

И. П. Агабекян

ENGLISH FOR MANAGERS

АНГЛИЙСКИЙ ЯЗЫК
ДЛЯ МЕНЕДЖЕРОВ

Учебное пособие



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Учебное пособие соответствует государственному образовательному стандарту и требованиям программы по иностранным языкам для неязыковых вузов. Пособие рассчитано на 280–320 часов аудиторной работы (в зависимости от уровня подготовки учащихся) и содержит неадаптированные тексты, взятые из современных английских и американских источников по данной специальности, и краткий грамматический справочник с упражнениями.

Для учащихся старших курсов вузов, изучающих менеджмент, бизнес, экономику, маркетинг.

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ОТ АВТОРА

В последнее время большое внимание на факультетах менеджмента уделяется иностранным языкам. Сегодня ценность специалистов в области управления во многом определяется способностью свободно общаться и вести деловые переговоры с представителями других стран, а также читать специальную литературу. Поэтому в учебных планах факультетов менеджмента предусматривается изучение английского языка в объеме и по методикам, позволяющим достичь соответствующего уровня.

Данное учебное пособие соответствует требованиям программы по иностранным языкам для неязыковых вузов и предназначено для учащихся старших курсов вузов, изучающих менеджмент и маркетинг, экономику и бизнес по специальностям “Экономика и управление”, “Менеджмент организаций”, “Стратегический менеджмент”, “Маркетинг”, “Управление человеческими ресурсами”, “Логистика”, “Информационные технологии в управлении”.

Пособие, в частности, может использоваться для обучения на экономических факультетах, где изучаются такие дисциплины, как “Общий менеджмент”, “Теория организаций” и специальные функционально-ориентированные прикладные дисциплины (менеджерские и организационные науки и технологии), позволяющие студентам получить навыки и умения для работы в сфере стратегического менеджмента, маркетинга, логистики и управления человеческими ресурсами, информационных технологий управления.

Пособие также может быть рекомендовано обучающимся в школах менеджеров, бизнеса, в специализированных колледжах, где цель обучения языку – приобретение навыков устной и письменной речи в сфере делового (коммерческого) общения, на факультетах и в институтах повышения квалификации, лицам, уже владеющим английским языком, но которым необходимо усовершенствовать его по специальности менеджмент, а также лицам, самостоятельно изучающим вопросы бизнеса. Может использоваться для самостоятельного изучения лицами, связанными с работой в области коммерческой деятельности.

Пособие рассчитано на 280–320 часов аудиторной работы (в зависимости от уровня подготовки учащихся), и содержит неадаптированные тексты, взятые из современных английских и американских источников по данной специальности.

Учебное пособие состоит из следующих частей:

1. Основной курс. В этом разделе представлены основные типы организаций в бизнесе, управление производством, стратегическое планирование, работа с кадрами, управление финансами, бухгалтерское дело. Даются советы, как вести деловые беседы по телефону, как писать и оформлять деловые письма, резюме и заявления для приема на работу, приводятся основные виды банковской документации и ее образцы, основные положения контракта.

2. Краткий повторительный курс грамматики (Grammar Revision Course) для тех, кто продолжает изучение грамматики английского языка, с закрепляющими упражнениями.

3. Тексты для дополнительного чтения (Texts for Additional Reading) расширят знания в области теории управления, познакомят с вопросами маркетинга в Интернете. Представлены, ситуации, возникающие при исполнении контракта, вопросы создания коммерческих сайтов для рекламы и маркетинга в Интернете.

4. Прилагается словарь сокращений и терминов, часто используемых в деловых документах, толковый словарь сокращений и терминов в Интернете, а также толковый словарь сокращений международных терминов для условий перевозки и доставки, применяемых в контрактах.

Учебное пособие имеет практическую направленность. Кроме навыка понимания и умения переводить специальную литературу, составлять деловые документы, основной целью является развитие навыков устной речи. Материал ориентирован на активные и интенсивные методы обучения иностранным языкам.

GOOD LUCK!

UNIT 1

WHAT IS “MANAGEMENT”?

TEXT 1. TRADITIONAL INTERPRETATION

There are a variety of views about this term. Traditionally, the term “management” refers to the set of activities, and often to the group of people, involved in four general functions, including planning, organizing, leading and coordinating activities. All these four functions are highly integrated and interrelated.

Another Interpretation

Some writers, teachers and practitioners say that the above view is rather out-of-date and that management needs to focus more on leadership skills, e.g., establishing vision and goals, communicating the vision and goals, and guiding others to accomplish them. They also say that leadership must be more facilitating, participative and empowering in how visions and goals are established and carried out. Some people say that this really isn't a change in the management functions but a new look at certain aspects of management.

Another common view is that “management” is getting things done through others. Yet another view, quite apart from the traditional view, asserts that the job of management is to support employee's efforts to be fully productive members of the organizations.

To most employees, the term “management” probably means the group of people (executives and other managers) who are primarily responsible for making decisions in the organization. In nonprofit organizations, the term “management” might refer to all or any of the activities of the board, executive director and/or program directors.

VOCABULARY

practitioner [præk'tɪʃnə]	– практик, профессионал
facilitating [fə'sɪlɪteɪtɪŋ]	– стиль управления, основанный на стремлении помочь
participative [pɑ:'tɪsɪpətɪv]	– стиль управления, основанный на участии в чем-л.
empowering [ɪm'paʊəɪŋ]	– дающий возможность или право что-л. сделать

UNIT 1. What is “Management”?

leadership	– руководство
skills	– навыки
vision	– видение, представление
to assert [ə'sɜ:t]	– утверждать, заявлять
employee [em'plɔ:fi]	– работник, служащий
executive [ig'zekjutiv]	– администратор, руководитель
efforts	– усилия
nonprofit organization [ɔ:gənə'raɪzɪʃən]	– некоммерческая организация
to refer to	– иметь отношение, относиться; касаться
board	– правление
executive director	– директор-распорядитель
program director	– руководитель программы

TEXT 2. WHAT IS A MANAGER?

A number of different terms are often used instead of the term “manager”, including “director”, “administrator” and “president”. The term “manager” is used more frequently in profit-making organizations, while the others are used more widely in government and non-profit organizations such as universities, hospitals and social work agencies.

So, whom do we call a “manager”?

In its broad meaning the term “managers” applies to the people who are responsible for making and carrying out decisions within a certain system. A **personnel manager** directly supervises people in an organization. **Financial manager** is a person who is responsible for finance. **Sales manager** is responsible for selling of goods. A **marketing manager** is responsible for promotion of products on the market.

Almost everything a manager does involves decision-making. When a problem exists a manager has to make a decision to solve it. In decision-making there is always some uncertainty and risk.

Management is a variety of specific activities. Management is a function of planning, organizing, coordinating, directing and controlling. Any managerial system, at any managerial level, is characterized in terms of these general functions.

Managing is a responsible and hard job. There is a lot to be done and relatively little time to do it. In all types of organizations managerial ef-

efficiency depends on manager's direct personal relationships, hard work on a variety of activities and preference for active tasks.

The characteristics of management often vary according to national culture, which can determine how managers are trained, how they lead people and how they approach their jobs.

The amount of responsibility of any individual in a company depends on the position that he or she occupies in its hierarchy. Managers, for example, are responsible for leading the people directly under them, who are called subordinates. To do this successfully, they must use their authority, which is the right to take decisions and give orders. Managers often delegate authority. This means that employees at lower levels in the company hierarchy can use their initiative, that is make decisions without asking their manager.

VOCABULARY

personnel manager [ˌpɜːsəˈneɪ]	– начальник отдела кадров
financial manager	– финансовый менеджер
sales manager	– заведующий отделом продаж, заведующий отделом сбыта
marketing manager	– менеджер по маркетингу
to supervise	– наблюдать (за чем-л.); надзирать; заведовать
profit-making organization	– коммерческая организация
managerial [ˌmænəˈdʒɪəriəl]	– управленческий
hierarchy [ˈhaɪərɑːki]	– иерархия
subordinate [səbˈɔːdnɪt]	– подчиненный
authority [ɔːˈθɔːrɪti]	– власть, полномочия
to delegate authority	– передавать полномочия

Assignment. Answer the questions:

1. What is manager's role in an organization?
2. What concrete activities a production manager (financial manager, personnel manager, marketing manager) is responsible for?
3. What is the difference between sales management and marketing management?
4. What means to delegate authority?

TEXT 3. MANAGERS

There is a classic definition that “Leaders do the right thing and managers do things right.” A more standard definition is usually something like “managers work toward the organization’s goals using its resources in an effective and efficient manner.” In a traditional sense, large organizations may have different levels of managers, including top managers, middle managers and first-line managers.

Top (or executive) managers are responsible for overseeing the whole organization and typically engage in more strategic and conceptual matters, with less attention to day-to-day detail. Top managers have middle managers working for them and who are in charge of a major function or department. **Middle managers** may have **first-line managers** working for them and who are responsible to manage the day-to-day activities of a group of workers.

Note that there are different types of managers across the same levels in the organization. A **project manager** is in charge of developing a certain project, e.g., development of a new building. A **functional manager** is in charge of a major function, such as a department in the organization, e.g., marketing, sales, engineering, finance, etc. A **product manager** is in charge of a product or service. Similarly, a **product line manager** is in charge of a group of closely related products. **General managers** are in charge of numerous functions within an organization or department.

What Do Managers Do?

There are four major functions of managers: planning, organizing, leading and coordinating. What managers do is the following:

1) **Planning,**

including identifying goals, objectives, methods, resources needed to carry out methods, responsibilities and dates for completion of tasks. Examples of planning are strategic planning, business planning, project planning, staffing planning, advertising and promotions planning, etc.

2) **Organizing resources**

to achieve the goals in an optimum fashion. Examples are organizing new departments, human resources, office and file systems, re-organizing businesses, etc.

3) **Leading,**

including to set direction for the organization, groups and individuals and also influence people to follow that direction. Examples are establishing strategic direction (vision, values, and goals) and using methods to pursue that direction.

4) *Controlling, or coordinating,*

the organization's systems, processes and structures to reach effectively and efficiently goals and objectives. This includes constant monitoring and adjustment of systems, processes and structures accordingly. Examples include use of financial controls, policies and procedures, performance management processes, measures to avoid risks etc.

VOCABULARY

top (executive) manager	– высший исполнительный руководитель
top management	– высшее исполнительное руководство, высшая администрация
middle managers	– руководители среднего звена
first-line managers	– руководители низшего звена
project manager	– руководитель проекта
functional manager	– функциональный руководитель
product manager	– руководитель, ответственный за конструирование, производство и реализацию изделия
product line manager	– управляющий предметно-производственной специализацией
general manager	– генеральный управляющий; директор предприятия
staffing planning	– планирование кадрового обеспечения (укомплектования персоналом)
promotions planning	– планирование продвижения продукта на рынок
project planning	– планирование проекта
financial controls	– финансовые средства управления
human resources [hʌ'n'sɔ:sɪz]	– трудовые ресурсы
to pursue [pə'sju:]	– добиваться
objective	– цель

UNIT 1. What is “Management”?

goal	– задача
completion	– завершение
to oversee	– надзирать, следить, смотреть (за чем-л.)
to avoid	– избегать
performance management	– управление производительностью
file system	– система регистрации и хранения (документов) в каком-л. определенном порядке

Assignment. Answer the questions:

1. What are the four major functions of managers?
2. What is planning? What are the kinds of planning?
3. What are the examples of organizing the resources?
4. What is “leading”?
5. What is the function of “controlling”?

TEXT 4. WHAT IS “SUPERVISION”?

There are several interpretations of the term “supervision”, but typically supervision is the activity carried out by supervisors to oversee the productivity and progress of employees who report directly to the supervisors. For example, first-level supervisors supervise entry-level employees. Depending on the size of the organization, middle-managers supervise first-level supervisors, chief executives supervise middle-managers, etc. Supervision is a management activity and supervisors have a management role in the organization.

What Do Supervisors Do?

Supervision of a group of employees often includes the following responsibilities:

1. Using basic management skills (decision making, problem solving, planning and delegation).
2. Organizing their department and teams.
3. Noticing the need for and designing new job roles in the group.
4. Hiring new employees.

5. Training new employees.
6. Management of employees performance (setting goals, observing and giving feedback, performance issues, firing employees, etc.).
7. Conforming to personnel policies and other internal regulations.

VOCABULARY

supervisor ['sju:pəvaɪzə]	– супервайзер (надзиратель, контролер, смотритель)
supervision	– надзор, заведование, контроль
to supervise	– смотреть, наблюдать (за чем-л.); надзирать; заведовать
entry-level employees	– работники начального уровня
chief executive	– исполнительный директор
delegation	– делегирование, передача полномочий
feedback	– обратная связь
responsibility	– обязанность
hiring	– прием на работу
training	– обучение
firing	– увольнение с работы
employee performance management	– руководство выполнением работ, обязанностей, функций и т. п. работников
performance issues	– вопросы повышения производительности труда
to conform	– согласоваться (to/with – с чем-л.); соответствовать (to/with – чему-л.)
personnel policies	– кадровая политика, политика в отношении кадров
internal regulations	– внутренние правила и инструкции

Assignment. Answer the questions:

1. Why supervision is regarded a management activity?
2. Whom do we call a supervisor?

3. What are the main responsibilities carried out by supervisors? Describe them.

Assignment. Translate into English:

1. Большие организации могут иметь менеджеров различного уровня, включая топ менеджеров, менеджеров среднего звена и менеджеров низшего звена.
2. Топ менеджеры ответственны за всю организацию и обычно участвуют в решении стратегических и концептуальных вопросов.
3. Топ менеджеры руководят менеджерами среднего звена, которые ответственны за главную функцию или отдел.
4. Менеджеры среднего звена руководят менеджерами низшего звена, ответственными за управление ежедневными действиями группы рабочих.
5. Имеются различные типы менеджеров на одних и тех же уровнях в организации.
6. Функциональный менеджер отвечает за главную функцию, например: маркетинг, продажи, финансы, и т. д.
7. Генеральные директора отвечают за многочисленные функции в пределах организации или отдела.
8. Примеры планирования – стратегическое планирование, планирование бизнеса, планирование проекта, планирование кадрового обеспечения, планирование рекламирования и продвижения товаров.
9. Управление – ответственная и трудная работа. Во всех типах организаций организаторская эффективность зависит от прямых персональных отношений менеджера.
10. Менеджеры часто делегируют полномочия. Делегирование означает, что служащие на более низких уровнях в иерархии компании могут использовать свою инициативу и принимать решения, не спрашивая у менеджера.

Assignment. Translate into Russian:

What are Chief Executives?

Usually, this term generally applies to those people or specific positions in top levels of management, e.g., chief executive officers, chief operating officers, chief financial officers, vice presidents, general

managers of large organizations, etc. In large organizations, executives often have different forms of compensation or pay, e.g., they receive portions of the company's stock, etc. Chief executives usually pay strong attention to strategic plans and organizational performance measured financially. Many people think of the Chief Executive Officer (CEO) as heading up large, for-profit corporations. This is not entirely true. The majority of businesses in the United States are small businesses, whether for-profit or nonprofit. Their top executives could be also called Chief Executive Officers.

TEXT 5. STRATEGIC MANAGEMENT THINKING

To be effective as a leader, you must develop skills in strategic thinking. Strategic thinking is a process whereby you learn how to make your business vision a reality by developing your abilities in team work, problem solving, and critical thinking. It is also a tool to help you confront change, plan for and make transitions, and envision new possibilities and opportunities.

Strategic thinking is like making a movie. Every movie has a context (or story), which it uses to get you to experience a certain outcome (an emotion, in this case) at the end of the movie. Strategic thinking is much the same in that it requires you

Для того чтобы стать лидером, вы должны воспитать у себя навыки стратегического мышления. Стратегическое мышление – это процесс, посредством которого вы учитесь воплощать ваше коммерческое видение в жизнь, развивая у себя способности к коллективной работе, решению проблем и критическому мышлению. Ко всему, это еще и инструмент, помогающий вам противостоять изменяющимся обстоятельствам, планировать необходимые преобразования, проводить их в жизнь, а также предвидеть новые направления и возможности.

Стратегическое мышление сродни созданию кинофильма. У каждого фильма имеется содержание (сюжет), с помощью которого он подводит вас в конце к определенному результату (в данном случае – вы испытываете эмоции). Стратегическое

to envision what you want your ideal outcome to be for your business and then works backwards by focusing on the story of HOW you will be able to reach your vision.

As you develop a strategic vision for your business, there are five different criteria that you should be guided by. They will help you define your ideal outcome. In addition, they will help you determine the steps necessary to make your business vision a reality.

The following is a list of these five criteria:

1. Organization. The organization of your business involves the people you will have working for you, the organizational structure of your business, and the resources necessary to make it all work. What will your organization look like? What type of structure will support your vision? How will you combine people, resources, and structure together to achieve your ideal outcome?

мышление в вашей работе обладает во многом схожим механизмом, поскольку требует от вас вначале представить, ЧТО именно вы хотите получить в идеале от вашей предпринимательской деятельности, а затем – вернуться назад и создать сценарий, КАК вы сможете воплотить свои представления в жизнь.

Разрабатывая стратегическое мышление для своего предприятия, вы должны руководствоваться пятью различными критериями. Они помогут вам четко обрисовать ваш воображаемый результат. Вдобавок, они помогут вам определить количество этапов, необходимых для превращения вашего коммерческого видения в реальность.

Ниже приводится перечень этих пяти критериев:

1. Организация. Организация вашего предприятия – это люди, которые будут на вас работать, организационная структура вашей компании и ресурсы, необходимые для того, чтобы заставить все это хозяйство функционировать. Как будет выглядеть ваша организация? Структура какого типа будет поддерживать ваше видение? Каким образом вы объедините вместе людей, ресурсы, структуру и добьетесь желаемого результата?

2. Observation. When you are looking down at the world from an airplane, you can see much more than when you are on the ground. Strategic thinking is much the same in that it allows you to see things from “higher up.” By increasing your powers of observation, you will begin to become more aware of what motivates people, how to solve problems more effectively, and how to distinguish between alternatives.

3. Views. Views are simply different ways of thinking about something. In strategic thinking, there are four viewpoints to take into consideration when forming your business strategy: the environmental view; the marketplace view; the project view; and the measurement view. Views can be used as tools to help you think about outcomes, identify critical elements and adjust your actions to achieve your ideal position.

2. Наблюдение. Когда вы смотрите на мир сверху, из окна самолета, вы видите гораздо больше, чем когда стоите на земле. Стратегическое мышление – это в значительной степени то же самое. В том смысле, что оно позволяет увидеть вещи “сверху”. Благодаря вашим повышенным наблюдательным возможностям, вы начнете лучше понимать мотивы человеческого поведения, сможете решать проблемы более эффективно и находить отличия между альтернативными вариантами.

3. Точки зрения. Точки зрения – это просто различные взгляды на что-либо. В стратегическом мышлении существуют четыре точки зрения, которые следует брать в расчет при формировании предпринимательской стратегии, а именно: точка зрения окружающей среды; точка зрения рынка; точка зрения проекта и точка зрения важности момента. Вы можете использовать их в качестве инструментов, помогающих вам в процессе достижения цели представить возможные результаты, определить критические элементы и тщательно проверить все ваши действия для достижения идеальной позиции.

4. Driving Forces. What are the driving forces that will make your ideal outcome a reality? What is your company's vision and mission? Driving forces usually lay the foundation for what you want people to focus on in your business (i.e., what you will use to motivate others to perform).

Examples of driving forces might include: individual and organizational incentives; empowerment and alignment; qualitative factors such as a defined vision, values, and goals; productive factors like a mission or function; quantitative factors such as results or experience; and others such as commitment, coherent action, effectiveness, productivity, and value.

5. Ideal Position. After working through the first four phases of the strategic thinking process, you should be able to define your ideal position. Your ideal position outline should include:

4. Движущие силы. Каковы движущие силы, которые воплотят ваш воображаемый результат в реальность? Каково видение и задача вашей компании? Обычно движущие силы лежат в основе того, чему, на ваш взгляд, работники вашего предприятия должны уделять особое внимание (иными словами, это средства, которые вы используете, чтобы побудить других людей хорошо выполнять свои функциональные обязанности).

К разряду движущих сил можно отнести индивидуальные и коллективные стимулы, предоставление полномочий и расстановку, качественные (сформулированное видение, ценности и цели), производственные (задача или назначение) и количественные факторы (результаты или опыт работы), а также преданность делу, согласованные действия, эффективность, производительность труда и стойкость.

5. Идеальная позиция. Пройдя первые четыре фазы процесса стратегического мышления, вам следует научиться определять свою идеальную позицию. Характеристика вашей идеальной позиции должна включать:

- | | |
|--|--|
| <p>1) the conditions you have found to be necessary if your business is to be productive;</p> <p>2) the niche in the marketplace that your business will fill;</p> <p>3) any opportunities that may exist either currently or in the future for your business;</p> <p>4) the core competencies or skills required in your business;</p> <p>5) the strategies and tactics you will use to pull it all together.</p> | <p>1) условия, которые, на ваш взгляд, необходимы для того, чтобы ваша предпринимательская деятельность была эффективной;</p> <p>2) ту рыночную нишу, которую заполнит ваш бизнес;</p> <p>3) любые возможности для вашего предприятия, существующие на данный момент и способные возникнуть в будущем;</p> <p>4) основные знания и достаточную квалификацию, которые необходимы для успешного ведения вашего бизнеса;</p> <p>5) стратегические и тактические направления, которые помогут объединить вам все это в единое целое.</p> |
|--|--|

By working through these five areas, you will begin to get a clearer picture of exactly how your business vision can be accomplished. As your vision becomes more focused, your ideas will appear stronger and more credible. Not only will it be easier to convince others that your idea is a good one, but it will also be easier to maintain your own conviction and motivation when you reach any obstacles on the road.

Тщательно проработав все эти пять критериев, вы гораздо отчетливее увидите путь возможной реализации своих коммерческих замыслов. По мере того, как ваше видение будет становиться все более сфокусированным, ваши идеи будут выглядеть все более значительными и заслуживающими доверия. Вам не только станет легче убеждать других в том, что ваша идея хороша, но и будет легче поддерживать собственную убежденность и мотивацию, когда на вашем пути встретятся препятствия

Assignment. *Write a short essay on:*

1. The role of CEO in an organization.
2. The importance of strategic thinking for the success of business.

UNIT 2

WHAT YOU NEED TO BECOME A SUCCESSFUL LEADER

TEXT 1. KEY TRAITS OF SUCCESSFUL LEADERS

The most important contribution that psychology has made to the field of business over the past years has been in determining the key traits of acknowledged leaders. Psychological tests have been used to determine what characteristics are most commonly noted among successful leaders. This list of characteristics can be used for developmental purposes to help managers gain insight and develop their leadership skills.

The increasing rate of change in the business environment is a major factor in this new emphasis on leadership. Whereas in the past, managers were expected to maintain the status quo in order to move ahead, new forces in the marketplace have made it necessary to expand this narrow focus. The new leaders of tomorrow are visionaries. They are both learners and teachers. Not only do they foresee important changes in society, but they also have high

Важнейший вклад, сделанный психологической наукой в области предпринимательства в последние годы, состоял в выявлении ключевых черт характера признанных лидеров. Были проведены психологические тесты с целью выяснить, какие именно качества наиболее часто встречаются у успешных руководителей. Перечень этих качеств может быть взят менеджерами на вооружение. Он поможет им развить интуицию и выработать организаторские способности.

Часто меняющиеся обстоятельства, при которых осуществляется предпринимательская деятельность, – главная причина повышенного внимания к роли руководителей в наше время. Если в прошлом для того, чтобы фирма процветала, от руководства требовалось лишь поддерживать существующий порядок вещей (статус-кво), то сегодня новые тенденции на рынке диктуют более широкий взгляд на вещи. Будущие лидеры – это

ethical qualities and work to build integrity in their organizations.

провидцы. Они одновременно и ученики, и учителя. Они способны предвидеть важные изменения в обществе, обладают высокими моральными качествами и стараются привить своим организациям дух честности и порядочности.

The traits of an effective leader include the following:

К чертам, присущим успешному руководителю относятся следующие:

1. Emotional stability. Good leaders must be able to tolerate frustration and stress. Overall, they must be well-adjusted and have the psychological maturity to deal with any arising problem.

1. Уравновешенность. Хорошие руководители должны справляться с чувствами разочарования и стрессами. В целом они должны уметь хорошо приспосабливаться и быть достаточно психологически зрелыми, чтобы справиться с любой возникающей проблемой.

2. Dominance. Leaders are often times competitive and decisive and usually enjoy overcoming obstacles. Overall, they are assertive in their thinking style as well as their attitude in dealing with others.

2. Преобладание. Лидеры – в большинстве своем люди решительные, они любят оставлять соперников позади и преодолевать препятствия. В целом они мыслят позитивно и так же относятся к окружающим.

3. Enthusiasm. Leaders are usually seen as active, expressive, and energetic. They are often very optimistic and open to change. Overall, they are generally quick and alert and tend to be uninhibited.

3. Энтузиазм. Лидеры обычно активны, эмоциональны и энергичны. Часто они чересчур оптимистичны и не боятся перемен. В целом они быстры, проворны и стремятся к неограниченной свободе.

4. Conscientiousness. Leaders are often dominated by a sense of

4. Добросовестность. У лидеров обычно очень развито

duty and tend to be very exacting in character. They usually have a very high standard of excellence and an inward desire to do one's best. They also have a need for order and tend to be very self-disciplined.

5. Social boldness. Leaders tend to be spontaneous risk-takers. They are usually socially aggressive and generally thick-skinned. Nevertheless, they are responsive to others and have high emotional stamina.

6. Practicality. Good leaders are practical, logical, and to-the-point. They tend to be low in sentimental attachments, and comfortable with criticism. They are usually insensitive to hardship and are very poised.

7. Self-assurance. Self-confidence and resilience are common traits among leaders. They tend to be free of guilt and have little or no need for approval. They are generally secure and free from guilt and are usually unaffected by prior mistakes or failures.

8. Prudence. Leaders were found to be controlled and very precise

чувство долга и повышенная требовательность к окружающим. Обычно их критерии совершенства очень высоки, поэтому они ощущают внутреннюю потребность делать все наилучшим образом. Они любят порядок и приучают себя к самодисциплине.

5. Общественная активность. Риск заложен у лидеров в крови. Обычно они социально агрессивны и эмоционально непробиваемы. Тем не менее, они отзывчивы по отношению к другим и имеют высокую эмоциональную выдержку.

6. Практичность. Хорошие лидеры практичны, логичны и конкретны. Им чужда сентиментальная привязанность, и они не боятся критики. Обычно они равнодушны к трудностям и имеют отличное самообладание.

7. Уверенность в себе. Уверенность в себе и гибкость – типичные черты лидеров. Они стремятся не культивировать в себе чувство вины и не нуждаются (или почти не нуждаются) в чьем-либо одобрении. Обычно они держатся уверенно и не испытывают угрызений совести. Как правило, на них не оказывают влияния прошлые ошибки и неудачи.

8. Предусмотрительность (дальновидность). Как выяснилось,

in their social interactions. Overall, they are very protective of their integrity and reputation and consequently tend to be aware of what happens. They are careful and abundant in foresight. They make decisions and come to specific actions only after considering everything.

Beyond aforesaid basic traits, leaders of today have to be able to motivate others and lead them in new directions. Leaders of the future must be able to envision the future and convince others that their vision is worth following. To do this, they must have the following personality traits:

9. High energy. Long hours and some travel are usually a prerequisite for leadership positions, especially as your company grows. Remaining alert and staying focused are two of the greatest obstacles you will have to face as a leader.

10. Intuitiveness. Rapid changes in the world today combined with information overload result in an inability to “know” everything.

лидеры подвержены чужому влиянию и очень щепетильны в общении с окружающими. В целом они очень заботятся о своей чести и репутации, поэтому стремятся всегда быть в курсе происходящего. Они осторожны и предусмотрительны. Они принимают решения и переходят к конкретным действиям лишь после того, как все взвесят.

Помимо вышеизложенных основных качеств, современные лидеры должны также уметь убеждать других людей и быть способными повести их за собой в новом направлении. Лидеры должны уметь предвидеть будущее и убедить других в том, что их прогноз заслуживает доверия. Для этого им следует обладать следующими чертами характера:

9. Энергичность. Ненормированный рабочий день и частые поездки входят в обязанности руководителя, особенно когда компания расширяется. Всегда быть бдительным и сосредоточенным – вот две самые большие трудности, которым вам придется столкнуться на руководящем посту.

10. Интуиция. Стремительные изменения, происходящие в современном мире, в сочетании с информационной перегрузкой

In other words, reasoning and logic will not get you through all situations. In fact, more and more leaders are using their intuition and trusting it when making decisions.

11. Maturity. To be a good leader, personal power and recognition must be secondary to the development of your employees. In other words, maturity is based on recognizing that more can be accomplished by empowering others than can be by ruling others.

12. Team orientation. Business leaders today put a strong emphasis on team work. Instead of promoting an adult/child relationship with their employees, leaders create an adult/adult relationship, which fosters team cohesiveness.

13. Empathy. Being able to “put yourself in the other person's shoes” is a key trait of leaders today. Without empathy, you

не дают возможности “знать” решительно все. Другими словами, одной только рассудительности и логики может оказаться недостаточно, чтобы найти выход из ситуации. Нынче все большее число лидеров прибегают к интуиции и полагаются на нее при принятии решений.

11. Зрелость. Для того, чтобы стать хорошим руководителем, следует понимать, что ваша личная власть и всеобщее признание должны быть на втором месте, а повышение квалификации вашего персонала – на первом. Другими словами, зрелость основана на понимании того, что можно добиться большего, если отказаться от безраздельного управления подчиненными и вместо этого наделить их полномочиями.

12. Ориентация на команду. В настоящее время предприниматели прилагают много усилий к тому, чтобы коллектив работал как единая команда. Отношениям с подчиненными в стиле “взрослый-ребенок” лидеры предпочитают отношения “взрослый-взрослый”, что стимулирует сплочение коллектива.

13. Сопереживание. Умение “поставить себя на место другого” – это главная черта современных лидеров. Если вы не

can't build trust. And without trust, you will never be able to get the best effort from your employees.

14. Charisma. People usually perceive leaders as special people. Charisma plays a large part in this perception. Leaders who have charisma are able to arouse strong emotions in their employees. Such leaders motivate employees to reach toward a future goal by tying the goal to substantial personal rewards and values.

Overall, leaders are larger than life in many ways. Personal traits play a major role in determining who will and who will not be able to lead others. However, it's important to remember that people are forever learning and changing.

Leaders are rarely (if ever) born. Circumstances and persistence are major components in the developmental process of any leader. So if your goal is to become a leader, work on developing

умеете сопереживать, вы не сможете добиться взаимного доверия. А без доверия вы никогда не добьетесь максимальной самоотдачи на работе от вашего персонала.

14. Харизма (обаяние, умение стать лидером, снискать популярность). Окружающие обычно воспринимают лидеров как людей особенных. В этом восприятии большую роль играет личное обаяние (харизма) лидера. Руководители, обладающие таким обаянием, способны вызывать у своих подчиненных сильные эмоции. Такие руководители находят нужные мотивировки для работников при достижении поставленных целей, используя как систему вознаграждений, так и апеллирование к гражданскому долгу.

В целом, лидеры – люди особого склада. И лишь личные качества определяют, сможет или не сможет данный человек успешно руководить другими. Тем не менее, не следует забывать, что люди в течение жизни способны обучаться и изменяться.

Лидерами редко рождаются. Благоприятные обстоятельства и настойчивость – вот основные составляющие воспитания любого лидера. Следовательно, если ваша цель – выбиться

UNIT 2. What you need to become a successful leader

those areas of your personality that you feel are not up to “leader standard”.

в лидеры, развивайте те свои качества, которые, на ваш взгляд, еще не соответствуют “стандарту лидера”.

Assignment. Give definitions to the following personal traits of successful leaders (in written):

Emotional stability.

Dominance.

Enthusiasm.

Conscientiousness.

Social boldness.

Practicality.

Self-assurance.

Prudence.

High energy.

Intuitiveness.

Maturity.

Charisma.

TEXT 2. WHAT IS THE DIFFERENCE BETWEEN LEADERSHIP AND MANAGEMENT?

Business writers, speakers and consultants have thoroughly analyzed the difference between leaders and managers. Many of these comparisons present leaders as more creative and valuable to an organization than managers. However, thinking about leaders and managers in such a categorical way doesn't serve us well. There are organizations with too many leaders that failed from their inability to manage and implement day-to-day business issues. And there are companies with excellent managers that fail because they did not innovate, motivate change nor keep their eye on the strategic threats. An organization needs both management and leadership. Managing is a subset of leadership. A good leader must both lead and manage well.

So, just what is the difference between leading and managing? **Managers manage things, but lead people.** They manage financial ratios, inventory, process flow, cash, information systems and leadership development. At the same time they lead people, their perceptions, mindset and motivation. Most executives are bright managers and businessmen. Many are very skilled in managing the administrative and operational aspects of their businesses.

There are often situations when a manager or supervisor is suddenly promoted to a position of directional leadership. The transition from manager to leader is a difficult one, as is the attempt to train and

develop leaders. Why? Because business community knows little about leadership and the technology of leading.

What is Leadership?

Basically, leadership is making people to follow you. The importance of good leadership cannot be overestimated. Leaders understand what has to happen with things in the company, and tell people what is needed for the desired results. However, leadership is more than planning a business strategy so that others followed it.

Sometimes the most skilled leaders ask themselves, “What can I say or do, in order to make my employees do what I want them to do?” But people do what their minds and emotions tell them to do, not necessarily what the leader says to do. No leader can motivate others. The employees have to motivate themselves. In short, the leaders know the ways to optimize the work of employees and achieve organization's success.

Since leading is basically a psychological process and skill, leaders who learn and practice in leadership technology will be much more effective in their work.

And leadership skills, like management skills, can be learned and improved. Releasing the energy and motivation of your employees opens new opportunities and inevitably results in bottom line improvements.

Managing Leadership

If leadership can be taught (and it can), it can also be managed. The most progressive and successful companies are managing leaders and leadership systematically. There are certain principles and models that help to develop a strong leadership system. Some companies have to manage leadership to get a significant change in their bottom-line.

Three Leadership Rules to Remember

Rule 1: You must have or develop the skill, and take the time to find out what is in the employee's mind. A good leader knows and consistently uses some of the many techniques for learning employee's needs and assessing how they experience their environment. Leaders need to create and manage a system of feedback that keeps them in permanent touch with employee mindset so they lead professionally.

Rule 2: To be a powerful leader, you must show your “leadership” to others. Good leaders have the leadership behavior called for by the situation. They fit the leader role rather than make the role fit them.

Rule 3: Remember, if people aren't following, you're not leading. To create an effective leadership, you must develop your leadership skills so that they are deliberate and professional. Manage your leadership development.

VOCABULARY

to fail	– потерпеть неудачу, не иметь успеха, обанкротиться (о фирме)
to keep eye on smb., smth.	– следить за кем-л., чем-л.
threat [θret]	– опасность, угроза
to implement	– осуществлять; обеспечивать выполнение, приводить в исполнение
day-to-day	– повседневный
business issue	– деловой вопрос (проблема)
subset	– подмножество
financial ratios	– финансовые коэффициенты
inventory	– материально-производственные запасы
process flow	– технологический маршрут; последовательность технологических операций
cash	– наличные деньги
to achieve	– добиваться, достигать
operational aspects	– практические аспекты
perceptions	– восприятие, понимание
bottom-of-the-line (bottom-line)	– результат работы, итоговая строка счета прибылей и убытков
to call for	– требовать
feedback	– обратная связь
consistently	– последовательно
mind	– мнение, взгляды, настроение
techniques [tek'ni:ks]	– методы, способы
mindset	– отношение

inevitably	– неизбежно
motivation	– побуждение, мотивация
deliberate [dɪ'lib(ə)rɪt]	– хорошо обдуманный
to fit	– подходить, быть подходящим для (чего-л.), соответствовать (чему-л.)
to experience [ɪks'pɪəriəns]	– испытывать, чувствовать

Assignment. *Answer the questions:*

1. What do managers manage?
2. Must all managers be also good leaders?
3. Must a good leader both lead and manage well?
4. What personal traits are necessary to be a good leader?
5. What helps the leaders to lead professionally?
6. What do good leaders have to do to create an effective leadership?

Assignment. *Translate into English:*

1. Организации нуждаются и в управлении, и в лидерстве.
2. Многие руководители очень квалифицированы в управлении административными и практическими аспектами своих организаций.
3. Хороший лидер должен как вести за собой, так и хорошо управлять.
4. Важность лидерства не может быть переоценена.
5. Лидерство – это больше чем планирование деловой стратегии и мотивация сотрудников.
6. Лидеры, которые изучают и осуществляют на практике технологии лидерства, будут намного более эффективны в своей работе.

TEXT 3. HOW TO MOTIVATE YOUR EMPLOYEES?

