer desires to the engineers who design the product. 6. Engineers should not design a product based on their own preferences, interests, or expertise. 7. Engineers expect marketers to find as many customers as possible to buy their product. 8. High-quality products can command a high price in the marketplace. 9. Companies have to offer lower prices than their competitors to gain market share.

3. *Translate the following words and phrases from Russian into English.*

Стратегия, создавать, главный, составной элемент, изделие, цена, место, собирать изделие, торговец, роль, сообщать, следовать, канал товародвижения, переработка, завод, товарный склад, универсам, перескакивать, вместо, сбывать, почта, рекламное объявление, продавать, посещение магазинов с целью покупки, тактика, развивать, решать, покупатель, желание, инженер, конструировать, контраст, предпочтение, интерес, знания, опыт, ожидать, находить, рассматривать, качество, следовательно, рынок, приобретать долю, на рынке, предлагать, конкурент, доступный, эффективный, достигать, цель, тактический, маркетинг, включать в себя, торговая точка.

4. *Complete the following statements.*

1. Tactical marketing involves 2. Nowadays the marketer's role is 3. It is now a thing of the past, when engineers designed ... and then expected 4. The second marketing mix element is 5. ... is generally considered to be 6. A Mercedes-Benz vehicle can command 7. In order to gain market share, some companies offer 8. Place is 9. Channels of distribution include 10. Direct mail is 11. Telemarketing is 12. Door-to-door selling is 13. Shopping via television is 14. Factory outlet is

Text 10.4. Read and translate the text using the vocabulary that follows.

**MARKETING, ITS CUSTOMERS,
DISTRIBUTORS, AND FACILITATORS**

The elements that play a role in the marketing process can be divided into three groups: customers, distributors, and facilitators. In order to understand customers, certain questions must be answered: Who constitutes the market segment? What do they buy and why? And how, when, and where do they buy? Thus, a remotely situated wholesale store may use discounted prices to lure customers away from the more conveniently located shops. Customers can be divided into two categories: consumer customers, who purchase goods and services for use by themselves and by those with whom they live; and business customers, who purchase goods and services for use by the organization for which they work. Four major types of factors influence consumer buying behaviour: cultural, social, personal, and psychological. Many producers do not sell products or services directly to consumers and instead use marketing intermediaries, such as middlemen (wholesalers, retailers, agents, and brokers) and distributors. Distributor is a company or person that makes wholesale purchases from the producers of finished products to become available for people to buy. It is quite a large company having its own warehouses and establishing active contractual relations with manufacturers. Because marketing functions require significant expertise, it is often both efficient and effective for an organization to use the assistance of independent marketing facilitators. These are organizations and consultants whose sole or primary responsibility is to handle marketing functions. There are four major types of marketing facilitators: advertising agencies, market research firms, transportation firms, and warehousing firms.

Vocabulary

Distributor – фирма-дистрибьютор; facilitator – канал обслуживания; intermediary (middleman) – посредник; remotely – отдаленно; wholesale – оптовая торговля; discounted price – цена со скидкой; lure – соблазнять; conveniently – удобно; psychological – психологический; retailer – розничный торговец; significant – важный; expertise – знания, опыт; efficient – целесообразный; consultant – консультант; sole – единственный.

Tasks to text 10.4

1. Answer the following questions.

1. What elements play an important role in the marketing process?

2. What questions must be answered to understand customers? 3. What categories can customers be divided into? 4. Who are consumer customers? 5. Who are business customers? 6. What major factors influence consumer buying behavior? 7. How do many producers sell their products or services? 8. What is the role of distributor in the marketing process? 9. What assistance is it efficient to use for an organization? 10. What are major types of marketing facilitators?

2. Agree or disagree with the following statements.

1. Facilitators play a leading role in the marketing process. 2. Consumer customers purchase goods and services for use by the organization for which they work. 3. Business customers purchase goods and services for use by themselves and by those with whom they live. 4. Cultural and social factors influence consumer buying behaviour. 5. Personal and psychological factors don't influence consumer buying behaviour. 6. Many producers sell products or services directly to consumers. 7. Many producers use marketing intermediaries to sell products to consumers. 8. Wholesaler is someone who sells goods wholesale. 9. Retailer is someone who sells things in a shop. 10. Distributor is to establish active contractual relations with wholesalers. 11. Marketing facilitators are to handle marketing functions.