Successful managers know how to motivate their employees. Although everyone is motivated by different needs, most people will tell you that two of the most important things they look for in a company are mutual respect and personal involvement. When workers feel good about themselves, the work they do, and the company they work for, it is much easier to gain their cooperation.

UNIT 2. What you need to become a successful leader

To manage successfully and improve the performance of employees:
Involve employees in decision-making process. Give employees a share in decision-making. If not deciding what is to be done, then how it is to be done, or when or in what way and by whom.

Keep employees informed. Keep employees informed about changes that can directly affect them such as business policy changes, procedure or rule changes, product information changes, and performance standard changes.

Be aware of the morale level of your employees. Be sensitive to changes in morale. Know when and why it goes up or down.

Maintain an open-door policy. Be approachable, available, and interested, not distant.

Develop a caring attitude. A good manager trains, develops, counsels, guides, and supports employees.

Be sure to listen. Always listen to and try to understand what employees are communicating.

Always treat your employees with respect. Be thoughtful and considerate of the person you are dealing with.

Ask for suggestions. Be sure to invite suggestions and new ideas from employees concerning work. Be willing to put good ideas into effect by making changes.

Give “constructive” criticism. An effective manager gives constructive criticism and never makes personal attacks.

Recognize your employees. Give appropriate praise and recognition for a job well done.

Outline job responsibilities. Make certain employees know exactly what is expected of them and how their performance will be evaluated.

Maintain high standards. By involving employees in establishing high standards of performance, you will build their pride and self-confidence.

VOCABULARY

mutual respect

– взаимное уважение

personal involvement

– личное участие (в чем-л.)

motivate

– мотивировать, побуждать, при-
нуждать

procedure

– 1) процедура; 2) методика прове-
дения (административной работы)

TEXT 3. How To Motivate Your Employees?

performance	– 1) выполнение, исполнение; 2) производительность или интенсивность труда
business policy	– деловая политика; формулировка целей фирмы и выбор средств для их достижения
approachable (available)	– доступный
caring attitude	– внимательное отношение
to involve	– вовлекать
to train	– обучать
to develop	– развивать
to counsel	– советовать, рекомендовать
to guide	– направлять, управлять, руководить
to communicate	– говорить, сообщать кому-л. о чем-л., общаться
personal attacks	– нападки, резкая критика
to put into effect	– осуществлять, приводить в исполнение, проводить в жизнь
thoughtful	– заботливый, чуткий, внимательный
considerate	– внимательный к другим; деликатный, тактичный
to recognize	– ценить, признавать (чьи-л. заслуги); отдавать должное (кому-л.)
to outline	– обрисовать, наметить в общих чертах
job responsibilities	– должностные обязанности
to make certain	– убедиться в чем-л.
business community	– деловые круги
performance standard	– уровень интенсивности или эффективности труда; норма производительности, норма выработки
morale [mɔːrɑ:l]	– моральное состояние; боевой дух
self-confidence	– уверенность в себе

Assignment. Write a short essay on:

1. The difference between leadership and management.
2. What to do to manage successfully and improve the performance of employees.

FORMS OF BUSINESS ORGANIZATION**TEXT 1. SOLE PROPRIETORSHIP**

There are three principal forms of business organization:

1. the **Sole Proprietorship**,
2. the **Partnership**, and
3. the **Corporation**.

The simplest form of business organization is the **sole proprietorship**, which is owned by one person. Many small businesses start out as sole proprietorships. The owner has relatively unlimited control over the business and keeps all the profits. These firms are usually owned by one person who has day-to-day responsibility for running the business. Sole proprietors own all the assets of the business and the profits generated by it. They also have complete responsibility for any of its liabilities or debts. In case of breach of contract the business property and personal assets of the owner may be taken to pay judgments for damages awarded by courts.

Sole proprietorships are the most numerous form of business organization. No charter and permit are needed and there are no particular legal requirements for organizing or conducting a sole proprietorship. When started, many sole proprietorships are conducted out of the owner's home, garage, or van and inventory may be limited and may often be purchased on credit.

Advantages of a Sole Proprietorship

1. Easiest and least expensive form of ownership to organize.
2. Sole proprietors are in complete control of business, and within the law, may make any decisions.
3. Sole proprietors receive all income from the business to keep or reinvest.
4. Profits from the business flow-through directly to the owner's personal tax return.
5. The business is easy to dissolve, if desired.

Disadvantages of a Sole Proprietorship

1. Sole proprietors have unlimited liability and are legally responsible for all debts against the business. Their business and personal assets are at risk.

2. Sole proprietors may be at a disadvantage in raising funds and are often limited to using funds from personal savings.

3. Sole proprietors may have a hard time attracting high-caliber employees, or those that are motivated by the opportunity to own a part of the business.

Main Features of a Sole Proprietorship:

- (+) Easy to organize
- (+) Owner has complete control
- (+) Owner receives all income
- (-) Owner has unlimited liability
- (-) Benefits are not business deductions

VOCABULARY

feature	– особенность
sole proprietorship [prə'praɪətəʃɪp]	– единоличное владение бизнесом
owner ['əʊnə]	– владелец; собственник, хозяин
unlimited liability [ˌlɑːə'bɪlɪtɪ]	– неограниченная ответственность
income	– доход, доходы
benefit	– выгода, прибыль
deductions	– отчисления
proprietor [prə'praɪətə]	– хозяин, владелец предприятия
profit	– прибыль, доход
advantage	– преимущество
disadvantage	– неудобство
to run a business	– вести дело, управлять предприятием
within the law	– в рамках закона
assets ['æsets]	– средства, фонды, авуары, имущество
liabilities [ˌlɑːə'bɪlɪtɪz]	– долги, денежные обязательства
debt [det]	– долг
breach of contract	– нарушение контракта
to start out	– начинать профессиональную деятельность
legal requirements	– законные ограничения
inventory [ɪn'ventərɪ]	– материально-производственные запасы

UNIT 3. Forms of Business organization

charter ['tʃɑ:tə]	– документ, разрешающий создание компании
permit ['pɜ:mit]	– разрешение
to raise funds	– привлекать фонды, мобилизовать средства
employee [ˌemplɔɪ:]	– служащий; работающий по найму
personal tax return	– личная налоговая декларация

Assignment. Answer the questions:

1. What are the three principal forms of business organization?
2. What is a sole proprietorship?
3. What are the advantages and disadvantages of sole proprietorship?

TEXT 2. PARTNERSHIP

In a **Partnership**, two or more people share ownership of a single business. Like proprietorships, the law does not distinguish between the business and its owners. The Partners should have a legal agreement that sets forth how decisions will be made, profits will be shared, disputes will be resolved, how future partners will be admitted to the partnership, how partners can be bought out, or what steps will be taken to dissolve the partnership when needed.

Many partnerships split up at crisis times. They also must decide up front how much time and capital each will contribute, etc.

Advantages of a Partnership

1. Partnerships are relatively easy to establish; however partners should develop the partnership agreement.
2. With more than one owner, the ability to raise funds may be increased.
3. The profits from the business flow directly through to the partners' personal tax returns.
4. Prospective employees may be attracted to the business if given the incentive to become a partner.
5. The business usually will benefit from partners who have complementary work skills.

Disadvantages of a Partnership

1. Partners are jointly and individually liable for the actions of the other partners.

2. Profits must be shared with others.
3. Since decisions are shared, disagreements can occur.
4. The partnership may have a limited life; it may end upon the withdrawal or death of a partner.

There exist different types of Partnerships:

1. General Partnership

Partners divide responsibility for management and liability, as well as the shares of profit or loss according to their internal agreement. Equal shares are assumed unless there is a written agreement that states differently.

2. Limited Partnership and Partnership with limited liability

“Limited” means that most of the partners have limited liability (to the extent of their investment) as well as limited management decisions, which generally encourages investors for short term projects, or for investing in capital assets. This form of ownership is not often used for operating retail or service businesses. Forming a limited partnership is more complex and formal than that of a general partnership.

3. Joint Venture

Joint Venture acts like a general partnership, but it is formed for a limited period of time or a single project. If the partners in a joint venture repeat the activity, they will be recognized as a continuing partnership and distribute accumulated partnership assets upon dissolution of the entity.

Main Features of a Partnership:

- (+) Easy to organize, but needs agreement
- (+) Partners receive all income
- (-) Partners have unlimited liability
- (-) Partners may disagree
- (-) Life of business may be limited

VOCABULARY

partnership

– товарищество, партнерство (некорпорированная фирма, которой владеют и которой управляют два лица или более)

general partnership

– компания с неограниченной ответственностью

UNIT 3. Forms of Business organization

limited partnership	– товарищество с ограниченной ответственностью
to distinguish	– различать, проводить различие
to set forth	– излагать, формулировать
legal agreement	– юридическое соглашение
complementary	– добавочный, дополнительный
capital assets	– 1) основные фонды (машины, здания, сооружения, оборудование и т. п.); 2) оборотные средства
retail	– розничная продажа
to the extent of	– до размера, в пределах
share	– доля, часть; квота; акция
incentive	– стимул
withdrawal	– уход
limited liability [ˌlɪmɪtɪd ˈliəbɪləti]	– ограниченная ответственность
joint venture	– совместное предприятие
to dissolve the partnership	– аннулировать, расторгать партнерство
dissolution of the entity	– ликвидация экономического объекта

Assignment. Answer the questions:

1. What is a partnership?
2. What are the limited partnership and general partnership?
3. What are the advantages and disadvantages of partnership?
4. What is a joint venture?

TEXT 3. CORPORATION

A **corporation** is chartered by the state in which it has headquarters. It is considered by law to be a unique entity, separate and apart from those who own it. A corporation can be taxed; it can be sued; it can enter into contractual agreements. The owners of a corporation are its shareholders. The shareholders elect a board of directors to oversee the major policies and decisions. The corporation has a life of its own and does not dissolve when ownership changes.

Advantages of a Corporation

1. Shareholders have limited liability for the corporation's debts or judgments against the corporations.
2. Generally, shareholders can only be held accountable for their investment in stock of the company. (Note however, that officers can be held personally liable for their actions, such as the failure to withhold and pay employment taxes.)
3. Corporations can raise additional funds through the sale of stock.

Disadvantages of a Corporation

1. The process of incorporation requires more time and money than other forms of organization.
2. Corporations are monitored by federal, state and some local agencies, and as a result may have more paperwork to comply with regulations.
3. Incorporating may result in higher overall taxes. Dividends paid to shareholders are not deductible from business income, thus this income can be taxed twice.

Main features a Corporation:

- (+) Shareholders have limited liability
- (+) Can raise funds through sale of stock
- (+) Life of business is unlimited (continuity of life)
- (-) To incorporate a firm takes time and money
- (-) May result in higher overall taxes

VOCABULARY

incorporation	– 1) объединение, корпорация; 2) регистрация корпораций
unique [ju:'nik]	– уникальный
entity	– организация
headquarters	– главное правление (фирмы)
to be sued	– преследоваться в судебном порядке
shareholders	– акционеры, пайщики, владельцы акций
stock	– акции
contractual agreement	– контракт, договор

UNIT 3. Forms of Business organization

board of directors	– правление директоров (акционерного общества), совет директоров
to oversee	– наблюдать, следить
to be held liable	– нести ответственность
to be accountable	– нести ответственность
employment taxes	– налог на фонд заработной платы
continuity of life	– непрерывность существования
overall taxes	– суммарные налоги
to incorporate a firm	– оформить юридический статус фирмы как корпорации
to comply with regulations	– выполнять предписания (правила)

Assignment. *Answer the questions:*

1. What is a corporation?
2. Who are the owners of a corporation?
3. What is necessary to form a corporation?
4. Who oversees the major policies and decisions?
5. What are the advantages and disadvantages of corporations?

TEXT 4. BOARD OF DIRECTORS

What is the Purpose of a Board of Directors?

A company's board of directors helps management develop business plans, economic policy objectives, and business strategy. A board of directors often selects the chief executive of the business, supports him, reviews his performance, and may dismiss him.

Through regular meetings, the board helps ensure effective organizational planning and sees that company resources are managed effectively. The board of directors also sees that the company meets regulatory requirements that apply to that business. The board of directors also must assess overall performance of the corporation.

Directors monitor a company's financial performance and the success of its products, services and strategy. Directors are expected to follow developments that affect the business. They must set aside any potential conflict between their personal or individual business interests to support the well-being of the business which they serve.

The most effective board of directors will be a group of professionals who bring a breadth of skills, experience and diversity to a company. As the company grows and changes, the governing board also will change to meet changing needs and circumstances.

What are Major Duties of Board of Directors?

1. **Select and appoint a chief executive** to whom responsibility for the administration of the organization is delegated, including:

- to review and evaluate his/her performance regularly on the basis of a specific job description, including executive relations with the board, leadership in the organization, in program planning and implementation, and in management of the organization and its personnel
- to offer administrative guidance and determine whether to retain or dismiss the executive

2. **Govern the organization by broad policies and objectives**, formulated and agreed upon by the chief executive and employees, including to assign priorities and ensure the organization's capacity to carry out programs by continually reviewing its work.

3. **Acquire sufficient resources for the organization's operations** and to finance the products and services adequately

4. **Account to the public for the products and services of the organization and expenditures of its funds**, including:

- to approve the budget, and formulate policies related to contracts from public or private resources
- to accept responsibility for all conditions and policies in new, innovative, or experimental programs.

Major Responsibilities of Board of Directors

1. Determine the Organization's Mission and Purpose
2. Select the Executive
3. Support the Executive and Review His or Her Performance
4. Ensure Effective Organizational Planning
5. Ensure Adequate Resources
6. Manage Resources Effectively
7. Determine and Monitor the Organization's Programs and Services
8. Enhance the Organization's Public Image
9. Assess Organization's Performance

VOCABULARY

objectives	– цели
economic policy	– экономическая политика
chief executive [ɪg'zɛkjʊtɪv]	– исполнительный директор
to ensure [ɪn'ʃʊə]	– обеспечивать
to dismiss (to fire)	– увольнять, освобождать от обязанностей
regulatory requirement	– законное требование
to assess	– оценивать
overall performance	– общий результат деятельности (фирм) или работы (предприятий), эффективность работы
financial performance	– финансовое состояние
to monitor	– наблюдать, следить, контролировать, проверять
to set aside	– прекращать, прерывать
well-being	– благополучие, процветание
diversity [daɪ'vɜ:sɪtɪ]	– разнообразие
innovative	– новаторский, инновационный
to meet requirements (needs)	– отвечать требованиям (нуждам)
to acquire [ə'kwɑɪə]	– приобретать, получать
to account to	– отчитываться перед кем-л.
expenditures [ɪks'pendɪtʃəs]	– расходы
to assign	– определять, устанавливать
to enhance [ɪn'hɑ:ns]	– увеличивать, усиливать, улучшать

Assignment. Answer the questions:

1. What are the responsibilities of a board of directors in a corporation? Name them.
2. What are major duties of a Board of Directors?
3. What can we call an effective board of directors?

TEXT 5. LIMITED LIABILITY COMPANY (LLC)

The LLC is a relatively new type of hybrid business structure that is now permissible in US. It is designed to provide the limited liability

features of a corporation and the tax efficiency and operational flexibility of a partnership. Formation of LLC is more complex and formal than that of a general partnership.

The owners are members, and the duration of the LLC is usually determined when the organization papers are filed. The time limit can be continued if desired by a vote of the members at expiry date (the time of expiration). LLC's must not have more than two of the four characteristics that define corporations:

1. Limited liability to the extent of assets;
2. Continuity of life;
3. Centralization of management; and
4. Free transferability of ownership interests.

VOCABULARY

permissible	– дозволенный
feature	– особенность, признак, свойство
tax efficiency	– налоговая эффективность
operational flexibility	– гибкость операций
formation	– образование, создание
duration	– срок действия
to file papers	– подавать документы на регистрацию
vote	– голосование
expiry date	– дата окончания
transferability	– передача (имущества, права и т. п.)

Assignment. *Write a short essay on:*

1. Sole Proprietorships, their advantages and disadvantages.
2. Partnerships, their types, their advantages and disadvantages.
3. Corporations, their advantages and disadvantages.
4. The purpose of a Board of Directors in a Corporation.
5. Major duties of a Board of Directors in a Corporation.

PRODUCTION MANAGEMENT**TEXT 1. WHAT IS PRODUCTION MANAGEMENT?**

Production management is also called **operations management**. It includes planning, co-ordination and control of industrial processes. The aim of production management is to ensure that goods are produced efficiently to the satisfaction of the customer at the right price, of the right quality, in the right quantity, at the right cost and on time.

In manufacturing production manager is responsible for product and process design, planning and control issues involving capacity and quality, and organization and supervision of the workforce.

The scope of the job of production manager depends on the nature of the production system: jobbing production; mass production; process production; and batch production. Many companies have several types of production, so the job of production manager becomes more complex.

Typical work activities of production manager

Depending on the size of the organization the functions of production manager are:

- to draw up a production schedule;
- to work out the needed resources;
- to estimate how long a job will take, to estimate the cost of it, and to set the quality standards;
- to monitor the production processes and adjust schedules as needed.

At the pre-production stage the production manager has responsibility for the selection and design of equipment, the plant layout and materials handling, and production planning (including demand forecasting, production scheduling and the ordering of material).

During the production stage the responsibilities of the production manager include production control (the sequencing of jobs, updating time schedules, etc), stock control, quality control and the maintenance and replacement of production equipment. Production managers are also concerned with product design and purchasing.

In a small firm **production manager** makes many of the decisions himself, but in a larger organization there are planners, controllers, production engineers and production supervisors who assist him. In a very large firm senior production manager plays a more strategic role estimating future capacity, coordinating the work of planners and supervisors and working with buyers, sales and engineering staff.

In progressive firms the production manager's role is tending to be more closely integrated with other functions, such as marketing and finance.

Typical work activities of factory (or operations) manager

Much of the work involves full operational control over what happens at the plant/works including engineering, output, personnel and often logistics and other commercial activity (sales and marketing).

Typical work activities of **factory manager** are:

- to review and approve plans for the control of planned output, budget spending, material efficiency, engineering effectiveness, and human resources;
- to supervise employees;
- to establish strong working relations with other functional managers;
- to report regularly to the production manager.

Typical work activities of production supervisor

A **production supervisor** is sometimes known as a shift manager or team leader. He reports to the production manager or plant manager and is responsible for achieving immediate and short-term objectives laid down by the production manager, for example output, quality, waste, yield, safety and overtime costs. In particular, the supervisor can have a significant effect on how effectively their production staff perform as a team. Much of the work requires the ability to make immediate decisions.

Typical activities of **production supervisor** include:

- at the beginning of each shift, checking on absences (eg through sickness);
- reallocating tasks or rescheduling production, where necessary;

Supervisors are responsible for production plant or equipment, too. The responsibility they carry again varies with the situation. In some cases they may have to take technical decisions on a regular basis,

whereas in others they may call upon maintenance or other technical staff for backup when necessary.

VOCABULARY

production management	– управление производством
to ensure	– обеспечивать
goods	– товары
manufacturing	– производство
issue	– вопрос (проблема)
capacity	– производительность, производственная мощность
workforce	– рабочая сила
scope of	– сфера, область (действия) чего-л.
jobbing production	– изготовление продукции по заказам
batch production	– серийное производство
to draw up	– составлять (документ)
production schedule	– производственный календарный план; график основного производства
work out	– разрабатывать (план); подбирать
quality standard	– 1) норматив качества; 2) стандарт качества
to monitor production process	– производственный процесс
to monitor	– наблюдать, следить
plant layout	– планировка завода
materials handling	– 1) обработка различных материалов; 2) погрузка-разгрузка
demand forecasting	– прогнозирование спроса
production scheduling	– производственное календарное планирование
production planning	– производственное планирование, планирование выпуска продукции
sequencing	– установление последовательности

TEXT 1. What is production management?

production stage	– стадия производственного процесса
updating	– корректировка
stock control	– контроль над состоянием товарных запасов
maintenance	– содержание и техническое обслуживание
to be concerned with	– заниматься чем-л.
product design	– проектирование изделия
production engineer	– технолог
purchasing	– снабжение
production supervisor	– контролер производства (мастер)
engineering staff	– инженерно-технические кадры
factory manager	– руководитель предприятия, директор предприятия
output	– объем производства
logistics	– материально-техническое обеспечение
material efficiency	– эффективность использования материалов
to report to	– отчитываться
to lay down	– устанавливать, утверждать
shift manager	– сменный мастер
waste	– лом, отходы
yield	– размер выработки, выход
safety and overtime costs	– затраты на безопасность и сверхурочные работы
to reallocate	– перераспределять
to reschedule	– перепланировать

Assignment. Answer the questions:

1. What is the aim of production management?
2. What is production manager responsible for?
3. What kinds of production systems there exist?
4. What are typical work activities of production manager?
5. What are the responsibilities of a production manager at the pre-production stage?

6. What is the role of a senior production manager in a large firm?
7. What are typical work activities of factory manager?
8. What are typical work activities of production supervisor?

TEXT 2. THE “FIVE M’S” IN PRODUCTION MANAGEMENT

Production management's responsibilities are summarized by the “five M’s”: **men, machines, methods, materials, and money**.

“**Men**” refers to the human element in operating systems. Since the majority of manufacturing personnel work in the physical production of goods, “people management” is one of the production manager's most important responsibilities.

Production managers must also choose the **machines** and **methods** of the company, first selecting the equipment and technology to be used in the manufacture of the product or service and then planning and controlling the methods and procedures for their use. The flexibility of the production process and the ability of workers to adapt to equipment and schedules are important issues in this phase of production management.

The production manager's responsibility for **materials** includes the management of flow processes—both physical (raw materials) and information (paperwork). The smoothness of resource movement and data flow is determined largely by the fundamental choices made in the design of the product and in the process to be used.

The manager's concern for **money** is explained by the importance of financing and asset utilization to most manufacturing organizations. A manager who allows excessive inventories to build up or who achieves production level and steady operation by sacrificing good customer service and timely delivery runs the risk that overinvestment or high current costs will wipe out any temporary competitive advantage that might have been obtained.

Planning and control

The production manager must plan and control the process of production so that it moves smoothly at the required level of output while meeting cost and quality objectives. Process control has two purposes:

1. to ensure that operations are performed according to plan, and
2. to continuously monitor and evaluate the production plan to see if modifications can be made to better meet cost, quality, delivery, flexibility, or other objectives.

For example, when demand for a product is high enough to justify continuous production, the production level might need to be adjusted from time to time to address fluctuating demand or changes in a company's market share. When more than one product is involved, complex industrial engineering or operations research procedures are necessary.

Inventory control is another important phase of production management. Inventories include raw materials, component parts; work in process, finished goods, packing and packaging materials, and general supplies. Although the effective use of financial resources is generally regarded as beyond the responsibility of production management, many manufacturing firms with large inventories (more than 50 percent of total assets) usually hold production managers responsible for inventories. Successful inventory management, which involves the solution of the problem of which items to carry in inventory in various locations is critical to a company's competitive success. Not carrying an item can result in delays in getting needed parts or supplies, but carrying every item at every location can tie up huge amounts of capital and result in an accumulation of obsolete, unusable stock. Managers generally rely on mathematical models and computer systems developed by industrial engineers to handle the problems of inventory control.

To **control labour costs**, managers must first measure the amount and type of work required to produce a product and then specify well-designed, efficient methods for accomplishing the necessary manufacturing tasks. In new operations particularly, it is important to anticipate human resource requirements and to translate them into recruiting and training programs so that a nucleus of appropriately skilled operators is available as production machinery and equipment are installed. Specialized groups responsible for support activities (such as equipment maintenance, plant services and production scheduling, and control activities) also need to be hired, trained, and properly equipped. This type of careful personnel planning reduces the chance that expensive capital equipment will stand idle and that effort, time, and materials will be wasted during start-up and regular operations.

The effective use and control of materials often involves investigations of the causes of scrap and waste; this, in turn, can lead to alternative materials and handling methods to improve the production process. The effective control of machinery and equip-

ment depends on each machine's suitability to its specific task, the degree of its utilization, the extent to which it is kept in optimum running condition.

VOCABULARY

to summarize	– суммировать, подводить итог
flow process	– производственный процесс
paperwork	– оформление документации
data flow	– поток данных; информационный поток
build up	– накапливать(ся)
timely delivery	– своевременная поставка, доставка
overinvestment	– перенакопление
current costs	– текущие затраты
competitive advantage	– конкурентное преимущество
process control	– управление производственным процессом
fluctuating demand	– колеблющийся спрос
Market Share	– 1) доля на рынке; 2) удельный вес компании в обороте рынка
industrial engineering	– организация производства
operations research	– исследование операций
inventory control	– управление запасами
raw material	– сырье
component parts	– комплектующие части; детали
work in process	– полуфабрикат
finished goods	– готовые изделия
general supplies	– общие поставки
beyond	– за пределами
carry an item	– иметь в наличии позицию на складе
hold responsible	– быть ответственным
inventory management	– управление материально-техническим снабжением
item	– предмет (в списке)
obsolete	– вышедший из употребления

unusable stock	– неиспользуемый запас
industrial engineer	– инженер по организации производства
to handle	– обращаться; управляться, справляться с кем-л., чем-л
labour costs	– расходы на зарплату
to specify	– определять, устанавливать, предписывать; детально излагать
to accomplish	– совершать, выполнять
to anticipate	– предвидеть
equipment maintenance	– содержание и техническое обслуживание оборудования
production scheduling	– производственное календарное планирование
capital equipment	– капитальное оборудование
machinery	– машинное оборудование; машины
stand idle	– не работать
start-up	– ввод в эксплуатацию (завода)
running condition	– рабочее состояние
systems engineering	– системное проектирование

Assignment. Answer the questions:

1. What are the main responsibilities of production manager? Name them.
2. What does “five M’s” mean?
3. What are the purposes of process control?
4. What is inventory control?
5. What is considered to be a successful inventory management?
6. What does labour costs control deal with?
7. What does control of machinery and equipment depend on?

Assignment. Read the text below to answer the questions:

1. What methods have been developed to solve production management problems?
2. What problems characterize most of today's production operations?
3. What is necessary to run many mass production operations?

The importance of models and methods in solving production management problems

Typical production operations are very complex. There are almost an infinite number of changes that can be made and the alternatives that can be pursued during production cycle. To solve production management problems a body (совокупность) of quantitative methods has been developed. Most of these techniques have emerged from the fields of industrial engineering, operations research, and systems engineering. Specialists in these fields are increasingly using computers and information processing to solve production problems. These problems involve the masses of data associated with large numbers of workers, massive inventories, and huge quantities of work in process that characterize most of today's production operations. Now many mass production operations could not run without the support of these industrial engineers and technical specialists.

TEXT 3. SUMMARY TABLE OF PRODUCTION CONTROL

The important aspects of production control are summarized in the following table.

	Processes	Inventory	Inspection	Costs
Observation	Measuring output rate; recording idle time (downtime)	Recording stock levels	Inspecting materials and parts	Collecting cost data
Analysis	Comparing progress with the plan	Analyzing demand for stocks	Estimating process capabilities	Computing costs in relation to estimates
Corrective action	Expediting	Issuing production and procurement orders	Initiating full inspection; adjusting processes	Adjusting selling price of product
Evaluation	Estimating production capacity and maintenance schedules	Drawing up replenishment policies and inventory systems	Reassessing of specifications; improving processes and procedures	Evaluating production economics; improving data

VOCABULARY

production control	– контроль за продукцией (контроль за выполнением планов по производству продукции)
corrective action	– введение поправок
output rate	– 1) норма выработки; 2) производительность
idle time (амер. downtime)	– простой, перерыв в работе
to expedite	– поторапливать, ускорять; продвигать, способствовать
production capacity	– производственные мощности
maintenance schedule	– график текущего ремонта
stock level	– уровень запасов
procurement order	– ордер на закупку
reassessing specifications	– пересмотр технических требований (заданий)
estimates	– сметные предположения
replenishment policy	– политика пополнения новыми запасами
inventory system	– система инвентаризации (перечета товарных запасов)
procurement	– 1) получение, приобретение; закупка; 2) поставка, снабжение (оборудования и т. п.)

Assignment. Write a short essay on:

1. Goals and objectives of production management.
2. Typical work activities of production manager, factory manager, production supervisor.

PERSONNEL MANAGEMENT**TEXT 1. WHAT IS PERSONNEL MANAGEMENT?**

Personnel management is concerned with the effective use of the skills of people. They may be salespeople in a store, clerks in an office, operators in a factory, or technicians in a research laboratory. In a business, personnel management starts with the recruiting and hiring of qualified people and continues with directing and encouraging their growth as they encounter problems that arise in working toward established goals.

In addition to recruiting and hiring, some of the responsibilities of a personnel manager are:

1. To classify jobs and prepare wage and salary scales.
2. To counsel employees.
3. To deal with disciplinary problems.
4. To develop safety standards and to put them into practice.
5. To manage fringe benefit programs, such as group insurance, health, and retirement plans.
6. To provide for periodic reviews of the performance of each individual employee, and for recognition of his or her strengths and needs for further development.
7. To assist individuals in their efforts to develop and qualify for more advanced jobs.
8. To plan and supervise training programs.
9. To be informed of developments in personnel management.

Personnel managers often deal with the following difficult situations concerning the employees:

- The firm's employees – especially the most qualified ones – can get better jobs with other employers.
- When a firm has not enough supervisory and specialized personnel with adequate experience and job capabilities, it has to train and develop its own people. This can be time consuming and expensive.
- The cost of hiring and training employees at all levels is increasing, for instance, several thousand dollars for a person. A mistake in hiring or in slow and inefficient methods of training can be costly.

- Most employees want better direct compensation, employee benefits, and working conditions that the firm cannot afford, but other employers can. So, all employee policies and operating procedures should be developed with great care.

The personnel department has the responsibility to define and implement policies, procedures and programs for recruitment, selection, training, placement, safety, employee benefits, compensation, labor relations, organization planning, and employee development.

Effective human resource management develops the abilities of job candidates and employees to meet the needs of the firm. Human resource (HR) management is a balancing act. At one extreme, you hire only qualified people who are well suited to the firm's needs. At the other extreme, you train and develop employees to meet the firm's needs. Most expanding businesses fall between the two extremes i.e., they hire the best people they can find and afford, and they also recognize the need to train and develop both current and new employees as the firm grows.

Functions of Personnel Management

One function of personnel management is to hire and train the right people. The effective personnel system is:

- Assessing personnel needs.
- Recruiting personnel.
- Screening personnel.
- Selecting and hiring personnel.
- Orienting new employees to the business.
- Deciding compensation issues.

The second function of human resource management is the training and development of employees.

A third function is raising employee trust and productivity. These three functions stress the importance of a good human resource management climate and provide specific guidelines for creating such a climate.

VOCABULARY

personnel [ˌpɜːsəˈnel]	management	– руководство кадрами
recruiting [rɪˈkruːtɪŋ]		– вербовка, набор, наем
hiring [ˈhaɪərɪŋ]		– наем (сотрудников)
to encourage		– поощрять

UNIT 5. Personnel Management

to encounter	– встретить(ся), столкнуться (с чем-л.)
salary scale	– шкала заработной платы, тарифная сетка, расценки
to put in(to) practice	– осуществлять
fringe benefits	– дополнительные льготы (пенсия, оплаченные отпуска и т. п.)
development	– улучшение, усовершенствование
to develop	– развивать
employee development	– усовершенствование служащих
direct compensation of employees	– прямые выплаты служащим
employee benefits	– пособия работающим по найму
employee (personnel) policy	– кадровая политика
operating procedure	– способ эксплуатации
organization plan	– схема организационной структуры
personnel department	– отдел кадров
to implement	– выполнять, осуществлять; обеспечивать выполнение
policy	– стратегия, политика, линия поведения, установка, курс
policy definition	– выработка стратегии
placement	– определение на должность
labor relations	– трудовые отношения
to afford	– позволить себе
assessing	– оценка, определение
screening	– (тщательная) проверка, рассмотрение, отбор
employee trust	– ответственность сотрудников
guideline	– директива, указание

Assignment. *Answer the questions:*

1. What are the responsibilities of a personnel manager? Name them.
2. What difficult situations concerning the employees may be encountered by personnel managers?
3. What are the responsibilities of personnel department?
4. What are the three functions of personnel management?

TEXT 2. DEVELOPING A PERSONNEL SYSTEM**Assessing Personnel Needs**

The firm's personnel policies should base on explicit, well-proven principles. Firms that follow these principles have higher performance and growth rates than those that do not follow them. The most important of these principles are:

- All positions should be filled with people who are both willing and able to do the job.
- A written job description and definition are necessary.
- Employees chosen on the basis of the best person available are more effective than those chosen on the basis of friendship or expediency.
- Employee training results in higher performance.

The process of selecting a competent person for each position is best accomplished through a systematic definition of the requirements for each job, including the skills, knowledge and other qualifications that employees must possess to perform each task. To guarantee that personnel needs are adequately specified personnel manager has to:

1. conduct a job analysis,
2. develop a written job description, and
3. prepare a job specification.

Job Analysis

Job analysis is a systematic investigation that collects all information related to each task performed by an employee. From this analysis, you identify the skills, knowledge and abilities required of that employee, and determine the duties, responsibilities and requirements of each job. Job analysis should provide information such as

- Job title.
- Department.
- Supervision required.
- Job description – major and implied duties and responsibilities.
- Characteristics of the job including location.
- Types of material used.
- Types of equipment used.
- Qualifications.
- Experience requirements.

- Education requirements.
- Mental and physical requirements.
- Manual dexterity required.
- Working conditions (inside, outside, hot, cold, dry, wet, noisy, dirty, etc.).

Job Description

The job analysis is used to generate a job description, which defines the duties of each task, and other responsibilities of the position. The description covers the various task requirements, such as mental or physical activities; working conditions and job hazards. The approximate percentage of time the employee should spend on each activity is also specified. Job descriptions focus on the **what, why, where and how** of the job.

The best way to develop job descriptions is to ask employees themselves to describe their jobs. A good employee may know more about the job than anyone else.

Job Specification

The job specification describes the person expected to fill a job. It details the knowledge, education, qualities, skills and abilities needed to perform the job satisfactorily. The job specification provides a standard to measure how well the worker matches a job. The job specification should be used as the basis for recruiting.

VOCABULARY

assessing	– оценка
explicit [ɪks'plɪsɪt]	– ясный, подробный; подробно разработанный
well-proven	– хорошо отработанный
expediency [ɪks'pi:dʒənsɪ]	– целесообразность; выгодность.
job analysis	– анализ производственных операций путем разбиения их на элементы; изучение трудовых операций
job title	– название должности
job description	– должностная инструкция
mental requirements	– психические ограничения

physical requirements

manual dexterity

hazard ['hæzəd]

job specification

- физические ограничения
- ловкость; быстрота, сноровка, проворство рук
- риск
- квалификационные требования к исполнителю работы

Assignment. Answer the questions:

1. What are the most important principles of a firm's personnel policies?
2. What is a job analysis? What information is contained in a job analysis?
3. What is a job description? What information is contained in a job description?
4. What is a job specification? What information is contained in a job specification?

TEXT 3. HIRING OF EMPLOYEES

Screening of Job Applicants

The **screening** process provides information about an individual's skills and knowledge enabling a potential employer to determine whether that person is suited to, and qualified for, the position. Experience has shown that hiring an overqualified person can be as harmful as hiring an under qualified person.

The **application form** can be used to begin screening candidates for a job. It provides information on the person's background and training and is the first means of comparing the applicant with the job description. This will ensure that you don't waste time on applicants who clearly do not meet the minimum requirements for the job.

Generally, the following information is asked on an employment application form: name, address, telephone number, kind of work desired, work experience, education and references.

The **personal interview** is the second step in the screening process. During the interview, the manager learns more about the applicant. The interview should be guided, but not dominated, by the manager, as it is important to let the candidate speak freely. Whenever possible, the interviewer should ask questions that are directly related to the job.

A list of questions helps assess the applicant's qualifications that meet the specifications for the job.

Interviewing makes the selection process more personal and gives the interviewer an overall idea of whether the applicant is appropriate for the job. The following list of techniques will help you select the right applicant for the job:

1. Review the job description before the interview.
2. Establish a friendly atmosphere.
3. Develop an interview time plan.
4. Don't form an opinion too early.
5. Give the candidate time to tell his or her story; don't talk too much.
6. Present a truthful picture of the company and the job.
7. Listen carefully and take notes.
8. Avoid detailed discussion of salary too early in the interview.
9. Be courteous.
10. Discuss with the candidate the next step in the hiring process and the timing.

Other screening techniques include employment tests and physical examinations. Some employment tests measure aptitude, achievements, intelligence, personality and honesty. A physical examination determines if the applicant meets the health standards and physical demands of the job.

Selecting and Hiring

If the screening process is thorough, selecting the best applicants for the job is easy. However, before making the final selection, one last step should be taken: the top candidate's references should be checked for accuracy. You should be aware of the tendency of references to give a rose-colored picture of applicant's character and ability. A careful check with former employers and other references can be most constructive. Checking can determine whether or not the applicant was truthful about his or her employment history.