3. Translate the following words and phrases from Russian into English.

Расположенный, оптовая торговля, склад, цена со скидкой, располагать в определенном месте, потребитель, покупать, товары и услуги, оказывать влияние, поведение, производитель, продавать, маркетинг, покупатель, дистрибьютор, способствовать, посредник, оптовый торговец, розничный торговец, знания, опыт, управлять, рекламное агентство, готовая продукция, устанавливать деятельные контрактные отношения с промышленниками, исследование рынков сбыта.

4. Complete the following statements.

1. The elements that play a role in the marketing process are 2. Consumer customers purchase ... for use by 3. Business customers purchase ... for use by 4. Consumer buying behaviour is influenced by ... factors. 5. Many producers do not sell ... and instead use 6. Middlemen are 7. Distributor is 8. It is effective for an organization to use

9. Facilitators are ... 10. Marketing facilitators include ...

UNIT 11. CONTRACT

Text 11.1. Read and translate the text using the vocabulary that follows.

CONTRACT LAW

Contract is a promise enforceable in law. The promise may be to do something or to refrain from doing something. The making of a contract requires the mutual assent of two or more persons, one of them usually making an offer and another accepting. If one of the parties fails to keep the promise, the other is entitled to legal recourse. The law of contracts considers such questions as whether a contract exists, what the meaning of it is, whether a contract has been broken, and what compensation is due the injured party. Contract law is the product of a business civilization. It will not be found, in any significant degree, in precommercial societies. Most primitive societies have other ways of enforcing the commitments of individuals; for example, through ties of kinship or by the authority of religion. In an economy based on barter (exchanging goods and services for other goods and services without using money), most transactions are self-enforcing because the transaction is complete on both sides at the same moment. Problems may arise if the goods exchanged are later found to be defective, but these problems will be handled through property law – with its penalties for taking or spoiling the property of another – rather than through contract law. Traditional contract law developed rules and principles controlling the voluntary assumption of obligations, regulating the performance of obligations so assumed, and providing sanctions for failure to perform.

Vocabulary

Contract law – договорное право; enforceable in law – могущий быть принудительно осуществленным по закону; refrain – воздерживаться; mutual assent – обоюдное согласие; entitle – давать право; legal recourse – обращение в суд; due – причитающийся; injured party – потерпевшая сторона; commitments – обязательства; kinship – родство; complete – законченный; handle – регулировать; property law – право собственности; voluntary – добровольный; assumption – принятие на

себя; assume – принимать на себя; contractual – договорный; performance – выполнение; failure – провал.

Tasks to text 11.1

1. Answer the following questions.

1. What is meant by the term “contract”? 2. What does the making of a contract require? 3. When is one of the parties entitled to legal recourse? 4. What questions does the law of contracts consider? 5. What is meant by the term “barter”? 6. What rules and principles did traditional contract law develop?

2. Agree or disagree with the following statements.

1. Contract is a formal written agreement between two or more people, which says what each person must do for the other. 2. To barter means to give anything but money in exchange for some other commodity. 3. Barter is a characteristic of a primitive community. 4. Today barter is accepted on an international scale to facilitate trading with countries of the Eastern bloc and others which are short of hard, convertible currencies. 5. Contract law governs the voluntary assumption of contractual obligations. 6. Contract law adjusts the performance of contractual obligations. 7. Contract law secures sanctions for a lack of success in performing contractual obligations. 8. Contract law is to enforce the commitments of individuals through ties of kinship. 9. Contract law is to enforce the commitments of individuals by the authority of religion.

3. Translate the following words and phrases from Russian into English.

Потерпеть неудачу, родство, сделки, законченный, регулировать, право собственности, обещание, принудительно применять, воздержаться, требовать, обоюдное согласие, обычно, принимать, портить, добровольный, власть, принятие на себя, договорное право, принимать на себя, выполнение, обеспечить, провал, выполнять, санкция, дефектный, возникать, рассматривать, цивилизованный мир, давать право, обращение в суд, существовать, потерпевшая сторона, контрактные обязательства, компенсация, могущий быть принудительно осуществленным по закону, причитающийся.