Orienting New Employees

An employee handbook gives important information about the company to the employee. The handbook should cover topics such as pay rates, working conditions and fringe benefits.

When an individual is hired, he or she should receive a comprehensive orientation on the specific nature of the job. Rules should be explained in detail, and any questions answered before the new employee begins work. New employees should be introduced to other employees and made to feel welcome.

Compensation Issues

Compensation takes two forms: (1) direct compensation (wages and salaries) and (2) indirect compensation (fringe benefits).

Direct Compensation – Wages and salaries are the compensation people receive on a regular basis (monthly, biweekly or weekly). Workers are paid on the basis of time (by the hour, day, week or month) or on the basis of output (an incentive plan).

Indirect Compensation – Fringe benefits are an important part of the overall compensation in most small businesses. Employee benefits now account for about 40 percent of payroll costs. The profitability of the small firm is one of the primary factors of benefits offered by the firm.

VOCABULARY

job applicant	– претендент на рабочее место
overqualified person	– сверхквалифицированный человек
application form	– анкета поступающего на работу; бланк для заявления
background	– биографические данные (все, что связано с жизнью, образованием и т. п. человека)
to meet requirements	– удовлетворять требованиям
reference	– 1) рекомендация; 2) поручитель (дающее рекомендацию лицо)
personal interview	– личная встреча, беседа
courteous ['kɔ:tjəs]	– вежливый, лобезный
physical examination	– врачебный/медицинский осмотр
aptitude	– способности
achievements	– достижения
intelligence	– интеллект

UNIT 5. Personnel Management

personality	– личные свойства и особенности характера, определяющие личность
honesty ['ɒnɪsti]	– честность
checking	– сопоставление, сравнение
employee handbook	– справочник работника
pay rates	– ставки заработной платы
fringe benefits	– дополнительные льготы (пенсия, оплаченные отпуска и т. п.)
compensation	– вознаграждение
incentive plan	– система поощрительных вознаграждений
payroll	– платежная ведомость
benefits	– льготы
profitability	– рентабельность, доходность

Assignment. Answer the questions:

1. What information is necessary to determine whether the applicant is suited to the position he/she wants?
2. What an interview with the applicant should be?
3. What techniques of conducting an interview help to select the right applicant for the job?
4. What topics should an employee handbook cover?
5. What are the two forms of compensation for work? Describe them.

Assignment. Write a short essay on:

1. The tasks of personnel management.
2. The responsibilities of a personnel manager.
3. The process of selecting applicants for a position.
4. The instruments in recruiting and hiring process.

TEXT 4. FIRING EMPLOYEES

1. You should consider firing the employee only if you have made the following steps:

a) given the employee clear indication of what you originally expected from him or her (via a written job description previously provided to the him or her);

b) have clearly written personnel policies which specify conditions and directions about firing employees and the employee has signed a copy of the policy handbook to verify that he or she had read the policies;

c) warned the employee in successive and dated memos which clearly described degrading performance over a specified time despite your specific and recorded offers of assistance and any training (the number of memos depends on the nature of the problem, but should be no more than three or four); and

d) you clearly observe the employee still having the performance problem. (Note that if the employee is being fired within a probationary period specified in your personnel policies, you may not have to meet all of the above conditions.)

2. Take a day or so to consider what you are going do. Consult with members of your board (in the case of corporations).

3. If you still decide to fire the employee, do so promptly both for your credibility with other employees and so as not begin procrastinating about this rather painful event.

4. Write a letter of termination of employment to the employee. As with the previous letters of warning, be clear about the observed behaviors, when you saw them, earlier warnings and their consequences, what you did in response, and the consequences that must now follow according to your policies.

5. Tell the computer system administrator to change the employee's password

and make sure that this action should be done promptly and in complete confidence.

6. Meet with the employee. Provide them the letter. Explain how the termination will occur, including when, what they must do, what you request from them and when. Ask for any keys. Give them a half hour or so to remove personal items (you may choose to monitor them during this removal, depending on the nature of the grounds for dismissal). Consider changing the door locks to the facilities. Change the passwords on phone systems.

VOCABULARY

firing

– увольнение

originally

– первоначально

personnel policies

– кадровая политика

UNIT 5. Personnel Management

via [vaɪə]	– посредством чего-л., с помощью чего-л.
policy handbook	– инструкция о правилах распорядка
memo [ˈmɪməʊ] <i>сокр. от memorandum</i>	– служебная записка, докладная записка
degrading performance	– ухудшение работы
probationary period	– испытательный срок
promptly	– быстро, сразу
credibility	– доверие
to procrastinate	– откладывать, отсрочивать
termination of employment	– окончание срока службы
consequences	– последствия
confidence	– секретность, конфиденциальность
grounds for dismissal	– причины, основания увольнения

Assignment. *Answer the questions:*

1. What are the steps in firing the employee?
2. What may be the main reasons of firing the employee?

THE RECRUITMENT PROCESS**TEXT 1. HIRING NEW EMPLOYEES**

Interviews are a central part of the recruitment process for most organizations. Usually applicants are interviewed after sending in an application form or CV for a particular position. The purpose of an interview is to give the selector a chance to assess the applicant, and for the applicant to demonstrate abilities and personality. It is also an opportunity for the applicants to make sure that the organization and the position are what they want.

The recruitment process for most organizations is standard – applications are received, either via an online application form, or a postal form or CV. Candidates are shortlisted and invited for interview. The interview format and number of interviews can vary considerably. Some companies are satisfied after just one interview whereas others make a further shortlist of candidates for one or more interviews. If the applicants are successful at the interview stage then they will receive an official letter offering them the job.

Interviewing Job Applicants

The objective of the job interview is to find out as much information as possible about the applicant's work background, especially work habits and skills. The major task is to get the applicants to talk about themselves and about their work habits. The best way to do this is to ask each applicant specific questions:

What did you do on your last job?

How did you do it?

Why was it done?

The applicants' replies are evaluated and when the interview is over, the applicant is asked to check back later, if that applicant suits for a job. The decision is not made until all the applicants have been interviewed.

Next, the obtained information is verified. A previous employer is usually the best source. Sometimes, a previous employer will give out

information over the telephone. But it is usually best to request information in writing and get a written reply.

To help insure a prompt reply, previous employers should be asked a few specific questions about the applicant which can be answered by a *yes* or *no*, or with a very short answer.

For example:

1. How long did the employee work for you? _____
2. Was his or her work poor _____, average _____, or excellent _____?
3. Why did the employee leave your employment?

After the information on all applicants is verified, the selection can be made. The result of this selection is the “Right” employee. The right employee can help make money. The wrong employee will cost much wasted time, materials, and may even drive away customers.

VOCABULARY

recruitment	– набор (кадров), наем (сотрудников)
to shortlist	– включать в окончательный список
online application form	– анкета поступающего на работу (на сайте в Интернете); бланк для заявления
selector	– тот, кто производит отбор, выбор
applicant	– желающий получить должность, кандидат
CV (Curriculum Vitae [kə'ɪŋkjʊləm 'vɪtəɪ] – record of life)	– автобиография
shortlist	– окончательный список (после исключения отсеявшихся)
personality	– индивидуальность, личность
work background	– информация о предыдущей работе
work habits and skills	– навыки в работе
to check back	– снова обратиться, переспросить
to verify	– проверять
prompt reply	– немедленный ответ

Assignment. *Answer the questions:*

1. What is the recruitment process for most organizations?
2. What is the purpose of an interview with applicants?
3. What kind of questions can the applicant be asked during the interview?
4. What information from previous employers can tell that the applicant suits for a job?

TEXT 2. HOW TO SELECT THE “RIGHT” PERSON

How to select the right person for the job? There is no perfect answer, but the interview process can be of great help if it is used effectively. Interviewing candidates for a position in a company is one of the final steps in the hiring process. Below is a list of the steps involved in the hiring process.

The key steps to finding the right person to fill a position include:

- **Determining the need to hire a new employee.** Are the skills and talents of current employees properly utilized? Can your business growth support a new employee?
- **Conducting a thorough job analysis.** What are the job's essential functions and key performance criteria?
- **Writing a job description and job specification for the position based on the job analysis.**
- **Determining the salary for the position.** Is the salary comparable and proportional with the salaries and responsibilities of other positions inside your company as well as similar positions out in the marketplace?
- **Deciding where and how to find qualified applicants.** What are the recruitment techniques to be used? What is the time frame for conducting your search? Remember, advertising is not the only, or necessarily the best, way to recruit.
- **Collecting and reviewing a fair amount of applications and resumes** and then selecting the most qualified candidates for further consideration.
- **Interviewing the most qualified candidates for the position,** based on the job's description and specification.
- **Checking references.**

▪ **Hiring the best person for the job.**

After reviewing all of the resumes, you will be able to pick and choose a select number of qualified applicants to be interviewed.

How to Conduct the Successful Interview – What to do?

1. Prepare in Advance for the Interview

- Know what you want in a candidate before you begin the interview. Review the job specifications and requirements that have been prepared.
- Know the job and its responsibilities. Review the job description.
- Prepare a list of standard questions concerning the candidate's skills, abilities and past work performance that you want him/her to answer.
- Review the candidate's resume prior to the interview.

2. Collect Important Information During the Interview

- Since past behavior predicts future behavior, look for the candidate's behavior “patterns” as you collect information. Often-times, by listening to how the candidate responds to your questions about previous jobs, you will be able to get a very good idea of what their behavior will be like in the future.
- Try not to give too much detailed information about your company's needs. Remember that the candidate wants to get the job and will be trying to say the right thing to impress you.
- Ask questions that focus on the candidate's past performances.
- Notice how well the candidate listens and responds to the questions asked.
- Listen to the questions the candidate asks. Clarify the reasons why the questions are being asked. Notice which questions he/she asks first as they may be his/her primary concerns.
- Take detailed hand-written notes concerning job related topics that will help you distinguish the candidates from one another (especially if you will be conducting several interviews). Help yourself remember each candidate and each interview clearly.
- Record information pertaining to the set criteria that will help in the evaluation of candidates.
- Organize and analyze the information immediately after the interview when memory is fresh. Don't try to remember everything, it's impossible. One idea is to “rate” each candidate on each of the criteria immediately following the interview.

- Provide information on the company and the job to each candidate.
- 3. Treat All Candidates Fairly**
- Use your list of standard questions during each interview so that you treat the applicants the same and so that you can compare the answers.
 - Keep all questions job-related.
 - Show a genuine interest in every candidate you interview.
 - If possible, have at least one other person who can meet and/or interview candidates who are “finalists.” They should also “rate” the candidates on each of the criteria; ultimately, all interviewers should compare their “ratings” and discuss any discrepancies.
- 4. Be Courteous and Respectful**
- Begin the interview on schedule.
 - If possible, conduct the interview without interruptions.
 - Do not argue with the candidate.
 - Thank the candidate for his/her time and interest.
- 5. Facilitate Open Communication**
- Promote a relaxed environment with free-flowing conversation.
 - Do not dominate the discussion by talking too much. Many experts use a 80/20 rule – you talk 20% of the time and the candidate talks 80% of the time.
 - Listen carefully to the candidate's answers. If they do not provide you with specific results, probe until they do.
 - Explain the selection process to the candidate.

VOCABULARY

to fill a position	– занимать пост, должность, исполнять те или иные обязанности
resume	– краткие биографические данные (о поступающем на работу и т. п.)
to pertain	– принадлежать; относиться, иметь отношение к чему-л.
discrepancy	– противоречие, несогласие; расхождение во мнениях
courteous ['kɔ:tjəs]	– вежливый, любезный
to facilitate	– содействовать; способствовать

UNIT 6. The recruitment process

to dominate

– доминировать

to probe

– прощупывать, зондировать

Assignment. *Answer the questions:*

1. What are the steps in finding the right person to fill a position?
2. What are the techniques of interviewing the applicant?

TEXT 3. APPLICATION FORMS

The hardest part of recruiting, if you did a job description listing the skills needed, is in finding and hiring the right employee. You need some method of screening the applicants and selecting the best one for the position.

The application form is a tool, which you can use to make your tasks of interviewing and selection easier. The form should have blank spaces for all the facts you need as a basis for judging the applicants.

You will want a fairly complete application so you can get sufficient information. However, keep the form as simple as you can. The applicants are to fill out the application form before the interview. It makes an excellent starting point for the interview. It is also a written record of experience and former employer's names and addresses.

When an applicant has had work experience, other references are not very important. However, if the level of work experience is limited, additional references may be obtained from former employers who can give objective information. Personal references are almost useless, as an applicant would only list people who have a kind word for them.

An example of Application for Employment

Name: _____

Date of Birth: _____

Present Address: _____

Tel. Number: _____

Indicate Dates You Attended School:

Elementary, From _____ to _____

High School, From _____ to _____

College, From _____ to _____

Other (Specify Type and Dates): _____

TEXT 4. Writing a job description

List Below All Present and Past Employment, Beginning with Most Recent

	Company Name	From Mo/Yr	To Mo/Yr	Name of Supervisor	Reason for leaving	Weekly salary	Job description
1)							
2)							
3)							
4)							
5)							
6)							

May we contact the employers listed above? _____

If not, indicate which ones you do not wish us to contact:

Remarks: _____

VOCABULARY

blank space

– пробел; пропуск

to fill out

– заполнять (анкету)

personal reference

– личная рекомендация

weekly salary (wages)

– недельная заработная плата

starting point

– отправная точка

Assignment. *Answer the questions:*

1. What an application form should be?
2. What information should be requested in an application form?
3. Where from the additional references concerning the candidate's former experience may be obtained?

TEXT 4. WRITING A JOB DESCRIPTION

1. Job Descriptions

A job description describes the major areas of an employee's job or position. A good job description begins with a careful analysis of the important facts about a job. They are:

- a. the individual tasks involved,
- b. the methods used to complete the tasks,
- c. the purpose of the job and job responsibilities,
- d. the relationship of the job to other jobs, and
- e. the qualifications needed for the job.

It's important to make a job description practical, dynamic, and functional. A poor job description will keep you and your employees from trying anything new and learning how to perform their job more productively. A well-written, practical job description will help you avoid hearing a refusal to carry out a relevant assignment because "*it isn't in my job description.*"

Many jobs are subject to change, due either to personal growth, organizational development and/or the evolution of new technologies. Flexible job descriptions will encourage the employees to grow within their positions and learn how to make larger contributions to the company.

A Job Description should include a:

- **Job Title**
- **Job Objective** – This is generally a summary of the general nature, level, purpose and objective of the job. The summary should describe the broad function and scope of the position and be no longer than three to four sentences.
- **List of Duties or Tasks Performed** – The list contains principal duties, continuing responsibilities and accountability of the occupant of the position. The list should contain essential job duties or responsibilities that are critical to the successful performance of the job. The list should begin with the most important functional and relational responsibilities and continue down in order of significance. Each duty or responsibility that comprises at least five percent of the employee's time should be included in the list.
- **Description of the Relationships and Roles**, which the occupant of the position holds within the company, including any supervisory positions, subordinating roles and/or other working relationships.

2. Using Job Descriptions for Recruiting Situations

When using job descriptions for recruiting situations, it is necessary to attach the following:

- **Job Specifications, Standards and Requirements** – the minimum qualifications needed to perform the essential functions of the job such as education, experience, knowledge and skills. Any skills and expertise needed for the job should be included. For example, for a receptionist, necessary skills may be having 1) a professional and courteous telephone manner, 2) legible handwriting if messages are to be taken 3) the ability to handle a multiple-lined phone system for a number of staff members and 4) the patience and endurance to sit behind a desk all day.
- **Job Location** – where the work will be performed.
- **Equipment to be used in the performance of the job.** For example, does your company's computers run in a Apple Macintosh or PC Windows environment?
- **Non-Essential Functions** – functions which are not essential to the position or any marginal tasks performed by the employee.
- **Salary Range** – range of pay for the position.

VOCABULARY

position	– должность, место
job description	– должностная инструкция (описание работы)
job responsibilities	– должностные обязанности
statement	– формулировка, заявление, утверждение
job title	– название должности
job specification	– квалификационные требования к исполнителю определенной работы
accountability	– подотчетность
occupant of the position	– лицо, занимающее какой-либо пост, какую-л. должность
marginal tasks	– мелкие задания
expertise [ˌɛkspə'ti:z]	– знание дела; квалификация, компетентность
receptionist	– служащий в приемной
legible handwriting	– разборчивый почерк
endurance [ɪn'dʒʊərəns]	– выносливость
salary range	– размеры заработной платы

Assignment. *Answer the questions:*

1. What is the purpose of job description?
2. What are the important facts about a job that should be included in a job description?
3. What information should be included in a job description if it is used for recruiting purpose?

Assignment. *Write a short essay on:*

1. The process and techniques of interviewing the applicant.
2. How to compose an application form.
3. How to write a job description.

UNIT 7

GETTING A JOB

TEXT 1. LOOKING FOR A JOB

When a company needs to recruit or employ new people, it may decide to advertise the job or position in the “NEED HELP” section of a newspaper. People who are interested can then apply for the job by sending in a letter of application or covering letter (US cover letter) and a curriculum vitae or CV (in US – resume) containing details of their education and experience.

A company may also ask candidates to complete a standard application form. The company’s Human Resources department will then select the most suitable applications and prepare a shortlist of candidates or applicants, who are invited to attend an interview. Another way for a company to hire is by using the services of a recruitment agency (in US – search firm), which provides a list of suitable candidates.

What should a CV be?

The CV (Curriculum Vitae – *lit.* record of life) is presenting your qualifications, skills and attributes to the employer. CV demonstrates the suitability of an applicant for the job. As well as providing an insight into previous qualifications and experience, it should show the employer the skills and qualities the applicant has, that will match the position being applied for. In compiling CV the applicant has one objective only – to get an interview in order to get the job.

A CV must be accurate, interesting and up-to-date. It must be presentable so that it makes the best impression possible and gets noticed. It should be relevant – targeted to the needs of each particular position.

How to compile the CV?

You need to bring together:

- details of your qualifications – education;
- details of the job itself – job description;
- details of the qualifications and skills required – person specification;
- evidence from your personal profile that matches the employers’ criteria. This information will help you to prioritize уделять

первостепенное внимание the detail that should be included in your CV.

Style and layout

The CV must be accurate, brief and clear. Describe your skills and achievements as positively as possible. Applicants' skills and qualities that are most often sought by employers are listed below:

- **Communication:** Ability to communicate orally, in writing or via computer/electronic means.
- **Team work:** Working well with others in order to achieve a common objective.
- **Leadership:** Being able to motivate and encourage others, whilst taking the lead.
- **Initiative:** Ability to see opportunities and to set and achieve goals.
- **Problem solving:** Thinking things through in a logical way in order to determine key issues. Creative thinking is useful.
- **Flexibility/Adaptability:** Ability to handle change and adapt to new situations.
- **Self-awareness:** Knowing your strengths and skills and having the confidence to put these across.
- **Commitment/Motivation:** Having energy and enthusiasm in pursuing projects.
- **Interpersonal skills:** Ability to relate well to others and to establish good working relationships.
- **Numeracy:** Competence and understanding of numerical data, statistics and graphs.

Additionally, employers like to see that applicants have some business awareness – having an insight into what is happening in industry or commerce and the impact this could have on the organization.

VOCABULARY

Human Resources department	– отдел по работе с кадрами
position	– работа, должность, место
apply for...	– подавать заявление на...
letter of application = covering letter	– заявление о приеме
curriculum vitae (CV) [kə'ɪŋkjʊləm 'vɪtəɪ]	– автобиография

TEXT 2. The letter of application (cover letter)

resume ['rezju:meɪ]	– краткие биографические данные
experience [ɪks'pɪəriəns]	– опыт
application form	– заявление о приеме на работу
interview	– собеседование
business awareness	– знание бизнеса, осведомленность
commitment	– решимость делать что-л., обязательность
motivation	– 1) побуждение; движущая сила; 2) мотивация
recruitment agency (<i>амер. search firm</i>)	– агентство по трудоустройству
a series	– ряд
to simulate	– моделировать
profile	– краткий биографический очерк; сведения из биографии

Assignment. Answer the questions:

1. What is a CV (resume)?
2. What should be mentioned in a good resume?
3. What are the applicants' skills and qualities that are most often sought by employers?

Assignment. Write your own resume for the positions of:

- 1) salesperson in a big department store
- 2) sales manager in a firm selling personal computers
- 3) accountant in a big production plant.

TEXT 2. THE LETTER OF APPLICATION (COVER LETTER)

The **letter of application**, sometimes called **cover letter**, can be as important as the CV because it is the first direct contact between a candidate and an employer. If this letter is not well written and presented, it will make a poor impression. The letter of application normally contains four parts in which you should:

1. confirm that you wish to apply and say where you learned about the job
2. say why you are interested in the position and your interests are the same as those of the company

3. show that you can contribute to the job by describing your most relevant skills and experience
4. indicate your willingness to attend an interview (and possibly say when you would be free to attend)

Before making an application you should analyse the **job description** (the information provided by the employer to establish the skills and qualities they particularly require). Job descriptions can be limited to outlines of the work-related tasks rather than the personal qualities needed. However, it is common now for employers to produce job descriptions or person specifications which detail the personal requirements. They may distinguish between the attributes essential for the job and those that are desirable.

Person specifications will usually include:

- qualifications;
- skills;
- special aptitudes, eg IT;
- interests;
- personal qualities;
- circumstances, eg availability to travel.

Employers now also use competencies as a basis for job selection. Competencies are defined as characteristics that help people to perform well in the job. A competency-type approach to recruitment will break down the jobs into their essential elements relating to performance.

Examples of these might be:

- commercial and business awareness;
- strategic vision and direction setting;
- problem solving and decision-making.

Sometimes competencies will be named and described so you can match your own profile to them. Other times you will need to draw up a competency framework from the job or person specification. You will then be able to compare your own qualifications, skills and personal attributes with those required. If you have considered this before hand, then you will be better able to provide details on the application form. Many employers require applications to be made on their own employment application forms (EAF). Sometimes they may ask for a standard application form (SAF) to be completed.

If a completed application form is asked for, do not substitute a CV or enclose a CV with 'see CV' written across a section of the form. Follow the organisations procedures and complete all necessary

paperwork. Supply the required information in the designated space and complete the form in full. Often, the form can be several pages in length. A considerable amount of time and effort may be necessary in order for you to complete the form and include all necessary information. A brief covering letter can show your suitability and promote your strengths if you feel that the application form does not allow you to do this.

VOCABULARY

letter of application = cover letter	– сопроводительное письмо (к заявлению о приеме на работу)
relevant	– существенный; важный
willingness	– готовность
to outline	– обрисовать, наметить в общих чертах
person specifications	– требования к принимаемому на работу
IT <i>сокр. от</i> Information Technology	– информационная технология
special aptitudes	– особые способности
attribute	– отличительная черта
circumstances	– обстоятельства, условия
competence	– способность, данные, знания, компетентность (достаточные для осуществления какого-либо вида деятельности)
competency framework	– границы компетентности
designated	– 1) назначенный; 2) намеченный
to promote	– способствовать, помогать, содействовать; поддерживать
procedure	– процедура, образ действия; порядок осуществления действия

Assignment. *Answer the questions:*

1. What should be written in a cover letter?
2. What do person specifications usually include?
3. What is a competence?

TEXT 3. TYPES OF INTERVIEWS**Face-to-face interviews**

One-to-one interviews. This is a meeting between the candidate and one interviewer. Try to develop understanding between yourself and the interviewer.

Sequential interviews. In this case you have several interviews in turn with different interviewers. Usually each interviewer asks questions to test different sets of competencies. However this is not always the case. You may find yourself answering the same questions over and over. If this does happen make sure you answer each one as fully as the time before.

Panel interviews. In this type of interview several people sitting on a panel question you. The actual number of interviewers can vary, but there is usually a chairperson to co-ordinate the questions, a specialist who knows about the job in detail and a personnel manager.

Telephone interviews. Companies increasingly use telephone interviews as an integral part of the recruitment process. Most commonly they are used as a method of initial screening. The majority of companies inform in advance and usually pre-arrange the time of the interview.

Video interviews. Video interviews are rare and are used particularly if a person has applied for a position overseas. As far as possible, you should treat them as traditional interviews; dress as you would for a conventional interview, address your answers to the interviewer (i.e. to the camera rather than the display screen) and listen carefully to the questions and instructions, asking the interviewer to repeat anything that you don't understand.

Interview format. The nature of any interview is determined by the nature of the organisation to which you have applied, but there are various standard formats.

Chronological interviews. As the name suggests, these interviews take you chronologically through your life to date, and are likely to be based on CV or completed application form.

Competency-based interviews. The questions asked at these interviews are structured to reflect the competencies sought by an employer for a particular job, often detailed in the recruitment information.

Technical interviews. If you have applied for a job, which requires specific technical knowledge (e.g. engineering or IT), it is likely that at some stage in the selection process you will be asked technical questions or have a separate technical interview to test what you know. Questions may focus on real or hypothetical technical problems.

VOCABULARY

sequential	– последовательный
panel	– комиссия
overseas	– за границей
paperwork	– оформление документации
hypothetical [ˌhaɪpəʊ'tetɪkəl]	– предположительный, гипотетический

Assignment. *Answer the questions:*

1. What are the types of interviews? Describe them in brief.
2. What are competency-based interviews?
3. What are technical interviews?

TEXT 4. TESTING OF APPLICANTS

A growing number of companies are no longer satisfied with traditional job interviews. Instead, they are requiring applicants for management positions to submit to a series of written tests, role-playing tasks, simulated decision-making exercises. Others put candidates through a long series of interviews by psychologists or trained interviewers.

The tests are not about mathematics or grammar, nor about any of the basic technical skills for which many production, sales and clerical workers have long been tested. Rather, employers want to evaluate candidates on the following qualities:

- Is the candidate creative and entrepreneurial?
- Can the candidate lead and coach?
- Is the candidate flexible and capable of learning?
- Does the candidate have enough skills and knowledge?
- How will the candidate function under pressure?
- Will the potential employee fit the company?

Companies are getting much more careful about hiring now. Some years ago, candidates could win a job with the right look and the right answers to questions such as “Why do you want this job?” Now, many candidates have to face questions intended to learn how they get things done. They may face questions such as “Who is the best manager you ever worked for and why?”. The answers, psychologists say, reveal much about a candidate’s management style and about himself or herself.

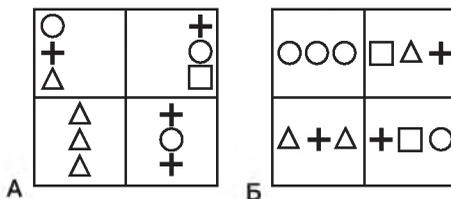
Even companies that have not started extensive testing have toughened their hiring practices. They make the comprehensive testing aimed to measure skills in communications, analysis and organization, management style and personality traits.

There is an example of the simplest test that may be offered to the applicant:

1. Abstract reasoning

This is a test of your skill at finding similarities and differences in groups of patterns. All the patterns in group A are in some way similar to each other, and all those in group B are similar to each other.

Below, you will find five separate boxes with patterns in them. Your task is to decide if each box:



- i) belongs to group A
- ii) belongs to group B
- iii) belongs to neither group



Answers:

- first is group A
- second is group B
- third is neither group
- fourth is neither group
- fifth is group A

2. Verbal reasoning

This is a test of your skill at making sense of reports that cannot be relied on to be objective, truthful or even consistent.

The test consists of a series of short passages, each of which includes a number of short statements intended to convey information or persuade the reader of a point of view.

Each passage is accompanied by four statements relating to the information or arguments it contains. Assume that what is stated is true; even if it contradicts what you know or believe to be the case in reality. Decide on this assumption whether the statement is:

- a) true,
- b) false,
- c) you cannot tell and need more information.

In recent years it has become clear that man's use of fossil fuels is likely to have a major influence on the world's climate. As a result of this, increased concentrations of 'greenhouse' gases such as carbon dioxide and methane will lead to global warming; an overall small increase in average temperatures; whose influence is difficult to predict. Whilst some scientists predict melting of the polar icecaps, and so a rise in sea levels, others think this will be balanced by increased precipitation at the poles.

1. If we go on using fossil fuels at the present rate, we must expect climatic change.

TRUE | FALSE | CAN'T TELL

2. Depletion of the ozone layer will result in global warming.

TRUE | FALSE | **CAN'T TELL**

3. Scientists are all agreed that use of fossil fuels would eventually lead to a rise in sea levels.

TRUE | **FALSE** | CAN'T TELL

4. The burning of fossil fuels increases the concentration of methane in the atmosphere.

TRUE | FALSE | CAN'T TELL

3. Numerical reasoning

This is a test of your skill at reasoning with numbers. First you are given some information in a variety of forms – text, tables or graphs – followed by three related questions. For each question, choose what you think is the correct answer from the possible answers A to P.

An insurance scheme pays benefits to its members who are sick for extended periods of time at the following rates

1st month: nil

2nd-4th months: 50% of normal salary

5th and succeeding months: 25% of normal salary

on the first £24,000 p.a. of salary for each month in which the member is sick and is not paid by the employer. How much does the scheme pay to:

1. John, who is off work for two months, whose salary is £12,000 p.a., and who gets no sick pay?

2. Pat, who is ill for six months, but who is paid normally for the first two months and whose salary is £18,000 p.a.?

3. Hilary, whose salary is £30,000 p.a., who gets 3 months sick pay from her employer, and who has to take nine months off?

Choose the right answer:

A £250

I £2250

B £500

J £2350

C £750

K £2500

D £1000

L £3125

E £1125

M £3750

F £1500

N £4000

G £1765

O £5000

H £2125

P £5625

Answers:

1: Answer B is correct. John gets ?500.00 (1 month at half his usual monthly salary)

2: Answer I is correct. Pat gets £2250 (3 months at half her usual monthly salary)

3: Answer N is correct. Hilary gets £4000 (3 months at half of a monthly salary of £2,000 plus 2 months at a quarter of a monthly salary of £2,000)

VOCABULARY

to submit

– представлять на рассмотрение

clerical worker

– конторский служащий

creative

– творческий

entrepreneurial

to coach

to fit

to reveal

comprehensive

personality traits

pattern

consistent

to convey

to persuade of

fossil fuels

greenhouse

carbon dioxide ['kɑ:bən dar'ɒksaɪd]

methane ['mi:θeɪn]

precipitation

insurance scheme [ɪn'ʃuərəns 'ski:m]

succeeding months

p.a. (лат. per annum)

sick pay

- имеющий деловые способности
- тренировать, обучать
- подходить, быть подходящим для (чего-л.), соответствовать (чему-л.)
- открывать
- всесторонний, полный
- свойства личности
- модель, шаблон
- последовательный, непротиворечивый
- выражать, передавать
- убеждать в чем-л.
- ископаемое топливо
- теплица, парник
- углекислый газ
- метан
- выпадение осадков
- система страхования
- последующие месяцы
- в год
- пособие по болезни

The power word list

These words and phrases may be useful in writing job applications.

Assignment. Match English and Russian variants:

- | | |
|---|--|
| 1. Assigned to ... | a. Больше чем ... лет обширного и разнообразного опыта в ... |
| 2. Constant interaction with ... | b. Был в подчинении у ... |
| 3. Employed to ... | c. Добился успеха в ... |
| 4. Experienced in all aspects of ... | d. Знаком с ... |
| 5. Expertise and skills in ... | e. Знание дела и навыки в ... |
| 6. Extensive practical back-ground in ... | f. Имеет опыт во всех аспектах ... |

UNIT 7. Getting a job

- | | |
|--|---|
| 7. Extensive training ... | g. Назначен на должность ... |
| 8. Familiar with ... | h. Обеспечивал выполнение ... |
| 9. Implemented ... | i. Обеспечивал техническую помощь ... |
| 10. In charge of ... | j. Обширная практическая подготовка в ... |
| 11. Initiated ... | k. Обширное обучение по ... |
| 12. Instrumental in... | l. Опытный / компетентный в ... |
| 13. Managed... | m. Отвечал за ... |
| 14. More than ... years of extensive and diverse experience in ... | n. Положил начало ... |
| 15. Now involved in ... | o. Постоянное взаимодействие с ... |
| 16. Proficient/competent at ... | p. Работал в ... |
| 17. Provided technical assistance to ... | q. Сейчас занимается ... |
| 18. Reported to ... | r. Управлял ... |
| 19. Succeeded in ... | s. Эффективен в ... |

Assignment. Write your own CV and a letter of application.

TEXT 1. WHAT IS PERFORMANCE MANAGEMENT?**Definitions**

Performance Management is a constant communication process when the performance manager and the employee are:

- identifying and describing essential job functions on the basis of the mission and goals of the organization
- developing realistic and appropriate performance standards
- giving and receiving feedback about performance
- writing and communicating constructive performance appraisals
- planning education and development opportunities to improve employee work performance.

Employee is the person whose performance is managed.

Performance Standards are written statements describing *how well* a job must be performed.

Performance Appraisal is a process of assessing, summarizing, and developing the work performance of an employee.

The performance management process begins with analysis and description of the job. The performance manager identifies essential functions in the job description and the strategic mission and goals of the department or organizational unit. In cooperation with the employee standards of minimum acceptable performance are developed for the position. Additionally, standards for performance that exceeds expectations may be set to encourage the employee to reach even better results.

During the appraisal period (typically one year), the performance manager observes the performance of the employee, focusing on helping the employee to achieve successful performance. At the end of the appraisal period, and in collaboration with the employee, the performance manager prepares and writes a final copy of the written performance appraisal.

At any point in the process, the employee and performance manager may identify needs and create a plan for employee education, training or development in job- or career-related areas.

The issues related to performance management of teams and team members arise out of the variety of reporting relationships and degree of independent responsibility that teams exercise.

VOCABULARY

performance management	– управление исполнением работы
performance standard	– уровень интенсивности или эффективности труда; норма производительности, норма выработки
communication process	– процесс обмена информацией
job functions	– должностные обязанности
mission	– задача
appropriate [ə'prəʊprɪt]	– подходящий, соответствующий
constructive	– конструктивный, дельный, действенный
performance appraisal [ə'preɪz(ə)l]	– оценка исполнения работы
opportunity	– возможность
development	– усовершенствование, развитие
work performance	– исполнение работы
written statement	– письменное изложение
assessing	– оценка
summarizing	– суммирование
developing	– совершенствование
essential functions	– основные должностные обязанности
appraisal period	– период оценки
collaboration	– сотрудничество
reporting relationship	– подотчетность
team	– команда, группа, бригада (рабочих)
to exercise	– использовать, осуществлять, проявлять, применять

Assignment. Answer the questions:

1. What are the activities of a performance manager?
2. What does a performance manager do during the appraisal period and at the end of it?

TEXT 2. JOB DESCRIPTION & STRATEGIC PLAN

Writing a job description is a process of systematically collecting, analyzing, and documenting the important facts about a job. A strategic plan is composed of a mission statement, identified goals related to the organization's mission, and strategic initiatives necessary to accomplish each goal. Assignment of responsibility for the accomplishment of goals and strategic initiatives is related to the essential functions of the job description.

Job Description

Before a job vacancy is advertised, a job description is completed. After the employee is hired, this job description becomes the job assignment and forms the basis of the job function description on the *Performance Evaluation Form*.

This process of writing a job description is called *job analysis*. The job description provides a basis for job-related selection procedures and performance standards.

The job description specifies:

- the specific job functions and tasks
- the functions and tasks which are essential
- the percentage of time typically spent performing each function
- the skills, knowledge and abilities required to perform the job successfully
- the physical and mental requirements of the position
- special conditions of employment
- the level of supervision received and exercised.

The performance manager should deliver the job description to the employee during his or her first few days on the job.

Strategic Plan

A strategic plan is composed of a mission statement, identified goals related to the organization's mission, as well as strategic initiatives necessary to accomplish each goal. The mission statement describes the fundamental reason why the organization or department exists. The goals identify the results, which will further that mission. Strategic initiatives set out the specific steps, which must be taken to achieve those results. Strategic planning is a dynamic process, which is usually revisited at intervals of between one to two years.

Individual employees will each make a contribution to the realization of goals and may be responsible for accomplishment of specific strategic initiatives in support of those goals. To ensure that initiatives are completed, those responsible for particular strategic initiatives are usually named and due dates specified.

Performance managers consider the annual goals and strategic initiatives for which the employee has responsibility when describing the position, set standards of work performance, give feedback about performance, make the annual performance appraisal, and plan for employee education, training and development.



The Main Components of Performance Management Cycle

VOCABULARY

to accomplish	– достигать; выполнять; завершать
assignment of responsibility	– распределение обязанностей
job description	– должностная инструкция (описание работы)
job vacancy	– вакансия, незанятое рабочее место
job assignment	– рабочее задание
Performance Evaluation Form	– анкета оценки исполнения работы
mission statement	– формулировка задачи
to further	– продвигать; содействовать, способствовать
to set out	– излагать
to revisit	– пересматривать, перерабатывать
due dates	– сроки
annual	– ежегодный
to specify	– точно определять, устанавливать
to implement	– выполнять, осуществлять; обеспечивать выполнение, приводить в исполнение

to appraise	– оценивать
to coach	– тренировать, обучать
to reward	– давать (денежное) вознаграждение

Assignment. Answer the questions:

1. What is one of the essential functions of the job description?
2. What is called a job analysis?
3. What is job description necessary for?
4. What is specified in a job description?
5. What are the elements of a strategic plan?
6. What are performance manager's functions?

TEXT 3. EMPLOYEE JOB DESCRIPTIONS

Definitions

A **job** is a group of tasks and responsibilities that an employee is responsible to conduct. Jobs have titles.

A **task** is typically defined as a set of activities needed to produce some result, e.g., vacuuming a carpet, writing a memo, sorting the mail, etc.

Functions are a large number of tasks that complex positions in the organization may include.

Job descriptions are lists of the general tasks, or functions, and responsibilities of a position. Typically, they also include to whom the position reports and specifications such as the qualifications needed by the person in the job, salary range for the position, etc.

Job descriptions are usually developed by conducting a **job analysis**. Typical job analysis includes the tasks and sequences of tasks necessary to perform the job. The analysis looks at the areas of knowledge and skills needed by the job. Note that a **role** is the set of responsibilities or expected results associated with a job. A job usually includes several roles.

Typically, job descriptions are used especially for advertising to fill an open position, determining compensation and as a basis for performance reviews.

Example of job description

As we already know, job descriptions describe the major duties and responsibilities of employees. The following job description is derived from the *Dictionary of Occupational Titles (DOT)*.

Job Description

Title: Secretary

Pay Range: E10

Date: May 3, 20XX

Job Analyst: Ann Smith

DOT Code: 201.362–030

Report to: Office Manager

Job Summary (from Dictionary of Occupational Titles; DOT): Schedules appointments, gives information to callers, takes dictation, and otherwise relieves officials of clerical work and minor administrative and business detail.

Duties and Responsibilities

- Opens, date stamps, sorts, and distributes mail.
- Answers telephone and provides information/assistance or routes caller to appropriate staff member.
- Takes phone or visitor messages and delivers to appropriate individual.
- Greets visitors to the office and directs them to appropriate individual.
- Composes and types routine correspondence and memoranda using word processing software.
- Compiles and types statistical reports including tables and text using spreadsheet software.
- Assists Office Manager with monitoring office supplies.
- Operates and maintains fax machine.
- Makes copies, collates, and staples materials as requested.
- Establishes and maintains permanent files; files and retrieves files as requested.
- Performs other related duties as required.

Knowledge, Skills, and Abilities (established by supervisor)

- Knowledge of modern office procedures and methods including telephone communications, office systems, and record keeping.
- Knowledge of modern business communication, including style and format of letters, memoranda, minutes, and reports.
- Skill to use a personal computer and various software packages.
- Skill to type 50 words per minute.
- Ability to work independently without supervision.

Credentials and Experience (established by supervisor)

- Courses in secretarial/office administration.

- Two years related experience.
- Equivalent combination of education and experience.

Special Requirements (established by supervisor) Willing to work overtime, holidays, and weekends as requested by Office Manager.

VOCABULARY

task	– задание
functions	– должностные обязанности
specifications	– подробное изложение чего-л.
Dictionary of Occupational Titles (DOT)	– словарь названий профессий
pay range	– пределы заработной платы
to schedule appointments	– составлять расписание встреч, приема
caller	– посетитель
dictation	– писание под диктовку
clerical work	– конторская работа
to route	– направлять (по определенному маршруту)
routine	– стандартный; регулярный
memorandum	– служебная записка, докладная записка
spreadsheet software	– компьютерные программы для работы с таблицами
office supplies	– канцелярские товары
to collate	– располагать/складывать в нужном порядке
to file	– регистрировать документы; подшивать к делу, архивировать
to retrieve files	– доставать из архива
record keeping	– учет; ведение учета
minutes	– протокол совещания/собрания
report	– доклад, рапорт
software package	– комплект программного обеспечения
to work overtime	– работать сверхурочно
office manager	– руководитель офиса

UNIT 8. Performance management

- credential** – аттестат, диплом об образовании (амер.)
- credentials** – рекомендательные письма

Assignment. *Match the following and make a list of commonly used job analysis terms.*

Example: Job duty is ...

1. Job duty
 2. Knowledge
 3. Skill
 4. Ability
 5. Physical characteristic
 6. Credentials and Experience
-
- a. a body of information applied directly to the performance of a duty
 - b. a present competence to perform an observable behavior or a behavior that results in an observable product
 - c. a present, observable competence to perform a learned activity
 - d. a single specific task
 - e. the minimal acceptable level of education, experience, and certifications necessary for employment
 - f. the physical attributes employees must have in order to perform job duties; unaided or with the assistance of a reasonable accommodation

TEXT 4. HOW TO LEAD YOUR EMPLOYEES TO TOP PERFORMANCE

If an employee's job satisfies his or her needs, the employee responds more favorably to the job. This may happen, for example, when an employee is given the responsibility for managing the office on his or her own, and is recognized for doing it well. Or it may occur when a sales representative is assigned full responsibility for developing new business as well as maintaining existing customers in a territory and is recognized for the accomplishment. Such employees tend to take their responsibilities seriously, act positively for the firm, and are absent from work only rarely.

The key point is that when a job satisfies needs, the employee may bring greater commitment to the job. Some needs common to all indi-

viduals are basics like food, house, and security for the future. Normally a fair wage level and a feeling of security that the job will continue satisfy these needs. Other needs must also be satisfied. Most of these are related to:

- a. The firm's personnel practices such as complaint handling or vacation scheduling
- b. Working conditions
- c. Discipline and the way instructions are given, and
- d. Total compensation, including benefits practices.

Dissatisfactions will result if the employees see that what their firm provides in any of these aspects is much poorer than what other firms provide. On the other hand, improvements above an acceptable level generally do not bring about greater employee commitment in the long run.

For example, total disregard for employee complaints (personnel practices) can lead to serious problems for the firm. When employee complaints are handled well, serious problems tend to be precluded from developing but there is no major gain in deep employee commitment to the job.

What then does bring about a serious commitment to the job and firm? There are factors that generally cause a deep commitment to job performance for most employees.

These are:

1. The work itself – to what extent does the employee see the work as meaningful and worthwhile?
2. Responsibility – to what extent does the employee have assignment and the authority necessary to take care of a significant function of the organization?
3. Recognition – to what extent is the employee aware of how highly other people value the contributions made by the employee?
4. Advancement – how much opportunity is there for the employee to assume greater responsibilities in the firm?

These five factors tend to satisfy certain critical needs of individuals:

1. One need is the feeling of being accepted as part of the firm's work-team.
2. Another need is for feeling important – that the employee's strengths, capabilities and contributions are known and valued highly.

3. A third need is for the chance to continue to grow and become a more fully functioning person.

If the kinds of needs just described are met by paying attention to the factors previously listed, an owner/manager will have taken significant steps toward gaining the full commitment of employees to job performance. To do this, several practical strategies and methods can be used, such as:

- Establishing confidence and trust with your employees through open communication and the development of sensitivity to employee needs
- Allowing employees participation in decision-making which directly affects them
- Helping employees to set their own work methods and work goals, as much as possible
- Praising and rewarding good work as clearly and promptly as inadequate performance is mentioned
- Restructuring jobs to be challenging and interesting by giving increased responsibilities and independence to those who want it, and who can handle it.

VOCABULARY

top performance	– наивысшая производительность труда
sales representative	– торговый представитель
to assign responsibility	– назначить ответственным за что-л.
to maintain existing customers	– удерживать, сохранять имеющих клиентов
commitment to the job	– приверженность работе, желание выполнять рабочие обязанности
dissatisfaction	– неудовлетворенность
accomplishment	– 1) выполнение; завершение, исполнение; 2) достижение, успех
to recognize	– <i>здесь</i> ценить
personnel practices	– практика работы с кадрами
complaint handling	– работа с жалобами
vacation scheduling	– разработка графика отпусков

TEXT 5. What is Delegation?

practices	– установленный порядок, практика
improvement	– улучшение, усовершенствование; исправление
to bring about	– 1) осуществлять; 2) вызывать
meaningful	– имеющий ясную цель
worthwhile	– стоящий, дающий результат
recognition	– признание; одобрение (чьих-л. заслуг и т. п.)
advancement	– продвижение
to assume responsibilities	– брать на себя ответственность

Assignment. *Write a short essay on:*

How to improve the performance of employees.

Factors that satisfy employees' needs and methods to raise employees' job performance.

TEXT 5. WHAT IS DELEGATION?

Delegation is the granting of authority and independence to another person to complete a project. It must be understood that with the authority to do a job, comes the responsibility to get it done. A benefit of good delegation is that it gives a manager the opportunity to spend more time on important work, which cannot be delegated.

For these reasons, delegating work and responsibility can be very beneficial for the company. But to be effective, delegation must be used with some caution. Before delegating a project, you, as a manager, must first answer two questions:

1. To whom should projects be delegated?
2. What kind and how much work and responsibility can be delegated to this person?

It is important to understand that delegation involves projects, which include significant decision making. If an employee is not given the responsibility to make decisions, it is not delegation. The assigning of routine and repetitive work does not bring the benefits which delegation can.

Work assignment, even though the employee is asked to perform a specific task as assigned, also has the potential to add to the positive climate – when it is fair and takes employee preferences into consider-

ation This, obviously, is difficult to do all the time, but if employees are given as much of a voice in deciding who should receive non-regular work assignments, good ones as well as undesirable ones, then these assignments are likely to have a beneficial impact on morale.

Delegating work to an employee who is not ready to accept the responsibility can have two negative effects:

1. The job will not get done or not be completed on time.
2. The failures that result from ineffective delegation will have an understandably bad effect on the employee.

When delegating, it is good to always remember that effective delegation of work is not giving up all your authority. The delegate should have a fair amount of freedom, but the manager must retain some control. This will insure that the project is satisfactorily completed.

VOCABULARY

delegation	– делегирование, передача полномочий
granting of authority	– предоставление полномочий
authority	– власть, полномочия
work assignment	– рабочее задание
effect	– действие, воздействие, эффект
to insure	– гарантировать, обеспечивать
beneficial	– выгодный, полезный
impact	– влияние
routine [ru:'ti:n]	– рутина; однообразная, механически выполняемая работа
repetitive [rɪ'petitiv]	– повторяющийся

Assignment. *Answer the questions:*

1. What is delegation?
2. In what cases delegation can be beneficial?
3. What can be negative effects of delegating to a person who is not ready to accept the responsibility?

EMPLOYEE TRAINING AND DEVELOPMENT**TEXT 1. PURPOSE OF TRAINING AND DEVELOPMENT**

The quality of employees and their development through training and education are major factors in determining long-term profitability of a business. It is good policy to invest in the development of employees' skills, so they can increase their productivity.

Training often is considered for new employees only. This is a mistake because continuous training for current employees helps them adjust to rapidly changing job requirements.

The reasons for training and development of personnel include:

- Creating a pool of readily available and adequate replacements for personnel who may leave or move up in the organization.
- Enhancing the company's ability to adopt and use advances in technology because of a sufficiently knowledgeable staff.
- Building a more efficient and highly motivated team, which enhances the company's competitive position and improves employee morale.
- Ensuring adequate human resources for expansion into new programs.

Research has shown specific benefits that a business receives from training and developing its workers, including:

- Increased productivity.
- Reduced employee turnover.
- Increased efficiency resulting in financial gains.
- Decreased need for supervision.

Employees frequently develop a greater sense of self-respect as they become more valuable to the firm. Generally they will receive a greater share of the material gains that result from their increased productivity. These factors give them a sense of satisfaction through the achievement of personal and company goals.

Identifying Training Needs

Training needs can be assessed by analyzing three major human resource areas: the organization as a whole, the job characteristics and the needs of the individuals. This analysis will provide answers to the following questions:

- Where is training needed?
- What specifically must an employee learn in order to be more productive?
- Who needs to be trained?

First, begin by assessing the current status of the company: a) how it does b) what it does best and 3) the abilities of your employees to do these tasks. This analysis will provide some standard against which the effectiveness of a training program can be evaluated.

Second, consider whether the organization is financially able to support the training. If not, any attempt to develop a solid training program will fail.

Next, determine exactly where training is needed. It is irrational to realize companywide training without concentrating resources where they are needed most. An internal audit will help point out areas that may benefit from training. Also, a skills inventory can help determine the skills possessed by the employees in general. This inventory will help the organization determine what skills are available now and what skills are needed for future development.

In summary, the analysis should focus on the total organization and should tell you (1) where training is needed and (2) where it will work within the organization.

Once you have determined where training is needed, concentrate on the content of the program. Analyze the characteristics of the job, based on its description, the written narrative of what the employee actually does. Training based on job descriptions should go into detail about how the job is performed.

Individual employees can be evaluated by comparing their current skill levels or performance to the organization's performance standards or anticipated needs. Any discrepancies between actual and anticipated skill levels identify a training need.

Selection of Trainees

Once you have decided what training is necessary and where it is needed, the next decision is who should be trained? Training an employee is expensive, especially when he or she leaves your firm for a better job. Therefore, it is important to carefully select who will be trained.

Training programs should be designed to consider the ability of the employee to learn the material and to use it effectively, and to make the most efficient use of resources possible.

Employee failure in the program is a waste of money. Selecting the right trainees is important to the success of the program.

Training Goals

The goals of the training program should relate directly to the needs of the organization. Course objectives should clearly state what behavior or skill will be changed as a result of the training and should relate to the mission and strategic plan of the company. Goals should include milestones to help take the employee from where he or she is today to where the firm wants him or her in the future. Setting goals helps to evaluate the training program and also to motivate employees. Allowing employees to participate in setting goals increases the probability of success.

VOCABULARY

development	– рост, усовершенствование
long-term profitability	– долгосрочная рентабельность
benefit	– выгода, польза
pool	– объединенный резерв; объединение
readily	– быстро, без задержки
available	– доступный; имеющийся в распоряжении
replacement	– замена
to adopt	– принимать
advance	– прогресс, достижение
employee turnover	– текучесть кадров
gains	– доходы
self-respect	– чувство собственного достоинства
companywide training	– обучение всех сотрудников компании
internal audit ['ɔ:dt]	– внутренняя ревизия (проверка)
skills inventory	– инвентаризация умений и навыков
narrative	– изложение

performance standard	– уровень интенсивности или эффективности труда; норма производительности, норма выработки
anticipated	– ожидаемый
skill level	– уровень квалификации
milestone	– веха
trainee [trɛɪni:]	– проходящий обучение; стажер

Assignment Answer the questions:

1. How is training and education of employees connected with profitability of a business?
2. What are the reasons for training and development of personnel?
3. What benefits does a business receive from training and developing its workers?
4. What are the principles of trainee selection?
5. What can be the goals of training?

TEXT 2. TRAINING METHODS

There are two broad types of training: on-the-job and off-the-job techniques.

On-the-job training is given to employees while they perform their regular jobs. In this way, they do not lose time while they are learning. After a plan is developed for what should be taught, employees should be informed of the details. A timetable should be established with periodic evaluations to inform employees about their progress. On-the-job techniques include orientations, job training, apprenticeships, internships and assistantships, job rotation and coaching.

Off-the-job techniques include lectures, special study, films, television conferences or discussions, case studies, role-playing, simulation, programmed instruction and laboratory training.

Orientations are for new employees. The first several days on the job are critical in the success of new employees. This point is illustrated by the fact that 60 percent of all employees who quit do so in the first ten days. Orientation training should emphasize the following topics:

- The company's history and mission.
- The key members in the organization.
- The key members in the department, and how the department helps fulfill the mission of the company.
- Personnel rules and regulations.

Some companies use verbal presentations while others have written presentations. Many small businesses convey these topics in one-on-one orientations. No matter what method is used, it is important that the newcomer understand his or her new place of employment.

Lectures present training material verbally and are used when the goal is to present a great deal of material to many people. It is more cost effective to lecture to a group than to train people individually. Lecturing is one-way communication and as such may not be the most effective way to train. Also, it is hard to ensure that the entire audience understands a topic on the same level. Despite these drawbacks, lecturing is the most cost-effective way of teaching large audiences.

Role-playing and simulation are training techniques that attempt to bring realistic decision making situations to the trainee. Likely problems and alternative solutions are presented for discussion. Experienced employees can describe real work experiences, and can help in and learn from developing the solutions to these simulations. This method is cost effective and is used in marketing and management training.

Audiovisual methods such as television, videotapes and films are the most effective means of providing real conditions and situations in a short time. One advantage is that the presentation is the same no matter how many times it's played. The major flaw with the audiovisual method is that it does not allow for questions and interactions with the speaker, nor does it allow for changes in the presentation for different audiences.

Job rotation involves moving an employee through a series of jobs so he or she can get a good feel for the tasks that are associated with different jobs. It is usually used in training for supervisory positions. The employee learns a little about everything. This is a good strategy for small businesses because of the many jobs an employee may be asked to do.

Apprenticeships develop employees who can do many different tasks. They usually involve several related groups of skills that allow the apprentice to practice a particular trade, and they take place over a long period of time in which the apprentice works for, and with, the senior skilled worker. Apprenticeships are especially appropriate for jobs requiring production skills.

Internships and assistantships are usually a combination of classroom and on-the-job training. They are often used to train prospective managers.

Programmed learning, computer-aided instruction and interactive video all have one thing in common: they allow the trainee to learn at his or her own speed. After the introductory period, the instructor need not be present, and the trainee can learn as his or her time allows.

Laboratory training is conducted for groups by skilled trainers. It is usually used by upper- and middle management trainees to develop a spirit of teamwork and increased management ability. It can be costly and usually is offered by larger businesses.

VOCABULARY

on-the-job training	– обучение на работе
orientation	– ориентация
job training	– обучение профессии
personnel rules and regulations	– правила для сотрудников
apprenticeship	– ученичество
internship	– интернатура (<i>амер.</i>)
assistantship	– обучение в качестве помощника
job rotation	– чередование работ
coaching ['kəʊtʃɪŋ]	– тренировка
case study	– исследование на конкретном примере; анализ отдельной проблемы
role-playing	– ролевые игры
simulation	– моделирование
programmed instruction	– программированное обучение
to quit [kwɪt]	– увольняться с работы (<i>амер.</i>)
cost-effective	– рентабельный
decision making situations	– ситуация принятия решений
trainee [treɪni:]	– проходящий подготовку, обучение
computer-aided instruction	– программированное обучение, машинное обучение

Assignment. *Answer the questions:*

1. What are the two broad types of training?
2. What are on-the-job techniques of training?
3. What is orientation training?

TEXT 3. TRAINERS

Who actually conducts the training depends on the type of training needed and who will be receiving it. On-the-job training is conducted mostly by supervisors; off-the-job training, by either in-house personnel or outside instructors.

In-house training is the daily responsibility of supervisors and employees. Supervisors are ultimately responsible for the productivity and, therefore, the training of their subordinates. These supervisors should be taught the techniques of good training. They must be aware of the knowledge and skills necessary to make a productive employee. Trainers should be taught to establish goals and objectives for their training and to determine how these objectives can be used to influence the productivity of their departments. The investment into training will pay off in increased productivity.

There are several ways to select training personnel for off-the-job training programs. There are many outside training sources, including consultants, technical and vocational schools, continuing education programs, and economic development groups. Selecting an outside source for training has advantages and disadvantages. The biggest advantage is that these organizations are versed in training techniques, which is often not the case with in-house personnel.

The disadvantage of using outside training specialists is their limited knowledge of the company's product or service and customer needs. These trainers have a more general knowledge of customer satisfaction and needs. In many cases, the outside trainer can develop this knowledge quickly by immersing himself or herself in the company prior to training the employees. Another disadvantage of using outside trainers is the relatively high cost compared to in-house training, although the higher cost may be offset by the increased effectiveness of the training.

Evaluation of Training

Training should be evaluated several times during the process. Employees should be evaluated by comparing their newly acquired skills

UNIT 9. Employee Training and Development

with the skills defined by the goals of the training program. Any discrepancies should be noted and adjustments made to the training program to enable it to meet specified goals. Many training programs fall short of their expectations simply because the administrator failed to evaluate its progress until it was too late.

VOCABULARY

in-house personnel	– собственный персонал
in-house training	– обучение на предприятии
ultimately ['ʌltɪmɪtli]	– в конечном счете
subordinate [sə'bɔ:dɪnɪt]	– подчиненный
to pay off	– окупаться
vocational school	– профессионально-техническое училище
versed	– опытный
to offset	– компенсировать
to fall short	– не оправдать ожиданий

Assignment. *Answer the questions:*

1. Who can conduct on-the-job training?
2. Who can conduct off-the-job training?
3. What are the advantages and drawbacks of using outside training sources?
4. How can the results of training be evaluated?

Assignment. *Write a short essay on:*

1. Purpose of training and education of employees and their development.
2. Types and methods of employees' training.

GENERAL BUSINESS PLANNING**TEXT 1. PREPARING A BUSINESS PLAN****Preparing your business plan**

Whether you are writing your business plan for the first time or rewriting it for the twentieth, there are certain steps you can follow in order to make the process easier.

Step 1. Identify your objectives.

The first step in preparing your business plan is to determine who your audience is going to be and what they want to know about your company. Then, you must determine what you want your audience to know. What are the areas you want to emphasize?

Step 2. Outline your business plan.

Now that you have identified your objectives, you can begin preparing an outline of your business plan based on these special requirements. An outline can be as general or as specific as you would like. However, the more specific it is, the easier the writing process will be.

Подготовка бизнес-плана

Независимо от того, составляете ли вы бизнес-план впервые в жизни или пишете его уже двадцатый раз, если действовать поэтапно, можно облегчить этот процесс.

Этап 1. Обозначьте свои цели.

На первом этапе подготовки своего бизнес-плана необходимо прояснить, что из себя представляет ваша аудитория и что она хотела бы знать о вашей компании. Затем вам нужно определиться с тем, что бы вы хотели, чтобы ваша аудитория знала о вас. Какие сферы своей деятельности вы желаете подчеркнуть особо.

Этап 2. Набросайте схему вашего бизнес-плана.

Теперь, когда вы обозначили свои цели, можно приступать к подготовке схемы самого бизнес-плана с учетом специальных требований. Схема может быть общей, а может быть подробной (по вашему желанию). Однако, чем она более подробна, тем легче будет процесс написания бизнес-плана.

Step 3. Review your outline. The next step is to review your outline. Identify the areas that should be presented in detail or summary form in your business plan. Remember that your business plan should maintain a fairly high-level focus. Any detail information can be included in the appendix section of your business plan.

Step 4. Write your business plan. Depending on the age of your business and your experience writing business plans, the order in which you develop the specific elements of your business plan will vary.

1) Gather information. Most people will begin by gathering financial information and market research information first. You will use this information to make many of the basic assumptions and strategies that you will include in your plan.

2) Prepare drafts. The next step in writing your business plan is to prepare initial drafts of your prospective financial statements. Your financial statements will help you determine which strategies

Этап 3. Проверьте вашу схему. На следующем этапе следует хорошенько проверить вашу схему. Определите, какие сферы деятельности могут быть представлены более подробно, а какие – в сжатом виде. Помните, что ваш бизнес-план должен быть достаточно хорошо сфокусирован. Любая дополнительная информация может быть помещена в приложении к вашему бизнес-плану.

Этап 4. Напишите бизнес-план. В зависимости от того, сколько лет вашей компании и каков ваш личный опыт в составлении подобных документов, порядок размещения конкретных элементов в вашем бизнес-плане может варьироваться.

1) Соберите информацию. Большинство людей в первую очередь начнут со сбора финансовых данных и информации, полученной в результате изучения рынка. Вы используете эти сведения для того, чтобы выстроить большую часть своих основных предположений и стратегий, которые включите в свой план.

2) Подготовьте черновик. Следующий этап составления бизнес-плана заключается в написании первых черновиков ваших будущих финансовых отчетов. Эти финансовые отчеты

are “doable” from a financial perspective before you spend time and energy writing detailed descriptions of each area.

3) Write a summary. The last step in writing your business plan is to prepare an Executive Summary. Even though this document comes at the beginning of your business plan, it is written last because it includes a summarization of all of the other sections.

Step 5. Have your plan reviewed. Since it is often difficult to be critical of your own creation, you will want to have someone who is familiar with the planning process and business management review your business plan for completeness, logic, effectiveness as a communication tool, and presentation. Then, make any necessary changes based on the person's comments.

Remember that it is important to update your business plan on a regular basis or it will become useless.

помогут вам определить те стратегии, которые окажутся выполнимыми с финансовой точки зрения, и сделают это прежде, чем вы потратите время и силы на написание подробного отчета по каждой отдельной сфере деятельности.

3) Напишите сводный раздел. Последний этап при написании бизнес-плана заключается в подготовке исполнительной сводки. Несмотря на то, что этот документ является первой частью вашего бизнес-плана, его пишут в последнюю очередь, поскольку в нем содержатся сводные данные обо всех других разделах.

Этап 5. Передайте ваш план проверяющему. Поскольку часто бывает нелегко оценить критически свое собственное творение, вы можете обратиться к тому, кто разбирается в планировании и коммерческом менеджменте, чтобы он проверил ваш бизнес-план на предмет его законченности, логичности, читабельности и правильности оформления. Затем сделайте в нем необходимые изменения, исходя из высказанных замечаний.

Помните, что бизнес-план следует регулярно обновлять, иначе он станет бесполезным.

TEXT 2. WHAT IS A BUSINESS PLAN?

A business plan is a design of your company, presented in standard business format that is logical and well documented. A good business plan is also:

- *A strategic vision of your company*
- *Your most important communication tool*
- *A document to obtain working capital and/or investments*
- *A tool for planning, measuring and improving performance*
- *A basis for sound decision-making*
- *A way to motivate employees*

Why is a Business Plan important?

The success of your business depends largely upon the decisions you make. A business plan distributes resources and measures the results of your actions, helping you set realistic goals and make decisions.

Lack of planning doesn't allow making future decisions and actions you must take to run your business successfully. On the other hand, a sound plan can act as:

- **A reality check.** The process of putting together a business plan forces you to take an objective, critical, unemotional look at your business project in its entirety.
- **An operating tool.** Your written business plan is an operating tool which, when properly used, will help you manage your business and work effectively towards its success. Your business plan will allow you to set realistic goals and objectives for your company's performance, and will also provide a basis for evaluating and controlling the company's performance in the future.
- **A message sender.** The completed business plan communicates your company's ideas to employees, outside directors, lenders, and potential investors. A business plan helps you do that in an organized manner. Also, the process of planning helps you determine if your vision is realistic, and tells you what you need to do in order to achieve it.
- **A motivation tool.** The development of your business plan is one of the best ways for you to communicate how well you understand your business and describe your vision of your business. Without proper planning, it becomes impossible for you to get all of your employees to understand the goals and objectives of business. It is impossible to motivate people when they do not know where they are going or what they are trying to achieve.

- **A management development tool.** Putting together your business plan will help you develop as a manager because it can give you practice in thinking and understand the problems about competitive conditions and situations that are or may be beneficial or harmful to your business.

VOCABULARY

to put together	– составлять
sound decision-making	– правильное принятие решения
communication tool	– средство общения
to run business	– руководить, управлять; вести (дело, предприятие и т. п.)
sound plan	– правильный, логичный план
unemotional	– бесстрастный
entirety [in'taɪəti]	– полнота
outside director	– приглашенный директор
competitive conditions	– конкурентные условия

Assignment. *Answer the questions:*

1. What aspects of business are reflected in a business plan?
2. Why is a business plan a universal tool?

TEXT 3. THE BUSINESS PLANNING PROCESS

- **Identify your vision.** What is your vision for the future? Use your imagination to plan the future you want. Is it to develop a revolutionary new product or is it to help others gain their peak potential. Perhaps it's as simple as gaining financial independence. Once you have defined your vision, develop a plan and set goals and objectives. Identify the different ways you can reach your goals and objectives.
- **Seek agreement.** Whether you are starting a business or expanding one, hard work is involved. Resolve any differences with your partners or colleagues before you begin writing the business plan.
- **SWOTs & MECAs** are business tools, which will help you determine whether or not your business idea works in the “real” world.

A SWOT analysis is simply an analysis of both your and your business's strengths, weaknesses, opportunities, and threats.

A **SWOT analysis** contains four steps:

- S Identify strengths.** What are your strengths? Consider: ability and potential, persistence, confidence, imagination, sales ability, track record, financial stability, expertise, and others.
- W Identify weaknesses.** What are your weaknesses? Consider: lack of time, health, financial instability, no management experience, don't enjoy working with the public, and others.
- O Identify opportunities.** What opportunities exist for you? Consider: work in a related field, business development assistance, and others.
- T Identify threats.** What threats exist for you? Consider: financial crisis, loss of job, etc.

Oftentimes, to determine your business's strengths, weaknesses, opportunities, and threats, you must gather information from outside of your business. This is where a MECA (Market, Environmental, and Competitive Assessment) is used.

A well-researched MECA will provide you with better information for your business's SWOT analysis while, at the same time, providing you with valuable data for developing your strategic plan. MECA is a “bigger picture” analysis. It helps looking for trends, opportunities, etc. related to the market, environmental issues, and the competition.

- **Make some “assumptions”.** Although it is impossible to predict the future, it is important to make some assumptions related to your business's future performance. This is the only way that you will be able to convince others to become involved in your business – especially if you are asking for capital.
- **Develop operating plans.** Include key risk assessment. What happens if? How will you reach those goals? What do you need to produce or sell? How much? At what price? Who are your clients? Where are they? How do you reach them? How much competition do you have, and how will you compete successfully?
- **Develop financials.** Financials include balance sheet, income statement, and cash flow statement. To prepare these (or update them), ask yourself questions like:

What are the day-to-day and month-to-month requirements (costs) of running the business?

What is business's "break-even" point? (The point in the operation of a company when revenues and expenses are exactly equal?)

Is there enough capital to run the business or there is a need to raise it?

Is there a need to make bank borrowings?

- **When the cycle begins again.** Constantly revise your business plan to see how your business is performing. A good rule is to work on specific goals and objectives within your business plan on a weekly basis and revisit the entire plan once a month. On a yearly basis, you can see if your business is performing the way you want it to.

VOCABULARY

risk assessment	– оценка риска
persistence	– настойчивость, стойкость, упорство
expertise	– знание дела; квалификация, компетентность
track record	– послужной список, достижения (в какой-л. области)
financials	– финансовые документы
balance sheet	– бухгалтерский баланс
income statement	– декларация о доходах
cash flow statement	– баланс оборотных средств
break-even point	– точка безубыточности, точка самоокупаемости, точка критического объема производства (любой объем продукции конкурентной фирмы, при котором общая сумма издержек и общая сумма выручки равны), точка нулевой прибыли
revenues	– доходы
expenses	– расходы

UNIT 10. General business planning

Assignment. *Answer the questions:*

1. What is a SWOT analysis?
2. What is a MECA analysis?
3. What questions have to be answered while developing operating plans?
4. What is business's "break-even" point?

Assignment. *Write a short essay on:*

- How to write a business plan.
- The process of business planning.

FINANCIAL MANAGEMENT**TEXT 1. WHAT IS FINANCIAL MANAGEMENT?**

Financial management is the use of financial statements that reflect the financial condition of a business to identify its relative strengths and weaknesses. It enables to plan, using projections, future financial performance for capital, asset, and credit requirements to maximize the return on shareholders' investment. Successful financial management is the ability to effectively manage the financial resources of a business enterprise.

Financial management in a small firm is different from that of a large corporation. One difference is that small firms do not have the opportunity to publicly sell issues of stocks or bonds in order to raise funds like large corporations do. The owner-manager of a small firm must rely primarily on trade credit, bank financing, lease financing, and personal equity to finance the business.

On the other hand, many financial problems facing the small firm are very similar to those of larger corporations. For example, the analysis required for a long-term investment decision such as the purchase of heavy machinery or the evaluation of lease-back alternatives, is essentially the same regardless of the size of the firm.

The main task of financial managers in both small firms and large corporations is the effective management of working capital. Net working capital is defined as the difference between current assets and current liabilities and is often called the “circulating capital” of the business. Lack of control in this key area is a primary cause of business failure in both small and large firms.

The business manager must be attentive to changes in working capital accounts, they must understand the cause of these changes and the importance of these changes for the financial health of the company. Working capital has its major components:

1) Cash and Equivalents

This most liquid form of current assets is cash and cash equivalents (usually marketable securities or short-term certificate of deposit). To understand if the cash budgeting system is well-planned and maintained, key questions have to be answered:

1. Is the cash level adequate to meet current expenses as they come due?
2. What are the timing relationships between cash inflows and outflows?
3. When will peak cash needs take place?
4. What will be the magnitude of bank borrowings in case of cash shortfalls?
5. When will these borrowings be necessary and when may repayment be expected?

2) Accounts Receivable

Almost all businesses are required to extend credit to their customers. Key issues in this area include:

1. Is the amount of accounts receivable reasonable in relation to sales?
2. On the average, how rapidly are accounts receivable being collected?
3. Which customers are “slow payers?”
4. What action should be taken to speed collections where needed?

3) Inventories

Inventories often make up 50 percent or more of a firm's current assets and therefore, need close inspection. Key questions, which must be answered in this area, are:

1. Is the level of inventory reasonable in relation to sales and the operating characteristics of the business?
2. How rapidly is inventory turned over in relation to other companies in the same industry?
3. Is any capital invested in dead or slow moving stock?
4. Are sales being lost due to inadequate inventory levels?
5. If appropriate, what action should be taken to increase or decrease inventory?

4) Accounts Payable and Trade Notes Payable

In a business, trade credit often provides a major source of financing for the firm. Key questions to investigate in this category are:

1. Is the amount of money owed to suppliers reasonable in relation to purchases?
2. Is the firm's payment plan good enough for the firm's good credit rating?
3. If available, are discounts being taken?

4. What are the timing relationships between payments on accounts payable and collection on accounts receivable?

5) Notes Payable

Notes payable to banks or other lenders are a second major source of financing for the business. Important questions in this class are:

1. What is the amount of bank borrowings employed?
2. Is this debt amount reasonable in relation to the equity financing of the firm?
3. When will principal and interest payments fall due?
4. Will funds be available to meet these payments on time?

6) Accrued Expenses and Taxes Payable

Accrued expenses and taxes payable represent obligations of the firm on the date of balance sheet preparation. Accrued expenses represent such items as salaries payable, insurance premiums payable, and similar items. Of primary concern in this area, particularly with regard to taxes payable, is the magnitude, timing, and availability of funds for payment. Careful planning is required to insure that these obligations are met on time.

It is important that although the working capital accounts above are listed separately, they must also be viewed in total and from the point of view of their relationship to one another:

1. What is the overall trend in net working capital?
2. Is this a healthy trend?
3. Which individual accounts are responsible for the trend?
4. How does the firm's working capital position relate to similar sized firms in the industry?
5. What can be done to correct the trend, if necessary?

VOCABULARY

financial management	– управление финансами
financial statements	– финансовый отчет
to enable	– давать возможность что-л. сделать
projection	– прогноз
financial performance	– финансовое состояние
credit requirements	– потребность в кредите
asset	– актив(ы); авуары

return on investment	– прибыль на инвестированный капитал
shareholder	– акционер, владелец акции
issues of stocks (bonds)	– выпуски акций (облигации; бонды)
to raise funds	– 1) привлекать фонды, мобилизовать средства; 2) получать ссуду
to rely	– полагаться, зависеть
trade credit	– торговый кредит
lease financing	– лизинговое финансирование; финансирование операций по аренде и прокату
personal equity	– собственные средства
lease-back	– продажа оборудования с получением его обратно в аренду
working capital (circulating capital)	– оборотный капитал, оборотные средства
Net working capital	– чистая стоимость оборотного капитала
working capital accounts	– счета оборотного капитала
current assets	– оборотные фонды, оборотные средства (денежные средства, вложенные в запасы сырья, материалов, топлива, готовой продукции, а также счета в банках)
marketable securities	– легко реализуемые ценные бумаги
short-term certificate of deposit	– краткосрочный депозитный сертификат
cash shortfall	– нехватка наличных денег
bank borrowings	– займы, получаемые в банке
repayment	– оплата, плата, уплата
to extend credit	– предоставлять кредит
accounts receivable	– счета к получению
accounts payable	– счета к оплате; счет кредиторов
inventory	– материально-производственные запасы
dead stock	– мертвый инвентарь
inventory level	– уровень запасов

supplier	– поставщик
payment plan	– план погашения (долгов)
credit rating	– оценка кредитоспособности
discount	– скидка
timing relationship	– временное соотношение
notes payable	– дебиторская задолженность
note payable	– вексель к оплате
equity financing	– собственное капитальное финансирование; финансирование за счет собственных средств; финансирование путем выпуска новых акций
principal payment	– выплата основной суммы
interest payment	– выплата процентов
to fall due	– наступать (о сроке платежа), подлежать уплате
to meet payment	– оплатить долги
debt amount	– величина долга
to be available	– иметься в распоряжении
Accrued Expenses	– накопленные издержки
insurance premium payable	– страховые взносы к оплате
tax payable	– налог, подлежащий уплате
salaries payable	– заработная плата, подлежащая выплате
to meet obligations	– платить по обязательствам, покрывать обязательства
trend	– курс, направление, тенденция

Assignment. Answer the questions:

1. What is called financial management?
2. What does financial management enable to do?
3. What is successful financial management?
4. What is the main task of financial managers?
5. What is net working capital?
6. What are major components of working capital?
7. Give definitions to: a) cash and its equivalents, b) accounts receivable, c) inventories, d) accounts payable, e) notes payable, f) accrued expenses.