4. Complete the following statements.

1. Contract is 2. Contract may be 3. The making of a contract requires 4. If one of the parties fails ... the other is entitled 5. Contract law considers 6. Contract law is 7. Contract law will not be found in 8. Most primitive societies enforced ... through ... or by 9. Barter is a system of 10. Contract law controls 11. Contract law regulates 12. Contract law provides

Text 11.2. Read and translate the text using the vocabulary that follows.

THE ASSUMPTION OF CONTRACTUAL OBLIGATIONS

Much of the law of contract is concerned with ensuring that agreements are arrived at in a way that meets at least minimum standards respecting both parties' understanding of, and freedom to decide whether to enter into the transactions. Such provisions include rules that void contracts made under duress (illegal or unfair threats) or that are unconscionable bargains. Contract law holds protection for minors and incompetents. Minor is someone who is below the age at which they become legally responsible for their actions. Incompetent is someone not having the ability or skill to do their job properly. Contract law contains formal requirements protecting against the ill-considered (have not been carefully thought about) assumption of obligation. Thus, section 138 of the German Civil Code considers void any contract "whereby a person profiting from the distress, irresponsibility, or inexperience of another" obtains a disproportionately advantageous bargain. Distress is a feeling of extreme worry and unhappiness. Irresponsibility is the state of doing careless things without thinking or worrying about the possible bad results. Inexperience is lack of experience. By the law of contract certain agreements are illegal, for example, an agreement to commit a civil wrong or the assumption of a legally binding obligation to confer a gift of money upon another. Contractual obligations must not include or encourage secret illicit services.

Vocabulary

Contractual obligations – контрактные обязательства; concerned – имеющий отношение; arrive at an agreement – прийти к соглашению; provisions – положения; void – аннулировать, недействительный; consider void – считать не имеющим силы; duress – принуждение; uncon-

scionable bargain – незаконная сделка; minor – несовершеннолетний подросток; ill-considered – необдуманный; profit – получить прибыль; distress – несчастье; irresponsibility – безответственность; inexperience – неопытность; disproportionately – непропорционально; advantageous – выгодный; civil wrong – гражданский вред; confer – даровать; illicit – незаконный.

Tasks to text 11.2

1. Answer the following questions.

1. What is much of the law of contract is concerned with? 2. Which contracts does the law of contract cancel? 3. Who does contract law hold protection for? 4. What formal requirements does contract law contain? 5. What agreements are illegal by the law of contract?

2. Agree or disagree with the following statements.

1. Contract law annuls contracts made under compulsion. 2. Contract law cancels contracts made under legal or fair threatening. 3. Contract law encourages corrupt bargains. 4. Contract law protects those who do a lot of complicated, often dishonest deals, especially in business or politics. 5. Contract law protects double-dealers. 6. Contract law requires protection against the deliberate assumption of obligation. 7. Contract law considers legally valid any contract whereby a person profiting from the distress of another obtains a disproportionately advantageous bargain. 8. Contract law forbids bribes. 9. Contract law stimulates givers of bribes and takers of bribes. 10. Minor is someone who is legally responsible for his or her actions. 11. Incompetent is someone not having the ability or skill to do their job properly. 12. Competence is a skill needed to do a particular job. 13. Distress is the state of being happy. 14. Responsibility is a duty to be in charge of or look after something, so that you make decisions and can be blamed if something bad happens.

3. Translate the following words and phrases from Russian into English.

Совершать, гражданский вред, юридически обязательный, даровать, контрактные обязательства, имеющий отношение к, обеспечивать, прийти к соглашению, уважать, положения, аннулировать, недействительный, несовершеннолетние подростки, некомпетентный,

необдуманный, принятие на себя, посредством чего, получить прибыль, считать не имеющим силы, принуждение, незаконная сделка, несчастье, безответственность, неопытность, получать, несоизмеримо, выгодный, незаконный.