TEXT 2. THE NECESSITY OF FINANCIAL PLANNING

Eight of ten new businesses fail primarily because of the lack of good financial planning

Financial planning affects how and on what terms you will be able to attract the funding required to establish, maintain, and expand your business. Financial planning determines the raw materials you can afford to buy, the products you will be able to produce, and whether or not you will be able to market them efficiently. It affects the human and physical resources you will be able to acquire to operate your business. It will be a major determinant of whether or not your hard work will be profitable.

Tools of Financial Planning

The tools required to prepare a financial plan for business's development, include the following:

- Basic Financial Statements – the Balance Sheet and Statement of Income
- Ratio Analysis – a means by which individual business performance is compared to similar businesses in the same category
- The Statement of Income – a method used to forecast future profitability
- Break-Even Analysis – a method allowing the small business person to calculate the sales level at which a business recovers all its costs or expenses
- The Cash Flow Statement – also known as the Budget identifies the flow of cash into and out of the business
- Pricing formulas and policies – used to calculate profitable selling prices for products and services
- Types and sources of capital available to finance business operations
- Short- and long-term planning considerations necessary to maximize profits

The business owner/manager who understands these concepts and uses them effectively to control the progress of the business is practicing sound financial management thereby increasing the probability of success.

VOCABULARY

to market	– 1) покупать или продавать на рынке; 2) торговать; 3) сбывать, реализовать
physical resources	– материальные ресурсы
human resources	– трудовые ресурсы
to operate business	– осуществлять коммерческую деятельность
determinant	– определяющий фактор; детерминант
tools	– инструментальные средства
Basic Financial Statements Balance Sheet	– бухгалтерский баланс
Statement of Income	– отчет о доходах и расходах
Ratio Analysis	– анализ относительных показателей
Break-Even Analysis	– анализ безубыточности, вид анализа, используемый для определения прибыльности дела, показывая, на каком уровне производства затраты покроются доходами, позволяя вычислить то действие, которое будет оказано на прибыль изменениями в объеме производимых товаров, в стоимости производства и цене продажи
to recover	– возвращать, получать обратно
Cash Flow Statement	– баланс оборотных средств
consideration	– анализ, рассмотрение
practicing	– выполнение, осуществление (на практике)
sound financial management	– умелое финансовое управление

Assignment. Answer the questions:

1. What are the problems that financial planning helps to solve?
2. What are the tools of financial planning? Describe them in brief.

TEXT 3. FINANCIAL MANAGEMENT PLANNING

Short-term planning is generally concerned with profit planning or budgeting. Long-term planning is generally strategic, setting goals for sales growth and profitability over a minimum of three to five years.

The tools for short- and long-term plans are: Income Statements, Cash Flow Statements or Budgets, Ratio Analysis, and pricing considerations. The business's short-term plan should be prepared on a monthly basis for a year into the future, employing the Income Statement and the Cash Flow Budget.

Long-Term Planning

The long-term or strategic plan focuses on Statements of Income prepared for annual periods three to five years into the future.

First determine a rate of growth that is desirable and reasonably attainable. Then employ Statements of Income and Cash Flow Budgets to calculate the capital required to finance the inventory, plant, equipment, and personnel needs necessary to attain that growth in sales volume. The business owner/manager must anticipate capital needs in time to make satisfactory arrangements for outside funds if internally generated funds from retained earnings are insufficient.

Growth can be funded in only two ways: with profits or by borrowing. If expansion outstrips the capital available to support higher levels of accounts receivable, inventory, fixed assets, and operating expenses, a business's development will be slowed or stopped entirely by its failure to meet debts as they become payable. Such insolvency will result in the business's assets being liquidated to meet the demands of the creditors. The only way to avoid this is by planning to control growth. Growth must be controlled. This requires knowledge of past financial performance and of the future requirements of the business.

These needs must be forecast in writing – using the Income Statement in particular – for three to five years in the future. After projecting reasonable sales volumes and profitability, use the Cash Flow Budget to determine (on a quarterly basis for the next three to five years) how these projected sales volumes translate into the flow of cash in and out of the business during normal operations. Where additional inventory, equipment, or other physical assets are necessary to support the sales forecast, you must determine whether or not the business will generate enough profit to sustain the growth forecast.

Often, businesses simply grow too rapidly for internally generated cash to sufficiently support the growth. If profits are inadequate to carry the growth forecast, the owner/manager must either make arrangements for working growth capital to be borrowed, or slow growth to allow internal cash to “catch up” and keep pace with the expansion. Because arranging financing and obtaining additional equity capital takes time, this need must be anticipated well in advance to avoid business interruption.

To develop effective long-term plans, you should do the following steps:

1. Determine the financial goals and objectives for the company (growth rates, return on investment, and direction as the business expands and matures).
2. Express these goals in specific numbers, for example, sales growth of 10 percent a year, increases in gross and net profit margins of 2 to 3 percent a year, a return on investment of not less than 9 to 10 percent a year. Use these long-range plans to develop forecasts of sales and profitability and compare actual results from operations to these forecasts.
3. Develop long-range plans and strategies based upon careful analysis of all relevant factors (pricing strategies, market potential, competition, cost of borrowed and equity capital as compared to using only profits for expansions, etc.) to provide direction for the future of business.
4. Focus on the financial, human, and physical requirements necessary to fulfill the plans by developing forecasts of sales, expenses, and retain earnings (retained income) over the next three to five years.
5. Study methods of operation, product mix, new market opportunities, and other such factors to help identify ways to improve company's productivity and profitability.
6. Compare your company's financial performance regularly with current industry data to determine how your results compare with others in your industry. Learn where your business may have performance weaknesses. Don't be afraid to modify your plans.

Planning is a perpetual process. It is the key to prosperity of any business.

VOCABULARY

profit planning	– планирование прибыли
budgeting	– составление сметы; составление бюджета
profitability	– рентабельность, прибыльность, доходность
sales volume	– объем продаж
Cash Flow Budget	– финансовая смета движения денежной наличности
on a quarterly basis	– раз в три месяца
to sustain	– поддерживать, подкреплять
pricing considerations	– ценовой анализ
sales growth	– рост объема продаж (сбыта)
to catch up	– догнать
keep pace with	– идти наравне с (чем-л.), не отставать от
capital needs	– потребность в капитале
outside funds	– внешние фонды
internally generated funds	– внутренние приобретенные фонды
arrangements	– меры, мероприятия, распоряжения
borrowing	– заём, ссуда
to outstrip	– обгонять, опережать
to meet debts	– покрывать/оплачивать долги
growth rate	– темп роста
gross profit margin	– размер валовой прибыли
net profit margin	– размер чистой прибыли
financial performance	– финансовое состояние
payable	– подлежащий уплате
insolvency	– неплатежеспособность
return on investment	– прибыль на инвестированный капитал
retained earnings (income)	– нераспределенная прибыль
to meet the demand	– удовлетворить требование
to sustain	– поддерживать; удовлетворять

forecast ['fɔ:kɑ:st]

– прогноз

product mix

– структура продукции; номенклатура продукции; ассортимент изделий

perpetual [pə'petʃuəl]

– бесконечный, постоянный

Assignment. Answer the questions:

1. How often a short-term business's plan should be prepared?
2. How often a long-term or strategic plan should be prepared?
3. What are the steps necessary to develop effective long-term plans?

Assignment. Write a short essay on:

Differences in financial management in a small company and a big company.

Financial planning and its importance for business.

FINANCIAL MANAGEMENT PLANNING**TEXT 1. FINANCIAL STATEMENTS**

Financial Statements record the performance of business and allow to diagnose its strengths and weaknesses by providing a written summary of financial activities.

There are two primary financial statements: the **Balance Sheet** and the **Statement of Income**.

The Balance Sheet

The Balance Sheet provides a picture of the financial health of a business at a given moment, usually at the close of an accounting period. It lists in detail those material and intangible items the business owns (known as its assets) and what money the business owes, either to its creditors (liabilities) or to its owners (shareholders' equity or net worth of the business).

Assets include not only cash, merchandise inventory, land, buildings, equipment, machinery, furniture, patents, trademarks, and the like, but also money due from individuals or other businesses (known as *accounts or notes receivable*).

Liabilities are funds acquired for a business through loans or the sale of property or services to the business on credit. Creditors do not acquire business ownership, but promissory notes to be paid at a designated future date.

Shareholders' equity (or net worth or capital) is money put into a business by its owners for use by the business in acquiring assets.

At any given time, a business's assets equal the total contributions by the creditors and owners, as illustrated by the following formula for the Balance Sheet:

$\text{Assets} = \text{Liabilities} + \text{Net worth}$

This formula is a basic principle of accounting. If a business owes more money to creditors than it possesses in value of assets owned, the net worth or owner's equity of the business will be a negative number.

The Balance Sheet shows how the assets, liabilities, and net worth of a business are distributed at any given time. It is usually prepared at regular intervals; e.g., at each month's end, but especially at the end of each fiscal (accounting) year.

By regularly preparing the Balance Sheet the financial manager can identify and analyze the financial strength of the business. It permits timely modifications, such as gradually decreasing the amount of money the business owes to creditors and increasing the amount the business owes its owners.

All Balance Sheets contain the same categories of assets, liabilities, and net worth. Assets are arranged in decreasing order of how quickly they can be turned into cash (liquidity). Liabilities are listed in order of how soon they must be repaid, followed by retained earnings (net worth or owner's equity).

The categories and format of the Balance Sheet are established by a system known as *Generally Accepted Accounting Principles (GAAP)*. The system is applied to all companies, large or small, so anyone reading the Balance Sheet can understand it.

Balance Sheet Categories

Assets: An asset is anything the business owns that has monetary value. Assets and liabilities are divided into the following categories:

- **Current Assets** include cash, government securities, marketable securities, accounts receivable, notes receivable, inventories, prepaid expenses, and any other item that could be converted into cash within one year in the normal course of business.
- **Capital (Fixed) Assets** are those acquired for long-term use in a business such as land, plant, equipment, machinery, leasehold, furniture, fixtures, and any other items with an expected useful business life measured in years (as opposed to items that will wear out or be used up in less than one year). These assets are typically not for resale and are recorded in the Balance Sheet at their net cost less accumulated depreciation.
- **Other Assets** include intangible assets, such as patents, royalties, copyrights, exclusive use contracts.
- **Liabilities:** Liabilities are the claims of creditors against the assets of the business or debts owed by the business.
- **Current Liabilities** are accounts payable, notes payable to banks, accrued expenses (wages, salaries), taxes payable, the current portion (due and payable within one year) of long-term debt, and other obligations to creditors due within one year.
- **Long-Term Liabilities** are mortgages, intermediate and long-term bank loans, equipment loans, and any other obligation for money due to a creditor with a maturity longer than one year.

Net Worth is the assets of the business minus its liabilities. Net worth equals the owner's equity. This equity is the investment by the owner plus any profits or minus any losses that have accumulated in the business.

VOCABULARY

Balance Sheet	– бухгалтерский баланс
Statement of Income	– отчет о доходах и расходах, заявление о доходах
assets and liabilities	– активы и пассивы
financial statement	– финансовый отчет
accounting period	– отчетный период
material items	– материальные предметы
intangible items	– нематериальные предметы
trademark	– торговая марка
shareholders' equity	– средства акционеров
net worth	– стоимость имущества за вычетом обязательств, собственный капитал предприятия
merchandise inventory	– запасы товаров
accounts receivable	– счета к получению
promissory note	– вексель
due	– подлежащий выплате
to be paid	– к оплате
liquidity	– ликвидность
retained earnings	– нераспределенная прибыль
monetary value	– денежная стоимость
marketable securities	– легко реализуемые ценные бумаги
inventories	– 1) наличные товары; 2) материально-производственные запасы
leasehold	– 1) лизгольд (покупка недвижимости на правах аренды); 2) недвижимость, купленная на правах аренды
fixtures	– приспособления и принадлежности
wear out	– изнашивать(ся)

less accumulated depreciation	– за вычетом аккумулированных амортизационных отчислений
intangible assets	– нематериальные активы
royalties	– гонорары
claim	– требование
accrued [ə'kru:d] expenses	– накопленные затраты
due and payable	– причитающийся и подлежащий оплате
mortgage	– 1) заклад, ипотека; 2) закладная
maturity [mə'tjuənti]	– срок платежа по векселю

Assignment. Answer the questions:

1. What is a Balance Sheet?
2. What does a Balance Sheet show?
3. What is called assets?
4. What do assets consist of?
5. What is called liabilities?
6. What is shareholders' equity?
7. What do Current Assets include?
8. What do Capital Assets consist of?
9. What are Current Liabilities?
10. What are Long-Term Liabilities?

Assignment. Match the following:

- | | |
|-----------------------------|--|
| 1. Accounting | A. бухгалтерское дело |
| 2. Accounts Payable | B. долгосрочный долг |
| 3. Accounts Receivable | C. доход в виде процента |
| 4. Accumulated Depreciation | D. краткосрочные займы |
| 5. Beginning equity | E. материально-производственные запасы |
| 6. Interest Income | F. накопленная амортизация |
| 7. Inventory | G. налог на заработную плату |
| 8. Long Term Debt | H. расходы на аренду |
| 9. Payroll Tax | I. ремонт и техническое обслуживание |
| 10. Rental Expense | J. собственные средства |
| 11. Repair and Maintenance | K. счет продаж |
| 12. Sales Accounts | L. счета к оплате |
| 13. Short term loans | M. счета к получению |

TEXT 2. THE STATEMENT OF INCOME

The Statement of Income (presented to Internal Revenue Service (IRS)) is a measurement of a company's sales and expenses over a specific period of time. It is also prepared at regular intervals (each month and fiscal year end) to show the results of operating during those accounting periods. It contains specific revenue and expense categories regardless of the nature of the business.

Statement of Income Categories

The Statement of Income categories are calculated as described below:

Net Sales (gross sales less returns and allowances)

(-) Less Cost of Goods Sold (cost of inventories)

(=) Equals Gross Margin (gross profit on sales before operating expenses)

(-) Less Selling and Administrative Expenses (salaries, wages, payroll taxes and benefits, rent, utilities, maintenance expenses, office supplies, postage, automobile/vehicle expenses, insurance, legal and accounting expenses, depreciation)

(=) Equals Operating Profit (profit before other non-operating income or expense)

(+) Plus Other Income (income from discounts, investments, customer charge accounts)

(-) Less Other Expenses (interest expense)

(=) Equals Net Profit (or Loss) before Tax (the figure on which your tax is calculated)

(-) Less Income Taxes

(=) Equals Net Profit (or Loss) After Tax

Calculating the Cost of Goods Sold

Calculation of the Cost of Goods Sold category in the Statement of Income (or Profit-and-Loss Statement as it is sometimes called,) varies depending on whether the business is retail, wholesale, or manufacturing. In retailing and wholesaling, computing the cost of goods sold during the accounting period involves beginning and ending inventories. This, of course, includes purchases made during the accounting period. In manufacturing it involves not only finished-goods inventories, but also raw materials inventories, goods-in-process inventories, direct labor, and direct factory overhead costs.

Regardless of the calculation for Cost of Goods Sold, deduct the Cost of Goods Sold from Net Sales to get Gross Margin or Gross Profit. From Gross Profit, deduct general or indirect overhead, such as selling expenses, office expenses, and interest expenses to calculate your Net Profit. This is the final profit, after all costs and expenses for the accounting period have been deducted.

VOCABULARY

fiscal year	– финансовый год
Internal Revenue Service (IRS)	– Налоговое управление (США)
accounting period	– отчетный период
revenue and expense categories	– категории доходов и расходов
regardless	– несмотря на
net sales	– чистая сумма продаж
gross sales	– валовая выручка от продажи
returns and allowances	– возвраты и списания
cost of inventories	– стоимость наличных товаров
finished-goods inventories	– запасы готовых изделий
goods-in-process inventories	– запасы изделий в незавершенном производстве
gross margin ['grəʊs 'mɑ:ʃɪn] = = (gross profit) ['grəʊs 'prɒfɪt]	– валовая прибыль
operating expenses	– эксплуатационные/текущие расходы
overhead costs	– накладные расходы
selling expenses	– торговые расходы
to deduct	– вычитать, отнимать
administrative expenses	– управленческие расходы
depreciation	– 1) падение рыночных цен; 2) скидка на порчу товара; 3) изнашивание
operating profit	– прибыль от производственной деятельности
customer charge accounts	– расходные счета клиентов (<i>амер.</i>)
interest expense	– проценты уплаченные
net profit	– чистая прибыль
income taxes	– подоходный налог

Assignment. *Answer the questions:*

1. How is the cost of goods calculated in retailing and wholesaling?
2. How is the cost of goods calculated in manufacturing?
3. How is Net Profit calculated?

TEXT 3. FINANCIAL RATIO ANALYSIS

The Balance Sheet and the Statement of Income are essential, but they are only the starting point for successful financial management. Ratio Analysis to Financial Statements are applied to analyze the success, failure, and progress of business.

Ratio Analysis enables the business manager to see trends in a business and to compare its performance and condition with the average performance of similar businesses in the same industry. Ratio analysis may provide the indications that allow to solve business problems.

Balance Sheet Ratio Analysis

Important Balance Sheet Ratios measure liquidity and solvency (a business's ability to pay its bills as they come due) and leverage кредитование (the extent to which the business is dependent on creditors' funding). They include the following ratios:

Liquidity Ratios

These ratios indicate the ease of turning assets into cash. They include the Current Ratio, Quick Ratio, and Working Capital.

Current Ratios

The Current Ratio is one of the best known measures of financial strength. It is calculated as shown below:

$$\text{Current Ratio} = \text{Total Current Assets} / \text{Total Current Liabilities}$$

A generally acceptable current ratio is 2 to 1. The minimum acceptable current ratio is obviously 1:1.

- Too low business's current ratio may be raised by:
- Paying some debts.

- Increasing current assets from loans or other borrowings with a maturity of more than one year.
- Converting non-current assets into current assets.
- Increasing current assets from new equity contributions.
- Putting profits back into the business.

Quick Ratios

The Quick Ratio is one of the best measures of liquidity. It is calculated as shown below:

$$\text{Quick Ratio} = \text{Cash} + \text{Receivables} / \text{Total Current Liabilities}$$

The Quick Ratio is a much more exacting measure than the Current Ratio. By excluding inventories, it concentrates on the really liquid assets. It helps answer the question: "If all sales revenues should disappear, could business meet its current obligations with the readily convertible "quick funds on hand?"

Working Capital

Working Capital is more a measure of cash flow than a ratio. The result of this calculation must be a positive number. It is calculated as shown below:

$$\text{Working Capital} = \text{Total Current Assets} - \text{Total Current Liabilities}$$

Bankers look at Net Working Capital over time to determine a company's ability to withstand financial crises. Loans are often tied to minimum working capital requirements.

A general observation about these three Liquidity Ratios is that the higher they are the better.

Leverage Ratio

Leverage Ratio indicates the extent to which the business is dependent on debt financing (creditor money versus owner's equity):

$$\text{Debt/Worth Ratio (debt-to-equity ratio)} = \text{Total Liabilities} / \text{Net Worth}$$

Generally, the higher this ratio, the more risky a creditor will perceive its exposure in your business, making it correspondingly harder to obtain credit.

Income Statement Ratio Analysis

The following important ratios measure profitability:

Gross Margin Ratio

This ratio is the percentage of sales money left after subtracting the cost of goods sold from net sales. It measures the percentage of sales money remaining (after obtaining or manufacturing the goods sold) available to pay the overhead expenses of the company.

Comparison of your business ratios to those of similar businesses will reveal the relative strengths or weaknesses in your business. The Gross Margin Ratio is calculated as follows:

$$\text{Gross Margin Ratio} = \text{Gross Profit} / \text{Net Sales}$$

Reminder: Gross Profit = Net Sales – Cost of Goods Sold

Net Profit Margin Ratio

This ratio is the percentage of sales money left after subtracting the Cost of Goods sold and all expenses, except income taxes. It provides a good opportunity to compare your company's "return on sales" with the performance of other companies in your industry. It is calculated before income tax because tax rates and tax liabilities vary from company to company for a wide variety of reasons, making comparisons after taxes much more difficult. The Net Profit Margin Ratio is calculated as follows:

$$\text{Net Profit Margin Ratio} = \text{Net Profit Before Tax} / \text{Net Sales}$$

Management Ratios

Other important ratios, often referred to as Management Ratios, are also derived from Balance Sheet and Statement of Income information.

Inventory Turnover Ratio

This ratio reveals how well inventory is being managed. It is important because the more times inventory can be turned in a given operating cycle, the greater the profit. The Inventory Turnover Ratio is calculated as follows:

$$\text{Inventory Turnover Ratio} = \text{Net Sales} / \text{Average Inventory Cost}$$

Accounts Receivable Turnover Ratio

This ratio indicates how well accounts receivable are being collected. If receivables are not collected reasonably in accordance with their terms, management should rethink its collection policy. If receivables are excessively slow in being converted to cash, liquidity could be severely impaired. Getting the Accounts Receivable Turnover Ratio is a two step process and is calculated as follows:

$$\begin{aligned} \text{Daily Credit Sales} &= \text{Net Credit Sales Per Year} / 365 \text{ (Days)} \\ \text{Accounts Receivable Turnover (in days)} &= \\ &= \text{Accounts Receivable} / \text{Daily Credit Sales} \end{aligned}$$

Return on Assets Ratio

This measures how efficiently profits are being generated from the assets employed in the business when compared with the ratios of firms in a similar business. A low ratio in comparison with industry averages indicates an inefficient use of business assets. The Return on Assets Ratio is calculated as follows:

$$\text{Return on Assets} = \text{Net Profit Before Tax} / \text{Total Assets}$$

Return on Investment (ROI) Ratio

The ROI is perhaps the most important ratio of all. It is the percentage of return on funds invested in the business by its owners. In short, this ratio tells the owner whether or not all the effort put into the business has been worthwhile. If the ROI is less than the rate of return on an alternative, risk-free investment such as a bank savings account, the owner may be wiser to sell the company, put the money in such a savings instrument. The ROI is calculated as follows:

$$\text{Return on Investment} = \text{Net Profit before Tax} / \text{Net Worth}$$

These Liquidity, Leverage, Profitability, and Management Ratios allow to identify trends in a business and to compare its progress with the performance of others through data published by various sources. The owner may thus determine the business's relative strengths and weaknesses.

VOCABULARY

Balance Sheet
ratio analysis
solvency

- бухгалтерский баланс
- анализ относительных показателей
- платежеспособность

Liquidity Ratio ['reɪʃiəʊ]	– коэффициент ликвидности
Quick Ratio	– коэффициент быстроты покрытия ликвидными активами, коэффициент ликвидности
Current Ratio	– коэффициент ликвидности, коэффициент покрытия (в анализе баланса)
Leverage Ratio ['li:vəriʒ 'reɪʃiəʊ]	– коэффициент использования кредита
Debt/Worth Ratio (debt-to-equity ratio)	– коэффициент долг/акционерный капитал; отношение задолженности к собственному капиталу
Debt Financing	– 1) финансирование путем получения новых займов; 2) погашение долга путем займа; 3) финансирование с привлечением заемного капитала
working capital	– оборотный капитал, оборотные средства
owner's equity	– собственные средства владельца
quick funds	– ликвидные фонды
on hand	– имеющийся в распоряжении
Gross Margin Ratio	– коэффициент валовой прибыли
Income Statement Ratio Analysis	– анализ относительных показателей в отчете о прибылях и убытках
profitability	– рентабельность
Net Sales	– чистая сумма продаж
Net Profit Margin Ratio	– чистый коэффициент рентабельности
return on sales	– доход от продаж
tax rates	– налоговые ставки
tax liabilities	– задолженности по налогам
Inventory Turnover Ratio	– коэффициент оборачиваемости товарных запасов
Average Inventory Cost	– средняя стоимость товарных запасов

Accounts Receivable Turnover Ratio	– коэффициент оборачиваемости счетов к получению
impaired	– ослабленный
Return on Assets Ratio	– коэффициент дохода на активы
Return on Investment Ratio (ROI)	– коэффициент окупаемости инвестиций

Assignment. *Answer the questions:*

1. How does ratio analysis help the manager?
2. What are liquidity ratios?
3. How is Current Ratio calculated?
4. How is Quick Ratio calculated?
5. How is Working Capital calculated?
6. What is Leverage Ratio?
7. How is Gross Margin Ratio calculated?
8. How is Net Profit Margin Ratio calculated?
9. How is Inventory Turnover Ratio calculated?
10. How is Accounts Receivable Turnover Ratio calculated?
11. How is Return on Assets Ratio calculated?
12. How is Return on Investment calculated?

ACCOUNTING AND BOOKKEEPING**TEXT 1. WHAT IS ACCOUNTING AND BOOKKEEPING?**

Accounting and Bookkeeping is the process of identifying, measuring, recording, and communicating economic information about an organization or other entity. Bookkeeping is the record-keeping aspect of accounting. Accounting principles are applied in the preparation of financial statements and other financial information.

Personal record keeping often uses a simple single-entry bookkeeping, in which amounts are recorded in column form. Such entries include the date of the transaction, its nature, and the amount of money.

Record keeping of organizations is based on a double-entry system. Each transaction is recorded on the basis of its influence on the organization's financial position or operating results. Information about financial position of an enterprise is presented in a balance sheet, while operating results are displayed in an income statement account. Data relating to an organization's liquidity and changes in its financial structure are shown in a financial statement. Such financial statements are prepared to provide information about past performance, which in turn becomes a basis for readers to try to project what might happen in the future.

ACCOUNTING INFORMATION

Accounting information can be classified into two categories: financial accounting or public information and managerial accounting or private information.

Financial accounting includes information distributed to stockholders, creditors, customers, suppliers, financial analysts, and trade associations. This information is also of interest to the company's officers and managers. Such information relates to the financial position, liquidity (that is, ability to convert to cash), and profitability of an enterprise.

Managerial accounting deals with cost-profit-volume relationships, efficiency and productivity, planning and control, pricing decisions, capital budgeting, and similar matters. This information is not generally distributed outside the company. Managerial accounting provides a wide variety of specialized reports for division managers, de-

partment heads, project directors, section supervisors, and other managers.

Specialized Accounting

Of the various specialized areas of accounting that exist, the three most important are **auditing**, **income taxation**, and **accounting for non-business organizations**.

Auditing is the examination, by an independent accountant, of the financial data, accounting records, business documents, and other documents of an organization in order to attest to the accuracy of its financial statements. Large private and public enterprises sometimes also maintain an internal audit staff to conduct examinations concerned with operating efficiency and managerial effectiveness.

Income taxation is the second specialized area of accounting. Preparing an income tax form consists of collecting information and presenting data in a certain order; therefore, both individuals and businesses frequently hire accountants to determine their taxes.

Accounting for non-business organizations, such as universities, hospitals, churches, trade and professional associations is the third area of specialization. These organizations differ from business enterprises in that they do not have a profit orientation, and they have no defined ownership interests. As a result, these organizations have differences in record keeping, in accounting measurements, and in the format of their financial statements.

VOCABULARY

accounting	– бухгалтерское дело
bookkeeping	– бухгалтерия, счетоводство, бухгалтерский учет
record-keeping	– ведение записей (учета)
accounting principles	– принципы (бухгалтерского) учета
financial statements	– финансовый отчет
single-entry book-keeping	– простая бухгалтерия
column ['kɒləm]	– столбец, колонка, графа
transaction [trænzækʃ(ə)n]	– операция
entry	– запись, внесение, занесение (в список, в торговые книги)
double-entry	– двойная бухгалтерия

financial position	– финансовое положение
operating results	– результаты работы
balance sheet	– бухгалтерский баланс
income statements	– декларация о доходах
income statement account	– счет прибылей и убытков, результативный счет
liquidity	– ликвидность
financial statement	– финансовый отчет
accounting information	– данные учета
financial accounting	– финансовый учет
managerial accounting	– управленческий учет
stockholder	– акционер
customer	– покупатель, заказчик, клиент
supplier	– поставщик
financial analyst	– финансовый аналитик (эксперты, осуществляющие финансовый анализ предприятий с целью внесения предложений о купле-продаже их акций)
trade association	– ассоциация производителей и дилеров одной и той же отрасли производства (создаются для защиты интересов производителей и для того, чтобы представлять их интересы на переговорах разного уровня)
pricing	– калькуляция цен
capital budgeting	– составление смет капитальных вложений и их окупаемости; экономический анализ намечаемых капиталовложений
auditing ['ɔ:ditɪŋ]	– ревизование, аудит
income taxation	– обложение подоходным налогом
non-business organizations	– некоммерческие организации
accounting records	– материалы бухгалтерского учета
internal audit	– внутренняя ревизия; внутренний аудитор
income tax form	– бланк декларации на подоходный налог

Assignment. Answer the questions:

1. What is done during the process of accounting and bookkeeping?
2. Where are accounting principles applied?
3. What is the difference between single-entry bookkeeping and a double-entry system?
4. What information is presented in a balance sheet?
5. Who is interested in financial accounting?
6. What does managerial accounting deal with?
7. Who can use managerial accounting information?
8. What is the aim of financial auditing?

TEXT 2. THE DOUBLE ENTRY SYSTEM

As you enter information in your books, you will always make two entries, which exactly balance one another. Each entry has a left side – these are called **debits**, and a right side -- these are called **credits**. For each entry you must enter at least one debit and one credit, and the total of the amounts on the right must equal the total on the left. Another “rule” is that debits are *positive* and credits are *negative* and if you add them all together, the total is “zero.”

If you go to the store and buy a drill, you are decreasing your cash in the bank by \$129.50. You are increasing your expenses by the same amount – and there you have your two entries. Cash gets the negative entry, or credit, and small tools gets the positive entry, or debit.

All your asset accounts (1000 series) are debit accounts, which means they are positive numbers. An asset is a positive number in the system. The liability accounts (2000 series) are all credit accounts and they are negative numbers, but generally when you look at them on the balance sheet, you don't show the minus sign.

The 3000 series is sales. Sales are considered a credit account. You sell something and get some cash. Cash is a debit account. Make a sale, and you better increase your cash – debit cash. Positive entry.

The 4000 and 5000 series, the expense accounts, are all debit accounts. You enter an expense as a positive number (debit) to increase your record of what you've spent. Whenever you make a purchase of an item that goes to one of your expense accounts, you always increase your expense, which is a debit.

The following chart shows how debits and credits affect the different types of accounts:

Account Type	Debit	Credit
ASSETS	Increases	Decreases
LIABILITIES	Decreases	Increases
EQUITY	Decreases	Increases
INCOME	Decreases	Increases
EXPENSES	Increases	Decreases

The following is a typical Chart of Accounts of a production shop:

Production Shop Chart of Accounts
Таблица счетов производства

<i>Asset Accounts</i> счета актива	
<i>Current Assets</i> оборотные средства	
1001	Cash in bank наличные в банке
1003	Petty Cash account мелкие статьи прихода/расхода
1005	Inventory материально-производственные запасы
1008	Accounts Receivable счета к получению
1012	Prepaid Expense предварительно оплаченные расходы
<i>Long Term Assets</i> долгосрочные активы	
1200	Land земля
1300	Buildings строения
1301	Accumulated Depreciation, buildings накопленная амортизация на строения
1400	Vehicles транспортные ср-ва
1401	Accumulated Depreciation, vehicles накопленная амортизация на транспортные ср-ва
1600	Shop Equipment станки, оборудование
1601	Accumulated Depreciation, shop equipment накопленная амортизация на оборудование
1700	Office Equipment офисная техника
1701	Accumulated Depreciation, office equipment накопленная амортизация на офисную технику
<i>Other Assets</i> прочие активы	
1800	Deposits депозиты, вклады (в банке)

<i>Liability Accounts</i> счета пассива	
<i>Current Liabilities</i> краткосрочные обязательства	
2002	Accounts Payable счета к оплате
2100	Employment tax Payable налог на предпринимателей к оплате
2300	Short term loans payable краткосрочные займы к оплате
2350	Customer Deposits вклады клиентов
2385	Current Portion of Long Term Debt текущая часть долгосрочного долга
<i>Long Term Liabilities</i> долгосрочные обязательства	
2501	Land Payable оплата земли
2505	Equipment Payable оплата оборудования
2510	Vehicles Payable оплата транспортных ср-в
2514	Bank Loans payable оплата банковских займов
2825	Beginning equity собственные средства
2830	Partners Contribution вклад партнеров
<i>Sales Accounts</i> счет продаж	
3010	Frame Sales основные продажи
3015	Other sales другие продажи
<i>Direct Expense Accounts</i> счета прямых расходов	
4010	Shop Labor заработная плата рабочим
4015	Payroll Tax Expense налог на заработную плату
4101	Materials сырье, материалы
4200	Freight перевозки
4326	Engineering конструкторские работы
4510	Outside Services внешние услуги
4647	Rental Expense расходы на аренду
4700	Repair and Maintenance ремонт и техническое обслуживание
4809	Small tools мелкий инструментарий
4830	Travel командировки
4843	Lodging проживание
4849	Meals еда
<i>Indirect Expense Accounts (overhead)</i> счета не прямых накладных расходов	
5010	Salaries & wages заработная плата
5015	Payroll tax expense налог на заработную плату

UNIT 13. Accounting and Bookkeeping

5300	Accounting бухгалтерское дело
5312	Advertising реклама
5330	Bank Fees оплата банковских услуг
5341	Depreciation expense амортизационные расходы
5345	Dues and Subscriptions пошлины, пожертвования
5353	Insurance: Product Liability страховка на недоброкачественность продукции
5355	Insurance: vehicles страхование транспорта
5358	Legal Fees оплата юристов
5550	Office supplies канцелярские товары
5600	Postage почтовые расходы
5618	Research and Development исследования и разработки
5700	Repair and Maintenance, office ремонт и техническое обслуживание офисной техники
5762	Taxes and licenses налоги и страховки
5775	Telephone телефон
5813	Training обучение
5820	Utilities коммунальные услуги
<i>Other Accounts другие счета</i>	
7050	Interest Income доход в виде процента
7100	Cash discounts скидка при оплате наличными
7200	Gain or loss on sale of assets прибыль или убыток при продаже активов
8020	Interest expense проценты уплаченные

TEXT 3. THE BALANCE SHEET

Of the two traditional types of financial statements, the **balance sheet** relates to an entity's position, and the income statement—or profit and loss account—relates to its activity. The balance sheet provides information about an organization's assets, liabilities, and owners' equity on the last day of the accounting or fiscal period. The format of the balance sheet reflects the basic accounting equation: assets equal equities. Assets are economic resources of the organization. Equities consist of the organization's liabilities together with the equity interest of its owners. (For example, a certain house has assets worth \$70,000;

its unpaid mortgage is a liability of \$45,000, and the equity of its owners is \$25,000.)

Assets are categorized as current or long-lived. **Current assets** are usually those that management could reasonably be expected to convert into cash within one year; they include cash, receivables, merchandise inventory, and short-term investments in stocks and bonds. **Long-lived assets** include land, buildings, machinery, motor vehicles, computers, furniture, and fixtures. Long-lived assets also include intangibles such as patents and trademarks.

Liabilities are obligations that the organization must remit to other parties, such as creditors and employees. **Current liabilities** usually are amounts that are expected to be paid within one year, including salaries and wages, taxes, short-term loans, and money owed to suppliers of goods and services. **Noncurrent liabilities** are usually debts that will come due beyond one year—such as bonds, mortgages, and long-term loans. Whereas liabilities are the claims of outside parties on the assets of the organization, the owners' equity is the investment interest of the owners in the organization's assets. When an enterprise is operated as a sole proprietorship or as a partnership, the balance sheet may disclose the amount of each owner's equity. When the organization is a corporation, the balance sheet shows the equity of the owners (stockholders) as consisting of two elements: (1) the amount originally invested by the stockholders; and (2) the corporation's cumulative re-invested income, or retained earnings (that is, income not distributed to stockholders as dividends), in which the stockholders have equity.

The Income Statement

Income statement is often known as the profit-and-loss account. Prepared for a well-defined time interval, such as three months or one year, this statement summarizes the enterprise's **revenues, expenses, gains, and losses**.

Revenues are transactions that represent the inflow of assets as a result of operations—that is, assets received from selling goods and rendering services.