4. Complete the following statements.

1. Contract law is concerned with 2. Contract law voids contracts 3. Contract law holds 4. Contract law contains 5. Contract law considers void 6. Contract law voids an agreement 7. Contract law voids the assumption of ... 8. Contractual obligations must not include or encourage

Text 11.3. Read and translate the text using the vocabulary that follows.

THE PERFORMANCE OF CONTRACTUAL OBLIGATIONS

Contract law allows contractual relations to be adjusted when they have been thrown out of balance by unforeseen circumstances. The task of adjustment is relatively easy in cases in which both parties made a mistake. The problem of mistake becomes more intractable when the error is chargeable to only one party. Catastrophic events such as inflation, political upheaval, or natural disasters may upset the economy of a contract. Political upheaval is a very big change connected with the government or public affairs of a country that often causes problems. In the case of natural catastrophes, relief is frequently available under theories of force majeure and “act of God”. Force majeure is an event that cannot be reasonably anticipated or controlled. Act of God is an event that is caused by natural forces, such as a storm, flood, or fire, which you cannot prevent or control. When the circumstances are economic in their nature, as with severe inflation or deflation, a solution is difficult to find. Inflation is an increase in the volume of money in circulation relative to available goods and services resulting in a continuing rise in the general price level. Deflation is the process of reducing the amount of money in circulation in order to lower or keep steady the prices of goods. A party who benefits from inflation in one contractual relation may suffer from it in another. A general readjustment in contracts would be enormously complicated and time-consuming and would interject an undesirable element of uncertainty into business activity. Only under exceptional circumstances – usually in the form of special legislation – are contractual relations readjusted.

Vocabulary

Performance – выполнение; contractual – договорный; overbalance (unbalance) – вывести из равновесия; intractable – неподатливый; chargeable – относимый на счет; natural disasters – стихийные бедствия; economy – структура; catastrophe – катастрофа; relief – освобождение от обязанностей; anticipate – предвидеть; relative to – относительно; benefit – извлекать пользу; interject – вставлять.

Tasks to text 11.3

1. Answer the following questions.

1. When does contract law allow contractual relations to be adjusted?
2. What may upset the economy of a contract? 3. What political event often causes problems? 4. What events are called “force majeure”? 5. When is a solution difficult to find? 6. Under what circumstances are contractual relations readjusted?

2. Agree or disagree with the following statements.

1. Contract law allows contractual relations to be adjusted when they have been overbalanced by unforeseen circumstances. 2. The task of adjustment is relatively difficult in cases in which both parties made a mistake. 3. The problem of mistake becomes more flexible when the error is chargeable to only one party. 4. Bad relationship between two parties may upset the economy of a contract. 5. When the circumstances are natural, a solution is difficult to find. 6. Only under usual circumstances are contractual relations readjusted.

3. Translate the following words and phrases from Russian into English.

Относимый на счет, непредвиденное обстоятельство, контрактные обязательства, сторона в договоре, политический переворот, стихийные бедствия, расстраивать, структура, доступный, форс-мажор, предвидеть, естественные силы, предотвращать, инфляция, освобождение от обязанностей, страдать от, переделка, отнимающий много времени, вставлять, нежелательный, неуверенность, контрактные отношения, денежное обращение, выполнение, договорный, приводить в порядок,

вывести из равновесия, урегулирование, относительно, неподатливый, ошибка, деловая активность, исключительное обстоятельство, законодательство, переделывать, дефляция, решение, относительно, иметь своим результатом, продолжающийся рост, уровень цен, извлекать пользу.

4. Complete the following statements.

1. Contract law allows 2. The task of adjustment is 3. The problem of mistake becomes 4. Catastrophic events are 5. Catastrophic events may upset 6. In the case of ... relief is 7. When the circumstances are ... a solution is 8. A party who benefits from 9. A general readjustment in contracts would be ... and would interject 10. Contractual relations are readjusted only under ... and in the form

Text 11.4. Read and translate the text using the vocabulary that follows.