Expenses are transactions involving the outflow of assets in order to generate revenue, such as wages, rent, interest, and taxation.

In addition to showing revenues and expenses (the principal components of income), the income statement also lists gains and losses from other kinds of transactions, such as the sale of plant assets (for example, a factory building) or the early repayment of long-term debt.

Other Financial Statements

The income statement excludes the amount of assets withdrawn by the owners; in a corporation such withdrawn assets are called dividends. The statement of retained earnings shows income and redistribution to owners.

- A third important financial statement is the statement of cash flows. This statement provides information not otherwise available in either an income statement or a balance sheet. It presents the sources and the uses of the enterprise's funds by operating activities, investing activities, and financing activities. The statement identifies:
 - the cash generated or used by operations;
 - the cash exchanged to buy and sell plant and equipment;
 - the cash proceeds from stock issuances and long-term borrowings;
 - and the cash used to pay dividends, to purchase the company's outstanding shares of its own stock, and to pay off debts.

VOCABULARY

profit and loss account	– счет прибылей и убытков
entity's position	– финансовое положение организации
owners' equity	– акции владельцев
fiscal period	– период налогообложения
assets ['æsets]	– 1) актив (баланса); 2) средства, фонды, авуары, имущество
to equal	– равняться
equity	– собственный капитал
liabilities	– задолженность, пассив (баланса)
equity interest	– капиталовложения
revenues ['revɪnju:z]	– доходы
house	– фирма, учреждение
unpaid mortgage ['mɔ:ɡɪdʒ]	– неоплаченный залог
current assets	– оборотные фонды, оборотные средства (денежные средства, вложенные в запасы сырья, материалов, топлива, готовой продукции, а также счета в банках)

receivables	– счета дебиторов
merchandise inventories	– товарные запасы в розничной торговле, коммерческие товарные запасы
short-term investment	– краткосрочные инвестиции
stocks and bonds	– ценные бумаги и облигации
long-lived assets	– долговременные фонды
to remit	– переводить
obligation	– обязательство, долг
current liabilities	– краткосрочные обязательства
noncurrent liabilities	– долгосрочные обязательства
to come due	– подлежать выплате
investment interest	– доля капиталовложений
cumulative reinvested income	– накопленный реинвестированный доход
to exclude	– исключать
to withdraw	– изымать
retained earnings	– нераспределенная прибыль
statement of cash flows	– отчет о денежных потоках
proceeds [prəʊ'si:dz]	– доход, вырученная сумма
stock issuance ['ɪsu:əns]	– выпуск акций
outstanding shares	– акции, выпущенные в обращение
to pay off debts	– оплачивать долги, погашать задолженность

Assignment. Answer the questions:

1. What information gives the balance sheet?
2. What do current assets include?
3. What do long-lived assets include?
4. What are liabilities?
5. What does the balance sheet show?

ТЕХТ 4. BOOKKEEPING AND ACCOUNTING CYCLE

Modern accounting is a seven-step cycle. The first three steps are the bookkeeping function – that is, the systematic compiling and recording of financial transactions. Business documents for bookkeeping include invoices, payroll time cards, bank cheques, and receiving re-

ports. Special journals (daily logs) are used to record recurring transactions; these include a sales journal, a purchases journal, a cash-receipts journal, and a cash-disbursements journal.

Bookkeeping steps

1. Record transaction in a journal.
2. Transfer amounts from various journals in a ledger. (Also called “posting.”)
3. Calculate whether sum of all debit balances equals sum of all credit balances. (Also called “trial balance.”)

Accounting steps

4. Calculate adjustments.
5. Prepare adjusted trial balance.
6. Prepare financial statements.
7. Close noncumulative accounts.

Step One

Recording a transaction in a journal marks the starting point for the double-entry bookkeeping system. In this system the financial structure of an organization is analysed as consisting of many interrelated aspects, each of which is called an account (for example, the “wages payable” account). Every transaction is entered as debit (or left side) and credit (or right side). Depending on their nature, certain accounts are increased with debits and decreased with credits. Other accounts are increased with credits and decreased with debits. For example, the purchase of merchandise for cash increases the merchandise account (a debit) and decreases the cash account (a credit). If merchandise is purchased on the promise of future payment, a liability would be created, and the journal entry would record an increase in the merchandise account (a debit) and an increase in the liability account (a credit). Payment of wages earned by employees would be a decrease in the cash account (a credit) and a decrease in the liability account (a debit).

Step Two

The next step is the transfer of the amounts that appear in the various journals to the organization's general ledger – a procedure called posting. (A ledger is a book having one page for each account in the organization's financial structure. The page for each account shows its debits on the left side and its credits on the right side, so that the bal-

ance – that is, the net credit or debit – of each account can be determined.)

In addition to the general ledger, a subsidiary ledger is used to provide information in greater detail about the accounts in the general ledger. Subsidiary accounts may also be kept for the wages paid to each employee, for each building or machine owned by the company, and for amounts owed to each of the enterprise's creditors.

Step Three

Posting data to the ledgers is followed by listing the balances of all the accounts and calculating whether the sum of all the debit balances agrees with the sum of all the credit balances (because every transaction has been listed once as a debit and once as a credit). This determination is called a trial balance. Once the trial balance has been successfully prepared, the bookkeeping portion of the accounting cycle is completed.

Step Four

Once bookkeeping procedures have been completed, the accountant prepares certain adjustments to recognize events that, although they did not occur in conventional form, are in substance already completed transactions. The following are the most common circumstances that require adjustments:

- accrued revenue (for example, interest earned but not yet received);
- accrued expense (wage cost not yet paid);
- depreciation (the cost of a machine as expense spread over its useful life);
- inventory (recording the cost of goods sold on the basis of a period's purchases and the change between beginning and ending inventory balances);
- receivables (recognizing bad-debt expenses on the basis of expected uncollected amounts).

Steps Five and Six

Once the adjustments are calculated, the accountant prepares an adjusted trial balance—one that combines the original trial balance with the effects of the adjustments (step five). With the balances in all the accounts thus updated, financial statements are then prepared (step six). The balances in the accounts are the data that make up the organization's financial statements.

Step Seven

The final step is to close noncumulative accounts. This procedure involves a series of bookkeeping debits and credits to transfer sums from income-statement accounts into owners' equity accounts. Such transfers reduce to zero the balances of noncumulative accounts so that these accounts can receive new debit and credit amounts that relate to the activity of the next business period.

Accounting standards

Despite considerable efforts to create internationally agreed accounting standards, there still exist important differences in the way accounting information is produced in different countries. These differences often make international comparisons of accounting information extremely risky.

VOCABULARY

compiling	– сбор
financial transaction	– финансовая операция
invoice	– счет, фактура; счет-фактура (счет на отправленный товар с указанием краткой спецификации, цены, расходов и др.)
payroll time card	– списочная карточка табельного учета
receiving report	– отчет о приемке поступивших материалов; отчет о поступлениях
daily log	– ежедневник (журнал)
recurring	– периодический, повторяющийся
sales journal	– журнал товарооборота
purchases journal	– журнал закупок
cash-receipts journal	– кассовый журнал
cash-disbursements journal	– журнал кассовых выплат
ledger	– гроссбух
posting	– перенос (записи) в гроссбух; оприходование
debit balance	– дебетовое сальдо
credit balance	– кредитовое сальдо кредитовый остаток

trial balance	– пробный баланс
adjustments	– исправления
adjusted trial balance	– рабочий пробный баланс; исправленный пробный баланс
financial statements	– финансовый отчет
noncumulative accounts	– некумулятивные счета
subsidiary [səb'sɪdʒəri] account	– вспомогательный счет
interest earned	– полученные проценты
accrued interest	– накопленные (наросшие/начисленные) проценты; аккумулярованный процент
wage cost	– расходы на зарплату
useful life	– срок полезного использования
bad debts	– 1) безнадежные долги; 2) дебиторская задолженность, не оплаченная в срок (статья в бухгалтерском балансе предприятия)
uncollected	– неполученный, неинкассированный
to update	– корректировать (накопленные данные); изменять в соответствии с новыми данными

Assignment. *Answer the questions:*

1. What are business documents for bookkeeping?
2. What journals (daily logs) are used to record recurring transactions?
3. What are the first three steps in bookkeeping?
4. What are the four steps in bookkeeping?

TEXT 5. MANAGEMENT ACCOUNTING

Management Accounting is the process of producing accounts that are specifically designed to serve the needs of the managers who are running a business. All companies are required by law to keep financial accounts in order to produce a record by which shareholders and creditors can judge the company. Firms also need to do day-to-day financial accounting to enable them to keep track of dealings with their customers and suppliers. But the nature of financial accounts is that they pres-

ent historic information which, on its own, is not sufficient for those responsible for the day-to-day running of a company to do their jobs well.

Management accounts are derived from what are known as cost accounts. The function of these is to provide information that allows individual managers to monitor and control the operations for which they are responsible. The factors that cost accounts report on can be tailor-made to whatever requirements a company has, but they usually focus on the following:

- the revenue and costs for which individual managers are responsible;
- the efficiency and productivity, effectiveness of processes for which a manager is responsible; and
- the utilization of resources, such as buildings and labour.

The management accounts provide regular information on how different aspects of the business are performing in relation to what has been forecast in the budget. They should provide an explanation of why a variance has occurred; for example, whether the reason that the gross margin (profit) is less than forecast is because sales are down or costs are up, or a combination of both. They may also contain estimates and forecasts, so that managers see what the position would be at the end of the financial year.

Management accounting is also crucial for planning (developing budgets, for example), for solving problems such as determining the least costly method of production, and for helping with difficult decisions such as the level a price should be set at and the assessment of capital expenditure proposals or different methods of financing.

VOCABULARY

management accounting

– оперативный учет, связанный с нуждами управления, текущий анализ хозяйственной деятельности

to keep track

– вести счет

dealings

– сделки

management accounts

– управленческий учет

cost accounts

– счет издержек

tailor-made

– предназначенный для определенных целей

TEXT 5. Management Accounting

revenue	– доход
costs	– затраты, издержки, расходы
effectiveness	– эффективность, результативность, производительность
variance	– несоответствие
crucial ['kru:ʃ(ə)l]	– ключевой, решающий
capital expenditure	– капзатраты

Assignment. *Answer the questions:*

1. What is the purpose of management accounting?
2. What are management accounts based on?
3. What information is provided by management accounts?

COMMERCIAL PAPERS (DOCUMENTS)**TEXT 1. WHAT ARE COMMERCIAL PAPERS?**

Commercial paper is an unconditional written order or promise to pay money. The most common form of commercial paper is the personal cheque (*Am.* check). It was developed hundreds of years ago to serve as a safe substitute for money.

Instead of carrying their gold and silver with them, merchants left their money at the bankers. Then, when merchants wanted to pay a seller for goods they were buying, they wrote an order addressed to their bank. The order directed the bank to deliver a specified amount to the person at the place of the seller's choice. The bank compared the merchant's signature (and perhaps a seal) on the order with the signature left at the bank. The bank would comply with such written orders because, once the merchant had made a deposit, the bank was legally indebted to the depositor for that amount. Consequently, if the merchant demanded return of the deposit, the bank had to give it back.

The same is still true today. Banks still are debtors of their depositors. Also, checks are still known as demand instruments because they allow depositors to get their money out of banks or have it paid in accordance with the depositor's order.

VOCABULARY

commercial paper	– 1) векселя, документы краткосрочного коммерческого кредита; 2) оборотные кредитно-денежные документы
unconditional	– не ограниченный условиями, безоговорочный, безусловный
order	– 1) приказ; 2) распоряжение
promise	– 1) обещание; 2) обязательство
substitute	– замена, заменитель
to deliver	– представлять
amount	– сумма
to comply (with)	– 1) исполнять; 2) подчиняться
deposit	– депозит, вклад (в банк)

depositor

– вкладчик, депозитор, депонент

debtor

– должник, дебитор

demand

– требование

instrument

– 1) документ; 2) средство

in accordance with

– согласно с (чем-л.), в соответствии с (чем-л.)

Bank transfers payment orders

A transference of money from the payer's bank account in his country to the payee's bank account in his country is called a simple bank transfer.

The payment order made out by the payer (remitter, buyer) is forwarded from the payer's bank (home-bank) to the payee's bank (paying bank), so that the payee (remittee, beneficiary, seller) can obtain the funds. The payer indicates the way of covering (reimbursing) this order in the payment order. The home bank forwards a credit-advice to the paying bank if the reimbursement is credited by paying bank's account. The debiting of the home bank's account with the paying bank is permitted by "authorization" sent by the home bank. If the home bank and the paying bank do not maintain accounts with each other then a bank transfer is made through a third correspondent bank.

Банковские переводы платежные поручения

Перевод денег с банковского счета плательщика в одной стране на банковский счет получателя платежа в другой стране называется простым банковским переводом.

Платежное поручение, выписанное плательщиком (отправителем перевода, покупателем) отправляется банком плательщика (так наз. домашним банком) банку получателя платежа (выплачивающему банку), с тем, чтобы получатель платежа (получатель перевода, бенефициар, продавец) мог получить фонды. Плательщик указывает способ покрытия (возмещения) в платежном поручении. Домашний банк направляет кредитовое aviso платящему банку, если рамбурс (компенсация) кредитруется со счета платящего банка. Дебитование счета домашнего банка платящим банком допускается "разрешением", посланным домашним банком. Если домашний банк и платящий банк не поддерживают расчеты друг с другом, тогда банковский перевод делается через третий банк-корреспондент.

Collection

When banks handle documents of acceptance and/or payment, following the instructions given to them, this is called “collection”. The exporter presents to his bank (called remitting bank) an application form with the documents attached. This bank makes out a collection order and passes it over to its correspondent bank in the country of the importer (or drawer). The correspondent bank or some other bank (called collecting) may present the documents to the importer or pass them over to another collecting bank. This bank presents the documents to the importer (or drawer).

There exist two types of collections. Collections may be documentary or clean. The documentary collection is the collection of commercial documents or the collection of financial documents together with commercial documents. The collection of only financial documents is called clean. Commercial documents are: invoices, bills of lading, waybills and certificates. Financial documents are: bills of exchange, promissory notes, checks and payment receipts.

Инкассация

Когда банки работают с документами на принятие денег и/или оплату, следуя данным им инструкциям, это называется “инкассация”. Экспортер представляет своему банку (называемому переводящим банком) бланк заявки с приложенными документами. Этот банк выписывает инкассовое поручение и передает его своему банку-корреспонденту в стране импортера. Банк-корреспондент или любой другой банк (называемый инкассирующим) могут представить документы импортеру или передать их к другому банку – инкассатору. Этот банк представляет документы импортеру.

Существует два типа инкассации. Инкассация может быть документарной или чистой. Документарное инкассо – это инкассация коммерческих документов или инкассация финансовых документов вместе с коммерческими документами. Инкассация только финансовых документов называется чистой. Коммерческие документы – это счета, транспортные накладные, накладные и сертификаты. Финансовые документы – это тратты, простые вексели, чеки и квитанции подтверждения оплаты.

Bill of exchange

English and American laws give the following definition of a bill of exchange: “A bill of exchange is an unconditional order in writing, addressed by one person to another, signed by the person giving it, requiring the person to whom it is addressed to pay on demand or at a fixed or determinable future time, a sum certain in money or to the order of a specified person, or to bearer”.

Check

A check is a bill of exchange drawn on a bank and payable on demand. The holder of a *bearer check* can receive its value in cash from the bank on which it is drawn. An *order check* is also payable direct to its holder, but the latter must endorse it before such a check can be cashed at the bank.

The check is often crossed. The purpose of crossing is to instruct the bank to pay the amount of the check only through another bank. General crossing consists in drawing two parallel lines across the face of the check with the words “not negotiable” between them. Two parallel lines without these words are also a crossing:

Переводной вексель

Английские и американские законы дают следующее определение переводного векселя: “Вексель – это безусловное распоряжение в письменной форме, адресованное одним лицом другому, подписанное лицом, дающим его, требующее, чтобы лицо, которому оно адресовано, оплатило по требованию, или в фиксированное, или в определенное время в будущем, определенную денежную сумму или по требованию обозначенного лица, или предъявителю”.

Чек

Чек – это вексель, выписанный на банк и подлежащий оплате по требованию. Держатель *чека на предъявителя* может получать его стоимость наличными в банке, на который он выписан. Ордерный чек также подлежит оплате непосредственно его держателю, но последний должен индоссировать его прежде, чем такой чек может быть оплачен в банке.

Чек часто перечеркивается или крессируется. Цель крессирования состоит в том, чтобы инструктировать банк оплатить сумму чека только через другой банк. Общее крессирование состоит в проведении двух параллельных линий на лицевой стороне чека со словами “не подлежит передаче” между ними. Две параллельные линии без этих слов – это также крессирование.

When the name of a bank is written across the face of a check either with or without the words “not negotiable”, this is called a special crossing. The name of the bank may be between two parallel lines, or it may stand alone without any lines.

A special crossing directs the bank on which the check is drawn to pay the amount of the check at the bank indicated in the crossing.

Promissory note

A promissory note is a promise by one party (called the maker) who signs the promissory note, to pay to another party (called the payee) a definite sum of money either on demand or at a specified future date. The promissory note may be made payable to the bearer, to a party named in the note, or to the order of the party named in the note.

A promissory note can be made negotiable by endorsement if it is specifically made payable to the order of a person.

Когда название банка написано поперек лицевой стороны чека со словами “не подлежит передаче” или без этих слов, то это называется специальным кроссированием. Название банка может находиться между двумя параллельными линиями, или может стоять одно без этих линий.

Специальное кроссирование приказывает банку, на который выписан чек, оплатить сумму чека в банке, указанном в кроссировании.

Простой вексель

Простой вексель – это обещание одной стороны (называемой векселедателем), которая подписывает простой вексель, оплатить другой стороне (называемой получателем платежа или ремитентом) определенную сумму денег или по требованию, или в указанную в будущем дату. Простой вексель может быть сделан подлежащим оплате предъявителю, или стороне, названной в векселе, или по приказу стороны, названной в векселе.

Простой вексель может быть сделан оборотным (переуступаемым) путем индоссирования (передаточной надписи на нем), если он специально сделан подлежащим оплате по требованию какого-либо лица.

Draft

Draft is a written order for the payment of money drawn by one person, directing a second person or financial institution to pay a third person. A draft is called a check when it is drawn on a bank. When money is transferred between institutions in different countries, a draft is called a bill of exchange. A draft is payable on sight or on demand; however, in some transactions drafts are often payable at a stated date in the future.

Тратта (переводной вексель)

Тратта – это письменный приказ на оплату денег, выписанный одним лицом, указывающий другому лицу или банковскому учреждению оплатить третьему лицу. Тратта называется чеком, когда она выписывается на банк. Когда деньги переводятся между учреждениями в различных странах, то тратта называется переводным векселем. Тратта подлежит оплате по предъявлению или по требованию; однако в некоторых сделках тратта часто подлежит оплате в заявленную дату в будущем.

VOCABULARY

to draw

– выписывать, выставлять, получать

to draw money from a bank
not negotiable

– получать деньги в банке

– не подлежит передаче

order check

– ордерный чек

bearer check

– чек на предъявителя

crossed check

– кроссированный чек, перечеркнутый чек

face

– лицевая сторона

TEXT 2. WHAT ARE THE TYPES OF COMMERCIAL PAPERS?

Today commercial papers can be grouped into two broad categories. The first is composed of unconditional *orders* to pay money. In this category are the *draft* and the *check*. A check is a special kind of draft. The second category is composed of unconditional *promises* to pay money. In this category are the *promissory note* and the *certificate of deposit (C/D)*.

The word *unconditional* means that the legal effectiveness of the order or promise is not dependent upon any other event.

IOU is not a commercial paper.

Here are the four main types of commercial paper:

1. Drafts

A **draft** is an unconditional written order by which one party directs a second party to pay to the order of a third party or to the bearer a certain sum of money on demand or at a definite time. A draft is also known as a *bill of exchange*.

\$ 510. 00 Nashville, Tennessee <i>January 20, 2002</i>	
Thirty days after date	_____
Pay to Order of <i>Morrison G. Chase</i>	_____
Five hundred and ten	_____ dollars
Value received; Charge to Account of	
To <i>Margaret H. Sandford</i>	_____
№ 15 Knoxville, Tennessee <i>Garry A. Minton</i>	

The usual purpose of a draft is to collect money owed. A draft initially involves three parties—the drawer, the drawee, and the payee. The *drawer* (Garry A. Minton) is the person who executes or draws the draft and orders that payment be made. The *drawee* (Margaret H. Sandford) is the person directed to pay the draft. The *payee* (Morrison G. Chase) is the party to whom this commercial paper is made payable.

(Sanford most probably owes Minton \$510 as a result of a previous transaction. Therefore Sanford is likely to honor the draft by paying Chase and in that way to pay her debt to Minton.)

Drafts are sometimes described in terms of the time of payment. If the draft is payable at sight or on demand—that is, when it is presented to the drawee by the one holding the draft—it is a *sight draft*. The drawee is expected to pay when the draft is presented.

If a draft is payable at a specified time, or if it is payable at the end of a specified period after sight or after the date of the draft, it is a *time draft*, as is illustrated in the example.

When a time draft is payable a number of days or months after sight, it must be presented to the drawee for acceptance in order to start the running of the specified time. Acceptance is the drawee's promise to pay the draft when due. When the draft states it is payable

a number of days or months “after date,” the time starts running immediately from the date of the draft.

VOCABULARY

draft	– 1) платежное поручение; 2) тратта (синоним переводного векселя; этот термин употребляется в определенных контекстах, связанных, к примеру, с долговыми требованиями)
promissory note	– простой вексель, долговое обязательство
Certificate Of Deposit	– депозитный сертификат
IOU	– (<i>сокр. от I owe you</i> – Я вам должен) долговая расписка
bearer	– 1) податель, предъявитель; 2) держатель, владелец
on demand	– 1) по запросу; 2) по требованию
bill of exchange	– переводной вексель, переводная тратта
charge to account	– поставить на счет
pay to order	– платить по приказу (надпись на чеке или векселе)
to owe	– 1) быть должным, быть в долгу перед кем-л.; 2) задолжать (деньги)
party	– 1) сторона; 2) участвующее лицо, участник
drawer ['drɔ:ə]	– трассант (лицо, выставившее тратту), векселедатель
drawee [drɔ:'i:]	– трассат (лицо, на которое выставлена тратта), векселеполучатель
drawee bank	– банк, на который выписан чек
payee [peɪ'i:]	– 1) получатель (денег); 2) предъявитель чека/векселя
to execute a document ['eksɪkjʊt]	– составлять документ
to honour the draft	– 1) оплатить (чек, тратту); 2) акцептировать

owner of the check will not get any money for it from that source. In addition, if a check is issued to pay a debt, the payoff is not effective until the check is presented to the drawee bank and honored.

When a check has been lost or stolen, the drawer should direct the bank not to pay it. Such an instruction is called a stop payment order. Banks usually charge a small fee to stop payment on a check. If, by mistake, the drawee bank disregards the stop payment order and pays the check, the bank must recredit the account. The bank – not the depositor – must bear any loss. Oral stop payment orders are good only for two weeks unless they are confirmed in writing. Written stop payment orders are good for six months and lapse at the end of that time unless renewed.

Care must be taken when writing or accepting checks. When you write a check, be sure not to leave room for someone to insert figures and words to change the amount of the instrument. Never sign a blank check.

VOCABULARY

form	– бланк
to provide	– 1) обеспечивать что-л. (for); 2) предоставлять, давать снабжать (with)
fee	– плата, сбор
to encode	– кодировать
processing	– обработка
blank	– пустой, чистый
account	– счет
to retain	– удерживать
sizeable	– значительный, существенный
remainder	– остаток
to loan at interest	– ссужать под проценты
earn a profit	– зарабатывать, получать доход/ прибыль
deliberately	– сознательно действенный, имеющий силу,
issue a check	– выставить чек
guilty	– виновен

UNIT 14. Commercial papers (documents)

crime	– преступление
to dishonor	– 1) отказывать в акцепте (векселя); 2) отказывать в платеже (по векселю)
payoff	– выплата
effective	– действительный, эффективный
to disregard	– 1) не обращать внимание; 2) не принимать во внимание, игнорировать
to lapse	– 1) истекать (о сроке); 2) терять силу
room	– пространство, место

3. Promissory Notes

A promissory note is an unconditional written promise by one person to pay to the order of another person or to the bearer a certain sum of money on demand or at a definite time

<i>\$3.000</i>	Las Vegas, Nevada	<i>February 20 2002</i>
<i>Four years</i>	after date	<i>I promise to pay</i>
to the order of	<i>Monica A. Soto</i>	
	<i>Three thousand</i>	dollars
Payable at	<i>City Bank, Las Vegas, Nevada</i>	
with interest at	<i>9 %</i>	a year
<i>№ 6 Due February 20, 2006 Catherine L. Talbot</i>		

Promissory notes initially involve only two parties – the maker and the payee. The *maker* (Catherine L. Talbot) is the one who executes or makes a promissory note (or a certificate of deposit) and promises to pay. The *payee* is Monica A. Soto. If two or more parties join in executing the note, they are *comakers* and are equally liable for payment.

Personal property may be pledged to secure performance – that is, to ensure payment – of a note. When this fact, together with a description of the property, is stated on the face of the note, the paper is a *collateral note*. The property pledged in collateral notes is usually in the form of documents of title, such as bonds, a warehouse receipt, or a life insurance policy. A collateral note typically provides for the sale of the security by the payee if the note is not paid when due.

If real property is the security for the payment, the note is a *mortgage note*. If the payment is not made when due, however, the payee can force a sale of the real property and use the proceeds for payment.

4. Certificates of Deposit

A certificate of deposit is a written acknowledgment by a bank of receipt of money, with an unconditional promise to repay it. The stated amount is payable with interest at a definite future time, normally ranging from several months to several years. A certificate of deposit is often called a C/D.

THE BANK OF LEWIS AND CLARK 30431		
St. Louis, Missouri		
<i>March 15 20 02</i>		
<i>Owen R. Kennedy</i>	has deposited in this bank	
<i>Ten thousand and 00 ¢</i>	Dollars	<i>\$ 10,000.00</i>
and this sum will be repaid to said depositor or order		
one year from date with interest at seven (7) percent per year		
By:	<i>M. B. Brown, cashier</i>	
THE BANK OF LEWIS AND CLARK		

Here, Owen R. Kennedy is the payee.

Banks do not pay out C/D's or other long-term deposits before maturity. Usually the penalty is a sharp reduction in the amount of interest payable on the funds. This inhibits depositors from withdrawing funds prematurely and leaves the banks free to lend the funds to others on a long-term basis. As a consequence, interest rates on C/D's are usually significantly higher than on savings or *checking accounts*, where the depositor is far more likely to withdraw from an account.

VOCABULARY

certificate of deposit (C/D)	– депозитный сертификат
interest	– проценты (на капитал)
due	– срок платежа
maker	– векселедатель
comakers	– совместные векселедатели
execute the note	– оформлять (документ)
equally	– равно, в равной степени; одинаково
liable	– 1) ответственный; 2) обязанный

checking account	– специальный счет, с которого снимаются деньги по чекам клиента; счет, позволяющий в любой момент вносить и снимать деньги (до востребования)
collateral note	– обеспеченный вексель
mortgage note	– ипотечное обязательство; письменное обязательство возвращения долга (обязательство, обеспеченное залогом собственности, является доказательством займа и оговаривает условия его возврата)
to pledge	– отдавать в залог, закладывать
to force	– заставлять, принуждать
documents of title	– титульные документы
bond	– облигация
warehouse receipt	– квитанция на товар, принятый на хранение
life insurance policy	– полис страхования жизни
security	– обеспечение, гарантия
receipt of money	– получение денег
long-term	– долгосрочный
prematurely	– преждевременно
before maturity	– до наступления срока
penalty	– наказание
to inhibit	– сдерживать
withdraw from an account	– снять со счета
withdraw	– 1) аннулировать, снимать; 2) отзываться, отменять; 3) изымать

Assignment. Answer the questions:

1. What is a check?
2. What is the purpose of crossing a check?
3. What is a bill of exchange?
4. What is the person who draws the bill called?
5. What is the person upon whom the bill is drawn called?
6. What is a negotiable document?
7. What is an endorsement?

TEXT 3. WHAT ARE SOME OF THE SPECIALIZED FORMS OF COMMERCIAL PAPER IN USE?

Although the four types of commercial paper described in the previous section are the most frequently used, certain variations of the forms are available for specialized needs. These include:

1. Certified Checks

A person to whom a personal check is offered as payment may fear the bank will not honor the check because of insufficient funds in the drawer's account. However, accepting a check is much safer if the bank has already agreed to pay the check, because only the unlikely event of the bank's failure will prevent the payee or current owner of the check from receiving the money due. A personal check that has been accepted by a bank in advance of payment is known as a *certified check*. At the time of certification, the bank draws sufficient funds from the depositor's account and sets them aside in a special account to pay the check when it is presented. In addition, the bank marks the front of the check with "accepted" or "certified," the date, and the bank's signature.

2. Cashier's Checks

A check that a bank draws on itself and which is issued by an authorized bank officer is a cashier's check. Such checks are used by banks to pay their own obligations. They also may be purchased from a bank by persons who wish to send *remittances* (payments) but who either have no personal checking account or do not wish to use their personal checks.

	1203/456
	Middle State Bank
Little Rock, Arkansas	<i>December 15 20 02</i>
Pay to the order of	<i>Barrows Paper Company \$ 375.50</i>
The sum of	<i>\$375 and 50 cts dollars</i>
	CASHIER'S CHECK <i>Martha C. Todd</i>
	<small>Assistant manager</small>

3. Bank Drafts

A draft drawn by a bank on funds that it has on deposit with another bank is a *bank draft*. Thus, such a document is a draft drawn by one bank on a second bank. Banks use these drafts in their own transac-

tions. Sometimes a person or a business firm wishes to make an initial purchase for a big sum. The seller refuses to accept checks of customers whose credit is not established. Therefore such customers may use bank drafts purchased from a bank.

4. Money Orders

Money orders are often used by persons who do not have checking accounts. A money order is a draft issued by a post office, bank, express company, or telegraph company for use in making payment or transferring funds upon the credit of the issuer. Money orders serve the same purpose as checks. For example, a money order is purchased from one post office, which orders payment by another post office in the hometown of the payee designated by the purchaser.

5. Traveller's Checks

Hotels and retailers around the world understandably prefer to take checks from persons they know and can trust only. At the same time, travellers do not want to carry cash on journeys. To meet the needs of both the traveller and the merchant, traveller's checks have been devised. A traveller's check is a check drawn by a reliable financial institution (such as Bank of America or American Express Company) on itself or its agent. Traveller's checks may be purchased from banks and other institutions. At the time they are purchased, each check is signed by the buyer. In a foreign land, when cashing one of the checks the traveller writes in the name of the payee and again signs her or his name as originally written on the check. This is done in the presence of the payee who can compare the signatures. The payee, who knows and trusts the drawee bank or issuing company, is usually willing to take the traveller's check. Thereafter, the payee may deposit and collect the traveller's checks in the same manner as other checks. Although traveller's checks are still used, the greatly expanded use of credit cards throughout the world has reduced the need for them.

VOCABULARY

insufficient funds

– недостаток средств на счете

certified check

– гарантированный чек (чек, обеспеченный финансами)

cashier's check

– банковский чек

TEXT 3. What are some of the specialized forms of commercial paper in use?

remittance	– денежный перевод
personal check	– чек, выданный отдельным лицом (в отличие от чека компании)
bank draft	– 1) банковский счет; 2) тратта, выставленная банком на другой банк
money order	– денежный почтовый перевод
express company	– компания по посылочной торговле, компания по доставке грузов населению
traveller's cheque	– туристский чек

Assignment. *Give Russian equivalents for the following words and word combinations:*

bank draft
certificate of deposit
certified check
collateral note
comakers
dishonor
draft
judgment note
money order
mortgage note
sight draft
stop payment order
time draft
traveler's checks

Assignment. *Match the following:*

1. Check drawn by a financial institution on itself and then sold to a person who signs it at the time of issue and again at the time of use.
2. Party directed by the drawer to pay a draft.
3. One who executes a promissory note or a certificate of deposit.
4. Unconditional written promise by one party to pay a certain sum of money to the order of another person or to the bearer on demand or at a definite future time.

5. One who executes a draft.
 6. Special form of draft by which a depositor orders his or her bank to pay money to a third party.
 7. Party to whom a promissory note or other commercial paper is payable.
 8. An unconditional written order or promise to pay money.
 9. Drawee's promise to pay a draft when due.
 10. To pay an instrument when due.
-
- A. acceptance
 - B. cashier's check
 - C. check
 - D. commercial paper
 - E. drawee
 - F. drawer
 - G. to honor
 - H. maker
 - I. payee
 - J. promissory note

Assignment. *Translate the following into Russian:*

Important Points

1. Commercial paper was developed hundreds of years ago to serve as a safer, more convenient substitute for precious metals and currency.
2. There are four important types of commercial paper: (a) drafts, (b) checks (a special type of draft), (c) promissory notes, and (d) certificates of deposit.
3. In general, drafts are unconditional orders to another party to pay a certain sum of money on demand or at a definite future time. Checks, a special type of draft, are unconditional orders to a bank to pay a certain sum of money on demand. Initially three parties are involved in drafts and checks: the drawer, who gives the order to pay; the drawee, who gets the order; and the payee, to whom payment is to be made.
4. A check differs from other types of drafts in that:
 - a. the drawee of a check is always a bank,
 - b. a check is drawn against funds the drawer has on deposit in the bank, and
 - c. a check is always payable on demand.

TEXT 3. What are some of the specialized forms of commercial paper in use?

5. Promissory notes and certificates of deposit are unconditional promises to pay a certain sum of money on demand or at a definite future time. Initially two parties are involved; the maker, who promises to pay; and the payee, to whom payment is promised.
6. Various forms of checks and drafts have been devised for special purposes. These forms include (a) certified checks, (b) cashier's checks, (c) bank drafts, (d) money orders, and (e) traveller's checks.

UNIT 15

MANAGING CAPITAL

TEXT 1. HOW THE NEED FOR CAPITAL ARISES

As business of the firm grows, so does the need for more and more capital. There is more than one way and more than one place to raise the money. There are many factors that can create a need for additional capital. Here are the reasons why additional capital is needed (they play an important role in choosing the right form of additional capital for business). Some of the more common are as follows:

1. Sales growth requires inventories to be built to support the higher sales level.
2. Sales growth creates a larger volume of *accounts receivable*.
3. Growth requires the business to carry larger *cash balances* in order to meet its *repayment of obligations* to employees, trade creditors, and others.
4. Expansion opportunities such as a decision to open a new branch, add a new product, or increase *capacity*.
5. Cost savings opportunities such as equipment purchases that will lower *production costs* or reduce *operating expenses*.
6. Opportunities to realize substantial savings by taking advantage of *quantity discounts* on purchases that will lower production costs or reduce operating expenses.
7. Opportunities to realize substantial savings by taking advantage of quantity discounts on purchases for inventory, or building of inventories prior to a supplier's price increase.
8. Seasonal factors, where inventories must be built before the selling season begins and *receivables* may not be collected until 30 to 60 days after the selling season ends.
9. Current *repayment of obligations* or debts may require more cash than is immediately available.
10. *Failure* to retain sufficient earnings in the business.

Combination. Frequently, the cause cannot be entirely attributed to any one of these factors, but results from a combination. For example, a growing successful business may find that it does not have sufficient *cash on hand* to meet a *current debt installment* or to expand to a new location because customers have been slow in paying.

VOCABULARY

accounts receivable	– счета к получению; счет дебиторов; дебиторская задолженность
current obligations	– текущие долги
cash balance	– остаток в кассе, кассовая наличность
branch	– отделение, филиал
capacity	– производительность
cost saving	– снижение себестоимости
production costs	– заводская себестоимость; издержки производства
operating expenses	– эксплуатационные расходы
savings	– сбережения
quantity discount	– оптовая скидка (скидка при продаже большой партии товара)
building of inventories	– накопление наличного товара
repayment of obligations receivables	– уплата долгов
receivables	– средства, подлежащие получению
failure ['feɪljə]	– неспособность, недостаток
to retain	– 1) удерживать; 2) поддерживать; 3) сохранять
earnings ['ɜ:nɪŋz]	– прибыль
cash on hand	– 1) денежные средства на руках; 2) наличность в кассе
current debt installment	– текущее очередное частичное погашение долга

Assignment. Answer the question:

What are the most common reasons for the need of additional capital?

TEXT 2. SHORT-TERM AND LONG-TERM CAPITAL

Capital needs can be classified as either short- or long-term. Short-term needs are generally those of less than one year. Long-term needs are those of more than one year.

Short-Term Financing. Short-term financing is most common for assets that turn over quickly such as accounts receivable or inventories. Seasonal businesses that must build inventories in anticipation of selling requirements and will not collect receivables until after the selling season often need short-term financing for the interim. Contractors with substantial work-in-process inventories often need short-term financing until payment is received. Wholesalers and manufacturers with a major portion of their assets tied up in inventories and/or receivables also require short-term financing in anticipation of payments from customers.