SANCTIONS FOR NON-FULFILLMENT OF CONTRACTUAL OBLIGATIONS

Another branch of contract law deals with the sanctions that are made available to a contracting party when the other party fails to perform his contractual obligations. These sanctions usually take the form of money damages. In case of delay in the fulfillment of contractual obligations or erasure in the fulfillment of contractual obligations a damaged party can bring an action of damages against the responsible party. The court imposes damages as compensation in money for detriment sustained by a plaintiff. The purpose of damages is to place the person in the same position before the action occurred. Damages may be classified as nominal, where no actual damage has been suffered, or substantial which represents compensation for actual loss suffered. Damages can also be punitive. Punitive damages are damages imposed by the court as a punishment of the defendant rather than compensating the plaintiff. Money damages are generally awarded under contract law. When one party to a contract fails to perform his obligation, the other can seek damages by two ways: first – restitution,

which restores to him whatever goods, services, or money he has given the breaching party; second – expectancy, which rewards him as if the contract had been fully performed; expectancy includes profits anticipated on the contract. Contract law seeks a sanction against contracting parties for non-fulfillment of contractual obligations.

Vocabulary

Make available – предоставлять; fail to perform – не удаваться совершить; money damages – денежная компенсация ущерба; erasure – уклонение; damages – компенсация за убытки; sustain detriment (suffer damage) – понести ущерб; plaintiff – истец; occur – происходить; punitive – карательный; award – присуждать; seek damages – требовать возмещения убытков; restitution – возвращение утраченного; breach – нарушать; expectancy – ожидание; reward – вознаграждать; anticipate – предвидеть; seek a sanction – требовать применения санкции.

Tasks to text 11.4

1. Answer the following questions.

1. What does another branch of contract law deal with? 2. In which case can a damaged party bring an action of damages against the responsible party? 3. What does the court impose? 4. What is the purpose of damages? 5. How may damages be classified? 6. By what ways can a damaged party seek damages?

2. Agree or disagree with the following statements.

1. Contract law deals with damaged parties and responsible parties. 2. When one party to a contract fails to perform his obligation, the other is not to seek damages. 3. In case of delay in the fulfillment of contractual obligations a responsible party can bring an action of damages against the damaged party. 4. In case of erasure in the fulfillment of contractual obligations a responsible party can bring an action of damages against the damaged party. 5. Expectancy restores to the damaged party money he has given the breaching party. 6. Restitution rewards the damaged party as if the contract had been fully performed.

3. Translate the following words and phrases from Russian into English.

Потерпевшая сторона, предъявить иск за убытки, виновная сторона, компенсация за убытки, понести ущерб, истец, происходить, номинальные убытки, фактические убытки, карательный, ответчик, при-суждать, договорное право, требовать возмещения убытков, реститу-ция, нарушать, ожидание, вознаграждать, предвидеть, требовать приме-нения санкции, санкции за невыполнение контрактных обязательств, договаривающиеся стороны, денежная компенсация ущерба, задержа-ка в выполнении контрактных обязательств, уклонение от выполне-ния контрактных обязательств.

4. Complete the following statements.

1. Contract law deals with ... when 2. Sanctions usually take 3. In case of ... a damaged party can 4. The court imposes 5. The purpose of damages is 6. Damages may be 7. Punitive damages are 8. Money damages are awarded under 9. When one party to a contract fails ... the other can 10. Restitution restores 11. Expectancy re-wards 12. Expectancy includes 13. Contract law seeks

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СОДЕРЖАНИЕ

Пояснительная записка.....	3
Unit 1. Entrepreneurship.....	4
Unit 2. Money	13

Unit 3. Credit	20
Unit 4. Bank	29
Unit 5. Exchange.....	37
Unit 6. Taxation	46
Unit 7. Accounting.....	55
Unit 8. Advertising.....	61
Unit 9. Insurance	70
Unit 10. Marketing.....	78
Unit 11. Contract.....	86
Список рекомендуемой литературы	95

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высшего образования I ступени и переподготовки
руководящих работников и специалистов**

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Кафедра иностранных языков

АНГЛИЙСКИЙ

ЯЗЫК

**Пособие
для реализации содержания образовательных программ
высшего образования I ступени и переподготовки
руководящих работников и специалистов**

Гомель 2015