Long-Term financing. Long-term financing is more often associated with the need for fixed assets such as property, manufacturing plants, and equipment where the assets will be used in the business for several years.

Recurring Needs. A series of short-term needs could often be viewed as a long-term need. The addition of long-term capital should eliminate the short-term needs and the crises that could occur if capital were not available to meet a short-term need.

Steady Growth. Whenever the need for additional capital grows continually as in the case of a company with steady sales and profit from year to year, long-term financing is probably more appropriate.

VOCABULARY

interim	– промежуток времени
contractors	– подрядная организация
work-in-process inventory	– незавершенное производство
wholesaler	– оптовик, оптовый торговец
anticipation	– ожидание
fixed assets	– основные средства (предназначенные для производства и продажи товаров)
recurring needs	– периодические нужды (издержки), напр. заработная плата, сырье

Assignment. *Answer the questions:*

1. When is short term financing required?
2. What is long term financing? For what needs it may be used?

TEXT 3. SOURCES OF CAPITAL

In order to secure the capital they need, business owners must understand the various sources of money that are available to them such as the following:

1. Capital generated internally.
2. Capital available from trade creditors.
3. Borrowed money.
4. Sale of an ownership interest in the business to equity investors.

Each of these capital sources has unique characteristics. These characteristics must be fully understood to know what sources are available and which source is best suited to the needs of the business.

Managing Internal Capital

Internal sources of capital are those generated within the business. External sources of capital are those outside the business such as suppliers, lenders, and investors. For example, a business can generate capital internally by accelerating collection of receivables, disposing of surplus inventories, retaining profit in the business or cutting costs.

Capital can be generated externally by borrowing or finding investors who might be interested in buying a portion of the business.

Before seeking external sources of capital from investors or lenders, a business should thoroughly explore all reasonable sources for meeting its capital needs internally. Even if this effort fails to generate all of the needed capital, it can sharply reduce the external financing requirements, resulting in less interest expense and lower repayment obligations. With a lower requirement, the business's ability to secure external financing will be improved. Further, the ability to generate maximum capital internally and to control operations will enhance the confidence of outside investors and lenders. With more confidence in the business and its management, lenders and investors will be more willing to commit their capital.

Internal Sources of Capital

There are three principal sources of internal capital:

1. Increasing the amount of earnings kept in the business.
2. Assets management.
3. Cost control.

Increased Earnings Retention. Many businesses are able to meet all of their capital needs through earnings retention. Each year, share-

holders' dividends or partners' draws are restricted so that the largest reasonable share of earnings is retained in the business to finance its growth.

As with other internal capital sources, earnings retention not only reduces any external capital requirement, but also affects the business' ability to secure external capital. Lenders are particularly concerned with the rate of earnings retention. The ability to repay debt obligations normally depends upon the amount of cash generated through operations. If this cash is used excessively to pay dividends or to permit withdrawals by investors, the company's ability to meet its debt obligations will be threatened.

Asset Management. Many businesses have non-productive assets that can be liquidated (sold or collected) to provide capital for short-term needs. Collecting outstanding receivables, with particular emphasis on amounts long outstanding, can often produce significant amounts of capital. Similarly, inventories can be analyzed and those goods with relatively slow sales activity or with little hope for future fast movement can be liquidated. The liquidation can occur through sales to customers or through sales to wholesale outlets, as required.

Any of the above steps can be taken to lessen short-term cash shortages. On a long-term basis, the business can minimize its external capital needs by establishing policies and procedures that will reduce the possibility of cash shortages caused by ineffective asset management. These policies could include the establishment of more rigorous credit standards, systematic review of outstanding receivables, periodic analysis of slow-moving inventories, and establishment of profitability criteria so that fixed asset investments are most closely controlled.

Cost Reduction. Careful analysis of costs can improve profitability and therefore the amount of earnings available for retention. At the same time, cost control minimizes the need for cash to meet obligations to trade creditors and others.

Decisions to hire extra personnel, lease additional space, or incur other additional costs can be reviewed closely before they are made.

In general, management should review all actual costs carefully. Expenses can be compared with objectives, experience in previous periods, or with other companies in the industry. Whenever an apparent excess is identified, the cause of the excess should be closely explored and corrective action taken to prevent its recurrence.

VOCABULARY

to secure	– получать (кредит)
creditor	– а) кредитор б) фирма, предоставляющая коммерческий кредит
borrowed money	– ссуда
ownership interest	– доля собственности
equity investors	– вкладчики в акционерный капитал
equity investment	– вложения в акционерный капитал, покупка акций
internal capital	– внутренний капитал
supplier	– поставщик
lender	– заимодавец, кредитор
disposing of surplus inventories	– ликвидация избыточного запаса товаров
to retain profit (earnings) in the business	– оставлять прибыль в деле
to meet the needs	– удовлетворять нужды
interest expense	– расходы на выплату процентов
repayment obligations	– выплаты по долгам
asset management	– управление активами
outstanding	– 1) неуплаченный 2) просроченный
cost control	– регулирование затрат
earnings retention	– сохранение прибыли
shareholders' dividends	– дивиденды акционеров
partners' draws	– средства, снятые партнерами
non-productive assets	– непроизводительные фонды
outstanding receivables	– неуплаченные долги
lease	– а) аренда, наем б) договор об аренде
to incur costs [ɪn'kɔ:]	– нести издержки
wholesale outlet	– оптовая торговая точка; магазин
cost reduction	– снижение издержек производства (себестоимости)
actual costs	– фактические издержки
recurrence [rɪ'kʌrəns]	– повторение

Assignment. Answer the questions:

1. What are the internal sources of capital?
2. What are the external sources of capital?
3. What is short-term financing?
4. What is long-term financing?

TEXT 4. CREDIT

Credit is a term used to denote *transactions* involving the *transfer of money* or other property on *promise of repayment*, usually at a fixed future date. The *transferor* thereby becomes a creditor, and the *transferee* becomes a *debtor*. Hence, credit and debt are simply terms describing the same operation viewed from opposite sides.

Types of Credit

The principal classes of credit are the following:

- **commercial credit (trade credit)**, which merchants *extend* to one another to finance production and distribution of goods.
- **investment credit**, used by business firms to finance the *acquisition* of plant and equipment and represented by corporate bonds, long-term notes, and other proofs of indebtedness.
- **bank credit**, consisting of the deposits, loans, and discounts of depository institutions.
- **consumer or personal credit**, which comprises advances made to individuals to enable them to meet expenses or to purchase, on a deferred-payment basis, goods or service for personal consumption.
- **real-estate credit**, composed of loans secured by land and buildings.
- **public or government credit**, represented by the bond issues of national governments.
- **international credit**, which is extended to particular governments by other governments, by the nationals of foreign countries, or by international banking institutions, such as the International Bank for Reconstruction and Development.

Function of Credit

The principal function of credit is to transfer property from those who own it to those who wish to use it, as in the *granting* of loans by banks to individuals who plan to initiate or expand a business. The transfer is temporary and is made for a price, known as interest, which varies with the risk involved and also with the demand for, and supply of, credit.

Credit puts to use property that would otherwise lie *idle*, thus *enabling* a country to more fully employ its resources. Without credit, the tremendous investments required for the development of the large-scale enterprise on which the high living standards of the industrialized world are based would have been impossible.

The use of credit also makes *feasible* the performance of the complex operations involved in modern business without the *constant handling of money*. Credit operations are carried out by means of documents known as credit instruments, which include *bills of exchange, money orders, cheques, drafts, promissory notes, and bonds*. These are usually *negotiable instruments*; they may legally be transferred in the same way as money. When the party issuing the *instrument* desires to prevent its use by anyone other than the party to whom it is issued, he or she may do so by inscribing the words “not negotiable” on the instrument.

Issuance of Credit

Creditors sometimes require the debtor’s *credit standing*. Sometimes more *tangible security*, such as the guarantee of a third party, is required. Also, the debtor may be obliged to *assign* the rights to some other property, which is at least equal in value to the loan, as collateral security for payment. When goods are sold on a *deferred-payment or hire-purchase plan*, the seller may either *retain legal ownership* of the goods or hold a *chattel mortgage* until the final payment is made. The depositing of funds in a bank for *safekeeping* may also be regarded as a form of credit to the bank, as such funds are used for loan and investment purposes, and the bank is *legally bound* to repay them as an ordinary debtor.

Collateral

Collateral is a security that a borrower gives to a creditor to guarantee repayment of a loan. This security may be in the form of a mortgage on buildings, physical property such as consumer goods and

business inventories, stocks and bonds, negotiable instruments, bills of lading, or certain intangible properties such as patents and copyrights. It is usually necessary to supply some kind of collateral in business transactions, especially when loans are being made by banks or other financial institutions. If the borrower should default – that is, fail to repay the loan on time – the creditor may sell the collateral to recover the money due.

Имущественный залог

Имущественный залог – это обеспечение, которое заемщик дает кредитору, чтобы гарантировать выплату ссуды. Это обеспечение может быть в форме ипотеки на строения, физическое имущество типа потребительских товаров и материальных запасов, акций и облигаций, оборотных документов, коносаментов, или нематериальной собственности типа патентов и авторских прав. Обычно необходимо бывает предоставить некоторый имущественный залог в деловых сделках, особенно, когда ссуды даются банками или другими финансовыми учреждениями. Если заемщик неплатежеспособен – то есть, не в состоянии возместить ссуду вовремя, то кредитор может продать имущественный залог, чтобы возвратить причитающиеся ему деньги.

VOCABULARY

transactions	– сделки, операции (торговые)
transfer of money	– перевод, перечисление (денежных сумм) (<i>мер.</i>)
promise of repayment	– обещание выплаты
transferor	– цессор (дающий)
transferee	– цессионарий (получающий)
debtor	– должник
to extend	– <i>здесь</i> предоставлять
acquisition	– приобретение
granting	– предоставление
idle	– бездействующий
enabling	– позволяя
feasible	– возможный
handling of money	– обработка денег

negotiable instrument	– оборотный кредитно-денежный документ, оборотные документы (<i>амер.</i>)
instrument	– документ
bill of lading	– накладная, коносамент
tangible security	– материальное обеспечение
to assign	– назначить, передать
collateral security	– дополнительное обеспечение, осуществляемое заемщиком, чтобы подтвердить свои намерения выплатить долг
chattel mortgage	– закладная на движимое имущество
credit standing	– финансовое положение
deferred-payment	– отсрочиваемая оплата
hire-purchase plan	– план приобретения в рассрочку
retain legal ownership	– сохранить юридическую собственность
safekeeping	– сохранение, хранение
legally bound	– юридически обязан
inventories	– материальные запасы
stocks and bonds	– акции и облигации
collateral	– имущественный залог
default	– неуплата, невыполнение договора/обязанностей/обязательств
negotiable instruments	– оборотный кредитно-денежный документ (<i>амер.</i>)

Assignment. Answer the questions:

1. What do we call credit?
2. What are the types of credit?
3. What are the functions of credit?
4. What is a credit interest?
5. What are large-scale credits aimed to?
6. Who can issue a credit?
7. What is a collateral?
8. What can be a collateral to guarantee repayment of a loan?

UNIT 15. Managing capital

Assignment. *Fill in the gaps with the words from the text:*

1. The principal function of credit is to ... from those who own it to those who wish to use it.
2. The transferor in credit operation is a ..., and the transferee is a ...
3. The transfer is temporary and is made for a price, known as
4. Credit operations are carried out by means of documents known as
5. Usual negotiable instruments in credit are:

UNIT 16

SOURCES OF MONEY (TRADE CREDIT AND EQUITY CAPITAL)

TEXT 1. TRADE CREDIT AND SMALL BUSINESSES

Trade credit is credit extended by *suppliers*. It is usually the first source of extra capital that the small business owner turns to when the need arises.

Informal Extensions. Frequently, this is done with no formal planning by the business. Suppliers' *invoices* are simply allowed to "wait" for another 30 to 60 days. Unfortunately, this can lead to a number of problems. Suppliers may promptly terminate credit and refuse to deliver until the *account is settled*, thus denying the business access to needed supplies, materials, or inventory. Or, suppliers might put the business on a cash on delivery (C.O.D.) basis, requiring that all shipments be fully paid in cash immediately upon receipt. At a time when a business is in need for cash, this requirement could have the same effect as cutting off deliveries all together.

Planning Advantages. A planned program of trade credit extensions can often help the business secure extra capital that it needs without *recourse* to lenders. This is particularly true whenever the capital need is relatively small or short in duration.

A planned approach should involve the following:

1. Take full advantage of available payment terms. If no *cash discount* is offered and payment is due on the 30th day, do not make any payments before the 30th day.
2. Whenever possible, negotiate extended payment terms with suppliers. For example, if a supplier's normal payment terms are net 30 days from the receipt of goods, these could be extended to net 30 days from the end of the month. This effectively gives an average of 15 extra days.
3. If the business feels that it needs a substantial increase in time, say 60 to 90 days, it should inform suppliers of this need. They will often be willing to accept it, provided that the business is faithful and makes payments at the later date.
4. Consider the effect of cash discounts and *delinquency penalties* for late payment. Frequently, the added cost of trade credit may

be far more expensive than the cost of alternate financing such as a short-term bank loan.

5. Consider the possibility of signing a note for each shipment, promising payment at a specific later date. Such a note, which may or may not be interest-bearing, would give the supplier evidence of your intent to pay and increase the supplier's confidence in your business.

Ready Availability. Trade credit is often available to businesses on a relatively informal basis without the *requirements for application, negotiation, auditing*, and legal assistance often necessary with other capital sources.

VOCABULARY

trade credit	– торговый кредит
to extend credit	– предоставлять кредит
credit extension	– предоставление кредита
supplier	– поставщик
invoice	– счет, фактура; счет-фактура (счет на отправленный товар с указанием краткой спецификации, цены, расходов и др.)
settled account	– урегулированный счет
payment terms	– условия (сроки) оплаты
added cost	– добавленная стоимость
bank loan	– банковская ссуда (сумма денег, выдаваемая клиенту банком на определенный промежуток времени)
cash on delivery (C.O.D.)	– уплата при доставке, наложенный платеж
shipment	– перевозка; поставка (товаров)
upon receipt	– по получении
to pay in cash	– платить наличными
recourse	– просьба о помощи
cash discount	– скидка при оплате наличными
delinquency penalties	– штраф за неоплату счета в срок
interest-bearing	– процентный

requirements for application	– требования при обращении за кредитом
negotiation	– обсуждение условий
auditing	– аудит
legal assistance	– юридическая помощь

Assignment. Answer the questions:

1. What is trade credit?
2. What are cash on delivery requirements?
3. How payment terms can help secure extra capital?
4. How to use extended payment terms with suppliers?

TEXT 2. DEBT – TYPES & AVAILABILITY

Debt capital. Debt is an amount of money borrowed from a creditor. The amount borrowed is usually evidenced by a note, signed by the borrower, agreeing to repay the principal amount borrowed plus interest on some predetermined basis.

Borrowing Term. The terms under which money is borrowed may vary widely. Short-term notes can be issued for periods as brief as 10 days to fill an immediate need. Long-term notes can be issued for a period of several years.

Discounted Notes. In some case, particularly in short-term borrowing, the total amount of interest due over the term of the note is deducted from the principal before the proceeds are issued to the borrower. Such a note is called a *discounted note*.

Short-term Borrowing. Short-term borrowing usually requires repayment within 60 to 90 days. Notes are often renewed, in whole or in part, on the due date, provided that the borrower has lived up to the obligations of the original agreement and the business is a good *lending risk*.

Lines of Credit. When a business has established itself as being worthy of short-term credit, and the amount needed fluctuates from time to time, banks will often establish a *line of credit* with the business. The line of credit is the maximum amount that the business can borrow at any one time. The exact amount borrowed can vary according to the needs of the business but cannot exceed its established credit line.

These *arrangements* give the business access to its *requirements* up to the credit limit or line. However, the business pays interest only on the *actual amount borrowed*, not the entire line of credit available to it.

Long-term Debt. Long-term debt is borrowing for a period greater than one year. This general classification includes “intermediate debt” which is borrowing for periods of one to 10 years.

Repayment Schedules.

When the terms of a debt are negotiated, a payment schedule is established for both interest obligations and principal repayment. The dates on which principal and interest payments are due should be scheduled carefully.

Mortgage Loan Repayment Schedules. Principal and interest payments on mortgages usually involve uniform monthly payments that include both principal and interest. Each successive monthly payment reduces the amount of principal outstanding. Therefore, the amount of interest owed decreases and the portion of the monthly payment applicable to principal increases. In the early years of a mortgage, the portion of the monthly payment applied against the principal is relatively small, but grows with each payment.

Term Loan Payment Schedules. For term loans, payment of principal and interest is ordinarily scheduled on an annual, semiannual or quarterly basis.

For example, a 5-year, \$50,000 term note *bearing 10% interest* might have the following payment schedule specified in the note agreement:

End of Year	Principal Repayment	Principal Outstanding	Interest Payment at 10%
1st year	\$10,000	\$50,000	\$5,000
2nd year	\$10,000	\$40,000	\$4,000
3d year	\$10,000	\$30,000	\$3,000
4th year	\$10,000	\$20,000	\$2,000
5th year	\$10,000	\$10,000	\$1,000

Availability of short-term loans. Commercial banks are the ordinary source of short-term loans for the small business. For small businesses, borrowed capital for periods greater than 10 years is usually available only on *real estate mortgages*. Other long-term borrowing usually falls into the “intermediate” classification and is available for periods up to 10 years. Such loans are called “*term loans*“. The type and term of the loan should be based on the purpose for which the funds will be used.

VOCABULARY

debt capital	– привлеченный капитал
to discount a note	– брать проценты вперед, давая займы, выдавая ссуду
discounted note	– дисконт, принятие векселя как платежного средства до срока его оплаты за несколько меньшую сумму, чем в нем указано
note	– долговая расписка
principal amount	– сумма займа
principal	– основная сумма
borrowing term	– срок займа
borrower	– заемщик; берущий займы
total amount	– общая сумма
interest	– проценты (на капитал)
to deduct	– вычитать, отнимать; удерживать
proceeds	– доход, вырученная сумма, выручка
issue	– выдача
due date	– срок, дата платежа
lending risk	– риск предоставления займов
to fluctuate	– колебаться, быть неустойчивым
arrangements	– меры, мероприятия
requirements	– испрашиваемые средства
line of credit	– кредитный лимит
actual amount borrowed	– фактическая сумма займа
term loan	– срочный кредит
annual	– годичный, годовой
semiannual	– полугодовой
quarterly	– кварталный, трехмесячный
interest bearing	– приносящий проценты
principal repayment	– выплата основной суммы
principal outstanding	– неуплаченная основная сумма
real estate mortgage	– залог в виде недвижимого имущества
interest payment	– выплата процентов

Assignment Answer the questions:

1. What documents are issued when borrowings are made?
2. What are the types of borrowings?
3. What are the periods of short-term and long-term credits?
4. What is a discounted note?
5. What is a line of credit in a bank?
6. How do principal and interest payments on mortgages change with time?
7. What loans are called “term loans”?

TEXT 3. EQUITY CAPITAL

Equity or Net Worth represents the owners' share in the financing of all the assets. It consists of two types of equity; purchased equity, and earned equity. Purchased equity consists of:

- Preferred Stock (P/S)
- Common or Capital Stock (C/S)
- Paid-in Capital

Earned equity consists of retained earnings (also called earned surplus).

Purchased Equity represents the cash the owners have invested in the company in the form of stock. Stock comes in several forms:

- **Preferred Stock (P/S)** is stock that has some preference to common stock. Generally, preferred stockholders receive a dividend before common stockholders, and if the company is ever liquidated, they will receive a share in liquidation proceeds prior to common stockholders.
- **Common Stock (C/S)** is the general ownership tool. It is the last to be paid source of funds.
- **Paid-in Capital** arises if either the preferred or common stock is quoted at an arbitrary par value. Should par value exist and should the stock be purchased in excess of par value, the par value of the stock is credited to common or preferred stock, while the excess is credited to the paid-in capital.

Example of Paid-in Capital

The ABC Company issues 100,000 shares of common stock at a selling price of \$3.00. The arbitrary par value was planned at \$1.00. Upon sale, the cash proceeds of \$300,000 are deposited in the bank, while common stock is credited \$100,000 (par value x 100,000 shares)

and paid-in capital is credited \$200,000 (*excess* of purchase price over par value x 100,000 shares).

Par value is an anomaly that was born in early stock market days. In early American law, the stockholders could be held liable for *obligations* in excess of their investment into the stock. To prevent unlimited liability, laws were passed that limited liability to the par value investment. Par values were then chosen at arbitrarily small figures to protect stockholders from additional liability.

Earned Equity (R/E) (*retained earnings* or *earned surplus*) represents profits earned by the company and retained in the business. It is a measure of past profitability and represents earnings the owners could have *withdrawn* to use personally (by paying dividends), but chose to *reinvest* in the business.

Unlike debt, equity capital is permanently invested in the business. The business has no *legal obligation* for repayment of the amount invested or for payment of interest for the use of the funds.

Share of Ownership. The *equity investor* shares in the ownership of the business and *is entitled to* participate in any distribution of earnings through dividends, in the case of corporations or *partners' drawings* in the case of partnerships. The extent of the equity investor's participation in the distribution of earnings of a corporation depends upon the number of *shares* held. In a partnership, the equity investor's participation will depend upon the ownership percentage specified in the partnership agreement.

Legal liability. The personal liability of equity investors for debts of the business depends upon the legal form of the organization. Basically, the investor who acquires equity in a partnership could be personally liable for debts of the business if the business should fail. In a corporation, the liability of equity investors (shareholders) is limited to the amount of their investment. In other words, if a partnership should fail, creditors could *have a claim* against the *personal assets* of the individual partners. If a corporation should fail, the only claims of creditors would be against any remaining assets of the corporation, not against any personal assets of the shareholders.

Equity Investor's compensation. The purchaser of an *equity interest* in a business expects to be compensated for the investment in any of the three following ways:

- Income from *earnings distribution* of the business, either as dividends paid to corporate shareholders or as drawings in a partnership.

- Capital gain realized upon sale of the business.
- Capital gain realized from selling his or her interest to other partners.

Capital Gains. Capital gain is the term used to describe any excess of the selling price of an investment over the initial purchase price. For example, if you purchased an equity interest in a business for \$5,000 and later sold it for \$8,000, you would realize a capital gain of \$3,000 ($\$8,000 - \$5,000$).

Earnings Distribution. The equity investor in a partnership is entitled to a share of all drawings paid out to partners at a percentage established when the interest was purchased (and defined in the *partnership agreement*). For example, assume an investor acquired a 20% interest in a partnership. The distribution of earnings to all partners in a given year is \$20,000. The holder of the 20% interest would receive \$4,000 ($\$20,000 \times 0.20$).

Sale (or Liquidation) of business. If a business is sold or liquidated, the equity investor shares in the distribution of the proceeds. As with an earnings distribution, the share of the proceeds in a corporation sale depends upon the number of shares held. In a partnership, each partner's share of the proceeds is based upon the percentages specified in the partnership agreement. If the proceeds received by the equity investor exceed the original purchase price, this excess is considered a capital gain and taxed accordingly at *effective rates* more favorable than those for ordinary income. If the business were liquidated, the assets would be sold and the proceeds would first be used to *discharge outstanding obligations* to creditors. The balance of the proceeds, after these obligations had been fulfilled, would be distributed to the equity investors in accordance with their shareholdings or percentages of interest.

Sale of equity Interest. As a business prospers and grows, the value of an equity interest grows with it. Therefore, the equity investor may be able to sell his or her interest at a price higher than the initial *acquisition cost*. For example, an equity investor in a corporation may have purchased his or her interest at \$10.00 per share. As the business grows, he or she is able to sell the shares at \$15.00 per share, realizing a capital gain of \$5.00 ($15.00 - \10.00) on each share sold.

Public Stock Offerings. When businesses are first organized, equity capital is usually secured from a combination of sources such as the original owners' personal savings and through help from friends, relatives, or other persons known to have financial capability for such investments. As the need for equity capital becomes greater, say \$50,000

to \$200,000, it is customary to seek capital through the services of professional finders, who receive a fee for securing the capital needed. These professionals normally have access to wealthy individuals, capital management companies, trusts, and others with sufficient capital to make such an investment.

As higher levels of capital need, shares are sold through *public offerings*. The public offering seeks to attract a large number of investors to purchase stock, in large or small amounts. A market is then created for the stock. Shares purchased by the public, as well as the shares held by the original owners and any subsequent equity investors, can also be sold at the going market price. These transactions do not have a direct effect on the business' capital position since it does not receive the proceeds from the sale. The equity investor can realize a capital gain by selling shares at prices higher than the original purchase price.

Risks of Equity Investment. The equity investor assumes substantial risk. Unlike the *secured creditor*, the equity investor has no specific claim against any assets of the business. In liquidation, all claims of all creditors must be satisfied before any remaining assets become available for distribution to the owners. Even then, the equity investor's participation in the proceeds is restricted to a share that is proportionate to the number of shares held or the partnership interest. Since the risks of equity investment are so substantial, particularly in the case of small businesses, equity investors expect a considerably higher return than the lender.

A lender might be willing to loan money to a business at an interest rate of 10% or 12% since it has certain legal protections in the event of default or liquidation. The investor of equity capital in the same business might seek a far higher return, perhaps 20%, 50% or even more in order to compensate for the added risk of equity investment.

VOCABULARY

equity capital (property assets, net worth)	– 1) капитал в форме акций; 2) собственный капитал
preferred stock	– привилегированные акции (<i>амер.</i>)
capital stock	– основной капитал
purchased equity	– приобретенная доля в средствах
earned equity	– заработанная доля в средствах
paid-in capital	– оплаченная часть акционерного капитала

UNIT 16. Sources of money (Trade credit and equity capital)

liquidation proceeds	– средства, получаемые при ликвидации фирмы
retained earnings	– нераспределенная прибыль
preferred stockholder	– владелец/держатель привилегированной акции
Common Stock	– акционерный капитал
stock market	– фондовая биржа
to hold liable	– обязывать
obligation	– облигация, долговое обязательство
excess	– превышение, излишек
par value	– номинальная стоимость, паритет, номинал
arbitrary par value	– произвольная стоимость акции
unlimited liability	– неограниченная ответственность (акционера)
to quote	– назначать цену/ставку, котировать
retained earnings	– нераспределенная прибыль
earned surplus	– заработанные излишки
to withdraw	– изымать, снимать
to reinvest	– реинвестировать, снова помещать, снова вкладывать (капитал)
legal obligation	– правовое обязательство
equity investor	– инвестор в акционерный капитал (лицо, купившее акции)
to be entitled to share	– иметь право (на что-л.) – акция
partners' drawings	– средства, изымаемые партнерами
shareholder	– акционер, владелец акции
legal liability	– правовая ответственность
have a claim	– возбуждать иск
personal assets	– личное движимое имущество
equity interest	– доля в имуществе в виде акций
capital gain	– капитальная прибыль
earnings distribution	– распределение прибыли
interest	– имущественное право

partnership agreement	– договор/соглашение о сотрудничестве
effective rate	– фактическая ставка (налогового обложения)
discharge outstanding obligations	– погашение неуплаченного долга
equity interest	– 1) акция без фиксированного дивиденда; 2) чистая доля в средствах; 3) ценные бумаги
acquisition cost	– первоначальная стоимость
equity investment	– вложения в акционерный капитал, покупка акций
public offering	– публичное предложение (акций), публичный выпуск новых акций
claim	– иск о возмещении убытков
secured creditor	– кредитор, получивший обеспечение (в виде залога, ипотеки)

Assignment. Answer the questions:

1. What is earned equity?
2. What is purchased equity?
3. What is preferred stock?
4. What is common stock?
5. What is paid-in capital?
6. What does par value mean?
7. What does the equity investor's participation in the distribution of earnings depend upon?
8. What does the personal liability of equity investors for debts of the business depend on?
9. What can be the claims of creditors in case of a partnership failure?
10. What can be the claims of creditors in case of a corporation failure?
11. What are the ways the purchaser of an *equity interest* in a business is compensated for the investment?
12. How are the earnings distributed among the partners?
13. How are the liquidation proceeds distributed among the partners in case of sale of business?
14. Why do equity investors expect a considerably higher return on investment than secured lenders?

TEXT 1. BANKS

Banks are organizations that carry out the business of banking, taking deposits and then using those deposits to make loans. In essence, a bank aims to make a profit by paying depositors a lower *rate of interest* than the rate the bank charges borrowers. In accounting terms, deposits are considered liabilities (because they have to be repaid), and loans are considered assets.

Banks in most countries are supervised by a central bank, such as the Bank of England in the United Kingdom, the Bundesbank in Germany, the Federal Reserve System in the United States and Central Bank in Russia.

There are many different types of bank, and the banking structure varies from one country to another. Banks can fall into the following categories:

Retail banks are often referred to as commercial banks. In addition to conventional banking services, such as the provision of checking accounts, they deal in foreign exchange, issue credit cards, provide investment and tax advice, and sell financial products such as insurance. In the United Kingdom the biggest retail banks (by assets) are Barclays Bank, National Westminster Bank, Midland Bank, Abbey National Bank and Lloyds Bank.

Merchant or investment banks act as intermediaries between investors and private or public concerns seeking medium to long-term funds, often acting as underwriters for an issue of shares. Increasingly they have played a fundamental role in advising on mergers and acquisitions, and on *management buy-outs*. In the United Kingdom, some of the longest established and best-known merchant banks are still privately owned.

Building societies were set up in the United Kingdom to take deposits in order to provide long-term loans (mortgages) to homebuyers. They are owned by their members (those who have deposited money with or borrowed money from them).

Savings Banks were set up with the aim of attracting small savers. They resemble retail banks in the services they provide.

Credit unions are the equivalents of savings banks, and are run as a cooperative nonprofit-making organization. Credit unions are widespread in the United States. France's biggest bank, Credit Agricole, is essentially a federation of more than 3,000 credit unions.

Universal banks do everything that the above types of banks do.

VOCABULARY

checking account	– 1) специальный счет, с которого снимаются деньги по чекам клиента; 2) счет, позволяющий в любой момент вносить и снимать деньги (до востребования)
rate of interest	– процент, процентная ставка
liabilities	– задолженность
assets	– актив (баланса)
retail bank	– банк, занимающийся обслуживанием мелкой клиентуры
underwriter	– гарант размещения (займа, акций и т. п.)
issue of shares	– выпуск акций
intermediary	– посредник
merger	– слияние, объединение (коммерческое, промышленное и т. п.)
acquisition	– 1) получение; 2) приобретение (действие); сбор
building society	– жилищно-строительное общество
management buy-outs	– выкуп права на управление

Assignment. Answer the following questions:

1. What does banking business consist of?
2. What are the aims of banks?
3. What are the types of banks?
4. What are the activities of different types of banks?

TEXT 2. WHAT IS BANKING?

Banking is the *transactions carried on* by any person or firm *engaged* in *providing* financial services to consumers or businesses.

For these purposes there exist commercial banks, central banks, savings banks, trust companies, finance companies and merchant banks. Banking consists of *safeguarding* and transfer of funds, *lending* or *facilitating* loans, guaranteeing *creditworthiness* and exchange of money. In other words, banking is the *acceptance, transfer, and creation of deposits*. The depository institutions are central banks, commercial banks, savings and loan associations, building societies, and mutual savings banks.

Safeguarding and transfer of funds

Vaults and safes are the means for safeguarding of funds. Money is physically *stored* there. These physical deposits are in most cases *insured* against *theft*, and against the bank being bankrupt and unable to *repay* the funds. In some banks customers can use safety deposit boxes for *valuables*. To save money in banks is *profitable* because bank customers receive interest given on savings accounts, a *percentage return* on the bank's investments with the money.

Transfer of funds can be handled through written instruments: contracts, checks, or direct transfers performed electronically. Nowadays banks provide the customers with additional ways of *gaining access* to their funds and using them. These are credit cards and *account debit cards, electronic cash tills, computer on-line banking*, and other services.

Automated clearing houses perform similar services for business customers by handling regular *payments*, such as wages, for a company banking with the bank. Longer-term schemes for providing regular *income* on *savings* are often offered through trust funds or other investment schemes.

Lending and loans

Loans to bank customers *are drawn on* the funds deposited with the bank and *yield* interest which provides the profits for the banking industry and the interest on savings accounts. These loans may take the form of *mortgages* or other *policies*. Banks may guarantee credit for customers who wish to obtain loans from other institutions. They also provide foreign exchange *facilities* for individual customers, as well as *handling* large international money transfers.

VOCABULARY

safeguarding	– охрана
transactions	– операции
to carry on	– проводить
engaged	– занятый
to provide	– обеспечивать
mutual savings banks	– взаимно-сберегательные банки
lending	– предоставление кредита
facilitating	– облегчение
loans	– займы
creditworthiness	– кредитоспособность
acceptance	– принятие
transfer	– передача, перевод
creation	– создание
deposits	– депозиты
vaults	– хранилища
to store	– хранить
to insure	– страховать
theft	– кража
to repay	– возместить
valuables	– ценности
profitable	– выгодный
interest	– процент
percentage return	– доход в виде процента
gaining access	– получение доступа
account debit cards	– карты дебета счета
electronic cash till	– банкомат
computer on-line banking	– компьютерные онлайн-расчеты между банками
clearing houses	– расчетные палаты
payments	– платежи
income	– доход
savings	– сбережения
are drawn on	– снимаются с
yield	– доход

UNIT 17. Banks and Banking

mortgage	– залог, ипотека
policies	– полисы
facilities	– средства
handling	– обработка

Assignment. *Answer the following questions:*

1. What is banking?
2. What kinds of banks there exist?
3. What are the depository institutions?
4. What are the vaults and safes for?
5. Why is it profitable to save money in banks?
6. How can the transfer of funds be done?
7. How can the customers gain access to their funds and use them?
8. What are loans to bank customers drawn on?
9. Do banks give the interest on savings accounts?

TEXT 3. BUSINESS BANKING

The banking industry has greatly changed nowadays due to bank *mergers* and *acquisitions*. In this new environment banks have to offer more services. The increase in services leads to bank *charges* for almost everything. Banks are charging now for ATM (*automatic teller machine*) transactions, not *maintaining a minimum balance, teller usage, phone transactions*, monthly service charges, and per check charges. Many banks also require an initial high deposit. They may also set a limit on the number of checks you can process each month. A charge applies for each check above the limit.

Banks give you an option to reduce your bank charges by maintaining a minimum balance. You will need to evaluate whether this option suits your needs. Each bank offers a different array of bank account options. You will need to study each bank's service options to decide what options are crucial for your business. Some issues to consider are the interest rates, usage of ATMs, convenience, service, FDIC insurance availability, minimum balance requirements, and bank fees.

Here's a list of options to consider:

- **Usage of ATM Machines** Each time you withdraw money from your bank's ATM machine, you may be paying a charge. Also, consider the availability of your bank's ATM machines. If you

use another bank's ATM machine, you may have to pay a charge for both banks' services (that means your bank and the bank that owns the ATM machine).

- **Convenience.** Most banks offer online banking services. What does this mean? You have the ability to pay for bills, transfer money from one account to another, purchase stocks in from your work or home. This gives you twenty-four hours access to your accounts, seven days a week!
- **–Minimum monthly balances or a service charge.** Depending upon the minimum balance requirement and your cash situation, you may *opt* to pay a monthly service charge. If the balance requirement is high, then it may be to your advantage to place your money in a higher *interest bearing account* and pay for a monthly service charge. You may need to calculate which option is best for you.
- **Per Check fee.** In most businesses, a per check *fee* account would be *detrimental* so they stay away from this type of account.
- **Interest rates.** Make sure that your *checking account* also gives you interest. The rate may not be very high, but it still helps!

Another option instead of using a bank is a *credit union*. Most credit unions are set up for a specific type of employee or business. There are credit unions that *cater* to educational institutions, employees of hospitals, and other specific groups. Credit unions offer very similar banking services such as the use of ATM cards, low minimum balance requirements, and low or no per check charges.

VOCABULARY

merger	– слияние, объединение
acquisition	– приобретение
ATM (automatic teller machine)	– банковский автомат, банкомат
teller usage	– пользование помощью кассира
phone transactions	– операции по телефону
to maintain a minimum balance	– поддерживать минимальный остаток (на банковском счете)
charge	– плата
service charge	– плата за операцию (общераспространенный сбор за банковские услуги) (<i>амер.</i>)

UNIT 17. Banks and Banking

per check charges	– плата за обналичивание чека
bank account	– счет в банке
interest rates	– ставки процента
FDIC (Federal Deposit Insurance Corporation)	– Федеральная корпорация страхования банковских вкладов (США)
insurance availability	– наличие страхования
to opt	– выбирать, предпочитать
interest bearing account	– счет, приносящий процентный доход
fee	– сбор
detrimental	– приносящий убыток
checking account	– 1) специальный счет, с которого снимаются деньги по чекам клиента; 2) счет, позволяющий в любой момент вносить и снимать деньги (до востребования)
credit union	– кредитный союз, предоставляющий кредит своим членам
ATM cards	– карта для банкомата
to cater	– обеспечивать, обслуживать

Assignment. Answer the following questions:

1. What are bank charges? What are banks charging for?
2. What are the options in banks' services?
3. What are credit unions?

TEXT 4. BASIC TYPES OF BUSINESS RECORDS

What Records to Keep?

For a small business, the business *check book* is the main source for entries into your accounting system. But what else do you need to keep? Although, there are no legal requirements, you will need to keep sufficient records to support your *tax returns*.

Income

You need to keep records that support the amounts and sources of income. Examples include:

- Deposit slips
- Invoices

- Cash register tapes or files
- Receipt books

Purchases & Direct Expenses

You need to keep records that support the materials and supplies for your products and services. Examples include:

- Vendor Invoices
- Cancelled checks
- Cash register receipts
- Credit card charges

Indirect Expenses

You need to keep records that support overhead and other costs of doing business. Examples include:

- Vendor Invoices
- Cancelled checks
- Cash register receipts
- Credit card charges
- Petty cash system

Assets

You must keep records for the property and equipment that you use in the business. Information to support the depreciation expense or any gain or loss if you sell the asset includes:

- Invoices
- Cancelled checks
- Costs of improvements
- Depreciation records

VOCABULARY

records	– документы
check book	– чековая книжка
entry	– бухгалтерская запись
tax return	– налоговая декларация (подаваемая налогоплательщиком для исчисления причитающегося с него налога)
deposit slip	– бланк, заполняемый при вносе суммы на текущий счет

UNIT 17. Banks and Banking

cash register	– кассовый аппарат (<i>амер.</i>)
receipt book	– книга прихода
vendor invoices	– чега продавцов
cancelled check	– оплаченный чек
cash register receipt [rɪ'si:t]	– квитанция кассовых поступлений
credit card charges	– расходы по содержанию кредитной карточки
overhead costs	– накладные расходы
petty cash system	– мелкие статьи прихода/расхода
costs of improvements	– расходы на перестройку и ремонт
depreciation expense	– расходы на амортизацию
asset	– имущество обанкротившейся фирмы

Assignment. *Answer the questions:*

1. What documents and receipts should be kept to support tax return?
2. What records should be kept in case the asset is sold?

BUSINESS DOCUMENTS (CONTRACTS)**TEXT 1. WHAT IS A CONTRACT?**

Contracts are the foundation on which business is conducted. A contract exists when two or more parties agree to exchange either property (including money) or promises of future performance. Contract is an agreement that creates a binding obligation. In general, contracts may be either oral or written. Certain classes of contracts must be written and signed. These are contracts involving the sale and transfer of real estate, and contracts to guarantee or answer for the miscarriage, debt, or default of another person. Contracts can be part of an invoice or a purchase order, or they can be drafted as separate documents. Properly drafted contracts can help avoid unnecessary and costly disputes. A contract usually forms the basis of a transaction between the Buyers and the Sellers.

Essential clauses of contract

Some of the items are necessary in any contract: legal title of the contracting parties, subject of the contract, quality, price, delivery, and payment terms. As a rule a contract contains a number of clauses, such as:

1. Subject of the Contract.
2. Price, total value, and currency of the contract.
3. Terms of Payment.
4. Delivery.
5. Inspection and Test.
6. Guarantee.
7. Arbitration.
8. Insurance and other conditions.

Subject of the Contract

This section names the product for sale or purchase. It also indicates the unit of measure generally employed in foreign trade for specific commodities. Contracts for bulk cargo contain a stipulation “about” or “plus or minus ... per cent”, denoting the permitted quantity tolerance.

Price, total value, and currency of the contract

The price stated in a contract may be firm, fixed or sliding.

Firm price. Firm prices are not subject to change in the course of the fulfillment of the contract.

Fixed price. It is the price governing in the market on the day of delivery or for a given period.

Sliding prices. These prices are quoted for machinery and equipment, which require a long period of delivery.

Quality. Warranty. The quality of machines and equipment is to be in conformity with the technical specification of the contract. The quality of raw materials and foodstuffs is determined, as a rule, by standards, by sample or by description.

Arbitration

In case of a breach of contract the injured party may go to court to sue for money damages, or for the contract to be rescinded, for injunction, or for specific performance if money damages would not compensate for the breach. Specific performance of a contract is the right by one contracting party to have the other contracting party perform the contract according to the precise terms agreed therein.

VOCABULARY

essential clauses	– главные пункты контракта
binding obligation	– связывающее обязательство
miscarriage	– ошибка; промах, просчет
to strike a deal	– заключить сделку
legal title	– юридическое наименование
to rescind	– аннулировать, расторгать, отменить (закон, договор и т. п.)
to sue	– подавать в суд, возбуждать иск, предъявлять иск
money damages	– денежный ущерб
injunction	– судебный запрет
injured party	– потерпевшая сторона
contracting parties	– договаривающиеся стороны
unit of measure	– единица измерения
commodity (goods)	– товар
tolerance	– допустимое отклонение

stipulation	– условие
bulk cargo	– насыпной или наливной груз
in conformity with	– в соответствии с
by sample	– по образцу
to quote a price	– назначать цену
subject to	– подлежащий
firm prices	– твердые цены
fixed prices	– фиксированные цены
sliding prices	– скользящие цены
specific performance	– исполнение договора в натуре
breach	– нарушение

Assignment. Answer the questions:

1. What are the essential clauses of a contract?
2. What contracts must be in written and signed?
3. What sort of prices may be indicated in a contract?
4. What items are necessary in any contract?
5. How is quality determined in the contract?
6. What can the injured party do in case of a breach of contract?

TEXT 2. TYPES OF CONTRACTS

Must contracts be in any special form?

Contracts may be oral or written. They may even be implied from conduct. Most contracts are oral. Many of contracts are made by telephone. Some contracts are made and carried out in a single face-to-face conversation. For example, in the sale of goods, payment by buyer and delivery by seller often occur when the agreement is made. A person may take a job, rent an apartment, and enter many other business agreements without the formality of a written contract. Sometimes conduct alone is sufficient. For example, a person may stop a bus, board it, deposit the proper coins, and later get off. No words are spoken or written by either passenger or driver, yet there is a valid contract.

There are, however, certain important kinds of contracts, which will not be enforced in court unless some properly signed writing proves their existence. For example, contracts to transfer an interest in *real property* (land or objects permanently attached to the land) must be in writing.

Even when law does not require a written contract, it is often wise to put the agreement in writing and have a signed copy for each party. This is particularly true if the agreement is complex and contains many details, which could lead to later misunderstandings. It also is important when large sums of money or long periods of time are involved. In such cases, it is advantageous for both parties to express their intentions with reasonable precision in written form. In this way, the agreement can be easily referred to or readily proved if necessary. The chance of later confusion or disagreement is greatly reduced. Neither party can effectively deny having agreed to particular terms. Also, the process of putting ideas into writing encourages the parties to anticipate and provide for problems that could arise later. It is usually easier to settle such matters before either party signs and while both parties are inclined to compromise in order to conclude the agreement. Later, each party tends to demand strict performance of the terms. Of course, whenever appropriate, prudent persons seek the aid of a lawyer in the preparation or review of important contracts.

How are contracts classified?

Contracts can be classified as either *unilateral* or *bilateral*, according to whether one or both parties make a promise. Contracts also can be classified according to enforceability as *valid*, *voidable* and *void* or unenforceable. The following classifications are also important:

1. Method of Creation

The way a contract comes into being gives some idea of its nature. Thus, there are express contracts, implied contracts, and quasi contracts.

Express contracts. In an express contract, the agreement is stated in words – written or spoken.

Implied contracts. In an implied contract, the agreement is not stated in words. Instead, the intent of the parties is shown by their conduct and by the surrounding circumstances. For example, a schoolboy buys some fruit juice in the school cafeteria by inserting coins into a *vending machine*.

Quasi contracts. In a quasi contract, the parties are bound as though there were a valid contract even though technically there is none. For example, a doctor may voluntarily give first aid to a person injured in an accident. There is no agreement. Yet the doctor may submit a bill and collect a charge reasonable for such a professional service.

Thus, the law creates an obligation in the absence of an actual agreement between the parties. This is done to prevent unjust enrichment of one party. Strictly speaking, no contract exists because some essential element is missing. Someone who is not a doctor could give similar first aid yet not be entitled to payment since the service is not done with the expectation of payment nor by a licensed specialist.

2. Formality

A few contracts must meet strict requirements as to formality. They are called formal contracts. Most contracts need not meet such requirements. They are called simple contracts.

Formal contracts. A formal contract is a written contract that must be in some special form to be enforceable. Examples are commercial paper and contracts under seal. Commercial paper, such as an ordinary check, must meet certain requirements to be valid. A *contract under seal* is one with a seal attached or with a similar impression made on the paper. Seals served to validate agreements years ago, when few people could read or write. Today the *legal effect* of the seal on contracts has been limited or ended.

Simple contracts. A contract that is not formal is a simple contract. This is true whether the contract is oral, written, or based on conduct.

An example of Simple, Written Contract:

THIS AGREEMENT is made on May 10, 20____, between New Way Pavers, 17 Beacon Street, Boston, Massachusetts, and J. Clayton Jones, 742 Regent Circle, Brookline, Massachusetts.

New Way Pavers agrees to furnish all materials and to perform in a workmanlike manner all necessary labor required to remove present concrete walk in front of the residence at 742 Regent Circle from the building door to the public sidewalk; to replace the walk with red brick (of quality and grade as in sample) laid in a herringbone pattern, on a new concrete base 2,5" thick, in consideration for which Jones agrees to pay New Way Pavers or its assignee three thousand two hundred dollars (\$3,200) upon completion of the work on or before April 10, 20____.

NEW WAY PAVERS

By *James G. Mason J. Clayton Jones*

3. Extent of Performance

Contracts can be classified as either *executed* or *executory*, according to whether or not they have been completed. Many contracts are

performed almost immediately; others require days, months, or years to complete. Many life insurance contracts are not completed for decades.

Executed contracts. An **executed contract** is one that has been fully performed. Both parties have done all they promised to do.

Executory contracts. An **executory contract** is one that has not been fully performed. Something as agreed upon remains to be done by one or both of the parties.

VOCABULARY

real property	– недвижимость
mortgage ['mɔ:ɡɪdʒ]	– заклад; ипотека
vending machine	– торговый автомат
assignee [ˌæsn'i:]	– представитель; агент, уполномоченный; правопреемник
prudent	– благоразумный, предусмотрительный
valid contract	– законный контракт
voidable contract	– оспоримый договор
void contract	– недействительный договор
express contract	– положительно выраженный договор (в устной или письменной форме)
contract under seal	– договор за печатью
legal effect	– 1) правовые последствия 2) юридическая сила
to validate	– объявлять действительным, придавать законную силу
to submit	– представлять, подавать (документы)
implied	– подразумеваемый; предполагаемый
implied contract	– подразумеваемый договор, контракт, который в явном виде не существует, но признается законом на основании поведения и намерений сторон
quasi contract ['kwɑ:zɪ]	– частичный контракт

TEXT 3. Contract Sample

formal contract	– оформленный договор; формальный договор
simple contract	– простой договор, договор не в форме документа за печатью, неформальный договор
executed contract ['eksɪkjʊ:tɪd]	– договор с исполнением в момент заключения; контракт, условия которого выполнены обеими сторонами полностью
executory contract [ɪg'zekjʊtəri]	– договор с исполнением в будущем
concrete	– бетон
consideration	– возмещение, компенсация, встречное удовлетворение
workmanlike manner	– профессионально
herringbone pattern	– кладка кирпича “в елку”

Assignment. Answer the questions:

1. What contracts have to be in writing?
2. What contracts may be oral?
3. What is an express contract?
4. What is an implied contract?
5. What is a formal contract?
6. What is a simple contract?
7. What is an executed contract?
8. What is an executory contract?

TEXT 3. CONTRACT SAMPLE**A sample of a contract**

CONTRACT № _____

Moscow 200__ г.

_____ hereinafter referred to as the «Sellers», on the one part, and _____ hereinafter

Образец контракта

КОНТРАКТ № _____

Москва 200__ г.

_____ именуемая в дальнейшем «Продавец», с одной стороны, и _____ именуемое в

referred to as the «Buyers» on the other part, have concluded the present Contract for the following:

1. Subject of the Contract

1.1. The Sellers have sold and the Buyers have bought on conditions

f.o.b. _____

franco-railway car border _____

the following equipment:

in full conformity with the technical

characteristics and in

complete scope of supply.

1.2. The Sellers have sold and

the Buyers have bought the equipment hereinafter referred

to as the «goods» on terms FOB-stowed port ...

1.3. The Sellers will deliver to

the Buyers f.o.b. port ... or

free on rail _____ frontier or f.o.b.

airport _____ or will send

by post to the address _____

2. Prices and Total Value

2.1. The total value of the equipment,

spare parts, tools, technical

дальнейшем «Покупатель», с другой стороны, заключили настоящий контракт о нижеследующем:

1. Предмет контракта

1.1. Продавец продал, а Покупатель купил на условиях

ФОБ _____

франко-вагон граница _____

следующее оборудование:

в полном соответствии с технической

характеристикой и в

комплектации.

1.2. Продавец продал, а Покупатель

купил оборудование,

именуемое в дальнейшем «товар»,

на условиях ФОБ

штивкой порт ...

1.3. Продавец, поставит Покупателю

на условиях ФОБ

порт _____ или франко-вагон _____

граница или франко-аэропорт _____

_____ или вышлет по почте

по адресу _____

2. Цены и общая стоимость

2.1. Общая стоимость оборудования,

запасных частей, инструмента,

documentation and services in the volume of the present Contract amounts to _____

2.2. The total amount of the Contract is... The prices are firm for the duration of the Contract, not subject to any alterations and understood to be f.o.b. _____ including export sea packing, marking, port and dock dues on the cargo, attendance to custom formalities, loading into holds, crantage, stevedoring, stowing of the cargo in the hold and/or a on deck, lashing and securing as well as the cost of materials used for this purpose.

3. Terms of Payment

3.1. Payments at the rate of _____ per cent of the value of the delivered equipment are to be effected in _____ (currency)

технической документации и услуг в объеме настоящего контракта составляет _____

2.2. Общая сумма контракта составляет... Цены остаются твердыми на весь срок действия контракта, не подлежат никаким изменениям и понимаются FOB _____ включая стоимость морской экспортной упаковки, маркировки, погрузки на борт судна, укладки и крепления оборудования – в трюме и/или на палубе судна и стоимость необходимого для этого материала, также доковые, портовые, крановые и таможенные сборы, взимаемые в связи с выполнением настоящего контракта.

3. Условия платежа

3.1. Платежи в размере _____% стоимости поставленного оборудования будут производиться в форме инкассо в _____ (валюта)

UNIT 18. Business documents (Contracts)

within 30 days of the date of receipt	в течение 30 дней с даты получения Покупателем
by the Buyers of the following documents for collection:	на инкассо следующих документов:
3.2. Seller's specified invoice – one original and 2 copies (where Contract number is to be indicated).	3.2. Оригинала специфицированного счета Продавца и двух копий (с обязательным указанием номера контракта).
Complete set of «clean-on-board» Bills of Lading issued destination RF port in the name of _____, a duplicate of the international railway bill issued destination railway station _____ in the name of the chief of this station for further transportation by means of railways through the railway stations to the railway station _____ for _____	Полного комплекта чистых бортовых коносаментов, выписанных назначением порт РФ на имя _____, дубликата международной ж/д накладной, выписанной назначением на станцию _____ на имя начальника этой станции для дальнейшей переотправки средствами железных дорог через станции _____ на станцию _____ для _____
3.3. Payment for the delivered equipment is to be effected in by collection in the following way: per cent of the value of the completely delivered equipment to be paid with-in days upon receipt by	3.3. Оплата стоимости поставленного оборудования будет производиться через инкассо в следующих размерах: _____% стоимости _____ полностью поставленного оборудования оплачивается в течение _____ дней _____

the Buyers of the following documents:

- a) Original and two copies of the detailed invoice.
- b) Packing list in triplicate.
- c) Two original «clean-on-board'

Bills of Lading issued in the name of _____

- d) Copy of export license, if required.
- e) Work's certificates in triplicate.

4. Delivery Dates

4.1. The equipment specified in Clause I of the present Contract is to be delivered complete as follows: _____

4.2. By the time stipulated the equipment is to be manufactured in accordance with the Contract conditions, tested, packed, marked and delivered f.o.b _____

4.3. The delivery date is understood to be the date of the 'clean-on-board' Bill of Lading issued in the name of the Buyers, destination _____ Port.

4.4. If the goods are not ready for shipment by the date of arrival of the vessel the Sellers are

после получения Покупателем следующих документов:

- a) оригинала и 2-х копий специфицированного счета,
- б) упаковочного листа в 3-х экз.
- в) 2-х оригиналов чистых коносаментов,

выписанных на имя _____,

- г) копии экспортной лицензии, если таковая потребуется,
- д) заводского свидетельства в 3 экз.

4. Сроки поставки

4.1. Указанное в Пункте 1 контракта оборудование должно быть поставлено комплектно в следующие сроки: _____

4.2. К указанному сроку оборудование должно быть изготовлено в соответствии с условиями контракта, испытано, упаковано, замаркировано и поставлено f.o.b. _____

4.3. Датой поставки считается дата чистого коносамента, выписанного на имя Покупателя назначением порт _____

4.4. Если груз к прибытию судна не будет готов к отгрузке, Продавец обязан возместить

to cover the losses the Buyers may sustain in connection with demurrage and/or underloading of the ship (dead freight).

5. Packing and Marking

5.1. The packing is to secure the full safety of the goods from any kind of damage and corrosion during its transportation.

The goods are to be packed so as not to allow for their free movement inside the package when it changes its position.

5.2. The Sellers shall be responsible

to the Buyers for any damage to the goods owing to the improper packing.

5.3. The marking shall be clearly made with indelible paint both in stating as follows:

Contract №

Trans №

Case №

Net weight

Gross weight

5.4. The packages for which special handling is required shall have additional marking: «Handle with care», «Top», «Do not turn over».

Покупателю расходы, возникшие в связи с простым и/или недогрузом судна (мертвый фрахт).

5. Упаковка и маркировка

5.1. Упаковка должна обеспечивать

полную сохранность

груза от всякого рода повреждений

и коррозии при его перевозке.

Груз должен быть упакован таким образом, чтобы он не мог перемещаться внутри тары при изменении ее положения.

5.2. Продавец несет ответственность

перед Покупателем за повреждение или поломку груза вследствие ненадлежащей упаковки.

5.3. Маркировка должна быть нанесена четко, несмываемой краской и включать следующее:

Контракт №

Транс №

Ящик №

Вес нетто

Вес брутто

5.4. Места, требующие специального обращения, должны иметь дополнительную маркировку «Осторожно», «Верх», «Не кантовать».

6. Guarantee

The Sellers guarantee:

6.1. High quality of the materials used in the manufacture of the equipment and high quality of the manufacture and assembly.

6.2. The period of guarantee of the normal and trouble-free operation of the equipment is to be 12 months from the date of putting it into operation but not later than 18 months from the date of shipment of the complete equipment.

The above period will be accordingly extended if start-up of the equipment is deferred or the operation of the equipment is stopped.

6.3. If the defects cannot be eliminated, the Buyers have the right to reject the defective equipment

or to request a corresponding reduction from its price.

In case the Buyers reject the equipment they return to the Sellers for the latter's account a the faulty equipment and the Sellers are to repay the Buyers

6. Гарантии

Продавец гарантирует:

6.1. Высокое качество материалов, которые используются для изготовления оборудования, безупречную обработку и высокое качество технического выполнения и сборки.

6.2. Срок гарантии нормальной и бесперебойной работы оборудования 12 месяцев с даты пуска оборудования в эксплуатацию, но не более 18 месяцев с даты поставки комплектного оборудования. В случае задержки в пуске в эксплуатацию оборудования или остановки оборудования в течение гарантийного периода названные сроки соответственно продлеваются.

6.3. Если недостатки неустранимы, то Покупатель вправе отказаться от контракта в целом или от дефектного оборудования или требовать его соразмерную уценку.

В случае отказа от оборудования Покупатель возвращает Продавцу за счет последнего дефектное оборудование, Продавец обязан вернуть уплаченные Покупателем суммы

with 6% interest per annum.

6.4. If during the commissioning period and/or final tests and/or

during the guarantee period the equipment or technical

documentation prove to be defective and/or incomplete and/or not in conformity with the Contract

conditions, then irrespective of the fact that such deficiencies could be found during the Sellers' or their subcontractors' works, the Sellers undertake to eliminate

at their expense the detected defects

immediately at the Buyers' request

by means of repairing or replacing the defective equipment

or parts thereof with new ones of good quality.

с начислением 6 % годовых.

6.4. Если в период пуска и/или в течение сроков гарантии выявятся

недостатки, неполнота

и/или некомплектность оборудования

и/или технической

документации полностью или частично, то независимо от того,

могло ли это быть установлено на заводах Продавца или

субпоставщиков, Продавец

обязуется незамедлительно за

свой счет устранить все обнаруженные

дефекты путем исправления

либо замены дефектного

оборудования или его

частей новым доброкачественным

оборудованием.

7. Force Majeure

7.1. The Parties are released from responsibility for partial or

complete non-fulfillment of their liabilities under the present

Contract, if this non-fulfillment was caused by the circumstances

7. Форс-мажор

7.1. Стороны освобождаются от ответственности за частичное

или полное неисполнение

обязательств по настоящему

контракту, если оно явилось

следствием непреодолимой

of Force-Majeure, namely fire, flood, earthquake, provided the circumstances have directly affected the execution of the present Contract.

8. Sanctions

8.1. In the event of the Sellers' delay in the supply against the dates stipulated in the Contract the Sellers are to pay to the Buyers penalty at the rate of 0,5% of the value of goods not delivered in due time for every week of the delay within the first four weeks and 1% for every subsequent week but not more than 10% of the value of the equipment not delivered in due time.

8.2. Should the delay in delivery exceed four months the Buyers shall have the right to cancel the Contract or a part thereof.

9. Arbitration

9.1. All disputes and differences which may arise out of or in connection with the present Contract will be settled as far

силы, а именно: пожара, наводнений, землетрясения, и если эти обстоятельства непосредственно повлияли на исполнение настоящего контракта.

8. Санкции

8.1. В случае если будут иметь место опоздания в поставке против сроков, указанных в настоящем контракте, Продавец должен уплатить Покупателю штраф в размере 0,5% от стоимости не поставленного в срок товара за каждую неделю просрочки в течение первых 4 недель и 1% за каждую последующую неделю, но не более 10% от стоимости не поставленного в срок товара.

8.2. В случае если опоздание в поставке превысит четыре месяца, Покупатель имеет право отказаться от контракта или его части.

9. Арбитраж

9.1. Все споры и разногласия, которые могут возникнуть из настоящего контракта или в связи с ним, будут по возможности

as possible by means of negotiations

between the Parties

If the Parties do not come to an agreement, the matter, without recourse to Courts of Law, is to be submitted for settlement, to Arbitration.

9.2. The arbitration award shall state the reasons for its decisions and contain information about the arbitration membership, time and place of the award passed, mention of the Parties' rights to state an opinion, as well as the allocation of the costs and expenses of the Arbitration between the Parties.

10. Insurance

10.1. The Buyers are to take care of and to cover expenses for insurance of the goods with Insurance Company from the moment of their dispatch from the Sellers' works up to the moment of arrival of the same at the Buyers' works.

10.2. The expenses for insurance from the Sellers' works up to the moment of loading at the rate

разрешаться путем переговоров

между сторонами.

В случае, если стороны не придут к соглашению, то дело подлежит, с исключением подсудности общим судам, передаче на решение арбитража.

9.2. Решение арбитража должно быть мотивированным и содержать в себе указание о составе арбитража, времени и месте вынесения решения, упоминание о предоставленной сторонам возможности высказаться и указание о распределении между сторонами расходов по производству дела в арбитраже.

10. Страхование

10.1. Покупатель принимает на себя все заботы и расходы по страхованию в страховой компании поставляемого по контракту оборудования с момента его отгрузки с завода Продавца до момента получения заводом Покупателя.

10.2. Расходы по страхованию от завода Продавца до момента погрузки товара на судно

of ...% of the insurance amount are to be charged to the Sellers' account and deducted from the Sellers' invoices at the time payments are effected.

10.3. Within _____ months upon signing the Contract the Buyers are to send to the Sellers the Insurance Policy issued in the name of the Sellers covering insurance of the goods from the Sellers' works up to f.o.b. port of _____.

11. Legal Addresses of the Parties

Sellers _____
Buyers _____

The present Contract is drawn up in the English and Russian languages in 2 copies, one copy for each Party, both texts being equally valid.

The Contract enters into force on the date of its signing.
Sellers: Buyers:

в порту погрузки в размере _____% от страховой суммы относятся на счет Продавца и удерживаются Покупателем при оплате счетов за оборудование.

10.3. В течение _____ месяцев с даты подписания контракта Покупатель должен выслать Продавцу страховой полис, выписанный на имя Продавца, покрывающий страхование грузов с момента отгрузки их с завода Продавца до поставки ФОБ порт _____.

11. Юридические адреса сторон

Продавец _____
Покупатель _____

Настоящий контракт составлен на английском и русском языках в двух экземплярах, по одному экземпляру для каждой стороны, причем оба текста имеют одинаковую юридическую силу.

Контракт вступает в силу с даты его подписания.
Продавец: Покупатель

Assignment. Compose a written contract for the following:

- Purchase and sale of equipment for a small cafe.
- Purchase and sale of machinery and equipment for a car repair shop.

BUSINESS CORRESPONDENCE**TEXT 1. BUSINESS LETTERS**

Letter writing is an essential part of business communication. A check, a contract or any other business paper sent by mail should always be accompanied by a letter. The letter says what is being sent, so that the addressee should know exactly what you intended to send. It is a typical business letter called “routine”.

Nowadays more and more agreements are made in English, for English is a universal business language. Joint ventures agreements, bank loans, and *trademark licenses* are frequently written in English.

With the appearance of *electronic mail*, voice mail, and faxes, good letter writing is losing its importance. And yet, a well-written business letter can help a lot in your business relationships. A well arranged letter will make a better impression on the reader, thus good letters make good business partners.

Business correspondence does not have to be dry and dull. In fact, the most effective business letters often touch on very personal matters, not just on money or the bottom line. Taking into account today's informational overload it is important to be short and *to the point* in most of your correspondence.

There are basically two types of business letters: formal business letters and informal business letters. Very often, there is a small difference between the two.

Structure of a business letter

Sender's address

The sender's address is written on the top right-hand side of the page if the sheet of paper does not have a printed letterhead.

Date

The date is written on the right-hand side of the page below the sender's address, sometimes separated from it by a space. If paper has a printed letterhead, the date is also usually written on the right-hand side of the page.

The month in the date should not be written in figures, as they can be confusing. For example, **10.05.2004** means **10th** of May 2004 in Britain, but in the US it means **5th of October 2004**. Months are usually

written not abbreviated, e.g. **Oct.** for October, but they can be abbreviated except for **May**. The abbreviation 'th' after the date is very often omitted, e.g. **24 May** instead of **24th May**.

Inside (or receiver's) address

This is written below the sender's address and on the opposite side of the page, i.e. the left-hand one.

1. If the surname of the person is known

If the surname of the person to whom the letter is written is known, then it is written on the first line of the address, preceded by a *courtesy title* and either the person's initial(s) or his/her first given name, e.g. **Mr J.B. Priestly** or **Mr John Priestly**, not **Mr. Priestly**. Courtesy titles used in addresses are the following:

- **Mr** (with or without a full stop; the full form 'mister' should not be used) is the usual courtesy title for a man.
- **Mrs** (with or without a full stop; the full form 'mistress' should not be used) is used for a married woman.
- **Miss** (not an abbreviation) is used for a young girl or unmarried woman.

- **Ms** (with or without a full stop) is used for both married and unmarried women. Many women now prefer to be addressed by this title, and it can be used when you are not sure whether the woman is married or not.

- **Messrs.** (with or without a full stop; abbreviation for *Messieurs*, which is never used) is used occasionally for two or more men, (e.g. **Messrs P. Smith and B.D. Turner**) but more commonly forms part of the name of a firm, (e.g. *Messrs Jones & Wright Co.*)

- There are many special titles, which should be included in addresses:

- academic or medical titles, e.g. **Doctor (Dr.)**, **Professor (Prof.)**
- military titles, e.g. **Captain (Capt.)**, **Major (Maj.)**, **Colonel (Col.)**

- aristocratic title, e.g. *Sir* (meaning that the person is a Knight, is always followed by a given name – **Sir John Brown**, not **Sir J. Brown** or **Sir Brown**), **Dame**, **Lord**, **Baroness**, etc.

- **Esq** (with or without a full stop; abbreviation for *Esquire*) is seldom used now. It is used instead of '**Mr.**' and is placed after the name, e.g. **Richard Morton Esq.**, not **Esq. Richard Morton**.

2. If the title of the person is known

If the name of the person you are writing to is not known, you can write his/her title or position in the company, e.g. the **Sales Manager**, or the **Finance Director**, in which case you can use it in the address.

3. If the department of the company is known

– The letter can be addressed to a certain department of the company, e.g. **The Sales Department**, or **The Accounts Department**.

4. If only the name of the company is known

If nothing is known about the company or the department your letter should go to, you can simply address it to the company itself, e.g. **OMEGA Ltd**.

Style and punctuation of addresses

The addresses may be typed in a 'blocked' style (when each line is vertically aligned with the one above):

Jones & Nicholson,
Legal Advisers,
223, Maple street,
Sea Cliff, NY. 11579

or 'indented', as given below:

Jones & Nicholson,
Legal Advisers,
223, Maple street,
Sea Cliff, NY. 11579

There are no rules stating that one style or the other must be used, though blocking, at least in addresses, is more common.

If punctuation is used, each line of the address is followed by a comma, except the last line. But, the majority of firms now use open punctuation, i.e. without any commas.

“For the attention of”

When the recipient's name or position is not present in the address, then the expression '**attention of**' is used.

e.g. **For the attention of Mr. J. Winslow** (British style)

Attention: Mr. M.L. McDonalds, Jr. (American style)

Salutations

- To address a man whose name is not known **Dear Sir** is used.
- To address a company **Dear Sirs** is used. In the US the following form of address is used: **Gentlemen:**
- To address a woman whether single or married, whose name is not known **Dear Madam** is used.

- To address a person whose name and sex are not known *Dear Sir* or **Madam** is used.

When the name of the person is not known, the salutation takes the form of **Dear** followed by a courtesy title and the person's surname. Initials or first names are not generally used in salutations: **Dear Mr Priestly**, not **Dear Mr J. Priestly**. The comma after the salutation is optional.

The body of the letter

This may be indented or blocked. It is a *matter of choice*. Whichever style you use, you must be consistent and use that style all through the letter.

If the blocked style is used it is usual to leave a line space between paragraphs in the body of the letter.

Complimentary close

- If the letter begins with **Dear Sir**, **Dear Madam**, **Dear Sirs**, it will close with **Yours faithfully**.
- If the letter begins with a personal name – **Dear Mr James**, **Dear Mr. Robinson** – it will close with **Yours sincerely**.
- Phrases **We remain your faithfully**, or **Respectfully yours**, etc. are not used today.
- Americans usually close even formal letters with **Yours truly** or **Truly yours**. These *complimentary clauses* are not used in the UK in commercial correspondence. A letter to a friend or acquaintance may end with **Yours truly** or **Best wishes**.

The use of comma after the complimentary close is optional. The complimentary close can be placed on the left or right side, or in the center of the page – it depends on the style of the letter. In blocked-typed letters the complimentary close can be placed on the left, and in indented letters in the center of the page.

Signature

Signature and position in the firm of the person signing the letter are always typed before handwritten signature. This is called 'the signature block'. The signature can begin with initial(s), e.g. **A. Jacobs**, or a name, e.g. **Andrew Jacobs**, and a courtesy title, e.g. **Mr.**, **Mrs.**, **Miss**, **Ms**.

If there is no full name or a title, your correspondent will not be able to identify your sex and may give you the wrong title in the reply letter.

Therefore it is better to sign a letter with a full name and to include the title.

Including titles in signatures is important for women because it makes clear whether they are married (*Mrs.*) or unmarried (*Miss*) or that their *marital status* is not *relevant* (*Ms.*), and because there is a tendency to suppose that main positions in a company can only be held by men.

Per pro

The term '*per pro*' (*p.p.*) is sometimes used in signatures and means 'for and *on behalf of*'. Secretaries sometimes use *p.p.* when signing a letter on behalf of their bosses.

When writing on behalf of your company, it is useful to indicate your position in the firm in the signature.

Enclosures

The *enclosures* into the letter, e.g. documents, leaflets, etc., may be mentioned in the body of the letter. But it is usual in any case write *Enc.* or *Encl.* at the bottom of the letter, and if there are a number of documents, they are given as a list:

Enc.

1. *Bill of lading (3 copies)*
2. *Insurance certificate (1 copy)*
3. *Bill of exchange (1 copy)*

VOCABULARY

routine [ruːti:n]	– типовой, стандартный; регулярный
addressee [ˌædreːsi:]	– адресат, получатель
joint venture	– совместное предприятие
trademark license	– лицензия на торговую марку
electronic mail (e-mail)	– электронная почта
business relationships	– деловые отношения
letterhead	– печатный бланк фирмы
courtesy [ˈkɔ:tsɪ] title	– титул, носимый по обычаю, а не по закону
indented	– с отступом
body of the letter	– основной текст письма

matter of choice	– вопрос выбора
salutation	– приветствие; фраза приветствия (в начале письма)
paragraph	– абзац, отступ (в тексте)
complimentary clause	– заключительная формула вежливости
signature ['sɪɡnɪçə]	– подпись
marital status ['mærtɪl 'steɪtəs]	– семейное положение
relevant	– существенный; важный
on behalf of	– от лица, от имени (кого-л.)
enclosure	– вложение (документа)
leaflet	– листовка; тонкая брошюра
bill of lading	– накладная, коносамент
insurance certificate	– страховое свидетельство

Assignment. *Answer the questions:*

1. Why letter writing is still important today?
2. Where is the sender's address written?
3. How are dates written?
4. When the abbreviations Mr, Mrs, Miss, Ms and Messrs are used?
5. What salutations can be used at the beginning of the letter?
6. What are the most commonly used complimentary clauses?
7. What are the rules of signing a letter?
8. When is the term 'p.p.' used?

TEXT 2. FORMAL BUSINESS LETTERS

Formal business letters do not have to be all business. They may include one or two personal sentences or touch on a *personal subject*. However, they are still formal business letters.

There are several rules that you should follow when writing a formal business letter.

- **Use company letterhead when appropriate.** Company letterhead should only be used for business, not for personal matters.

- **Use the proper salutation to open the letter.** If the addressee is more or less known to you and who is more or less your peer, then the proper salutation would be “*Dear Jane*”. If the *addressee* is an *executive level* person and you do not feel comfortable using their first name, both names can be used (i.e., “*Dear Jane Doe*”). If you are a young executive who has just been introduced to a senior executive, do not use their first name in correspondence since it may seem *lacking in respect*. Instead use the more formal introduction, “*Dear Ms. Doe.*”
- **Use a complimentary closing.** For any formal business correspondence, using either “*Sincerely*” or “*Sincerely yours*” is an appropriate way to close your letter.
- **Always sign your letter.** Many letters include a typed signature block followed by a handwritten signature. The primary reason for this is that many people’s handwriting is illegible. However, it is a serious error to only include the typed signature. Make sure you include your written signature underneath the typed signature block.

Informal business letters

Business executives exchange informal letters on a regular basis these days. These letters are most commonly used to please the addressee in some manner. Examples of informal letters include congratulatory letters, complimentary letters, requests for favors, thank you letters, and letters of encouragement.

Basic characteristics of an effective informal business letter

A good informal business letter:

1. Should be brief.
2. Is thoughtful, honest, simple and prompt.
3. Includes an informal and personal statement immediately following the opening salutation.
4. Has a trace of humor as well as a trace of praise in it in regard to the recipient of the letter.
5. States the purpose of the letter in the first paragraph.
6. Includes everything that you feel it is important for the recipient to know.
7. Is interesting in style.
8. Is carefully edited.

Overall, both formal and informal letters are meant to build bridges and grow relationships. By practicing your letter writing skills, you will find what is most effective for you. Improve your ability to communicate effectively with others through business writing. By doing so, you will not only enhance your business relationships, but you will also improve your bottom line.

A Memo Letter

A **memorandum** (or memo) is a very common form of business letters, which are exchanged between members of the same organization. The memo usually focuses on one message or piece of information, and often requests action to be taken. It may be sent to a single person or a group of people.

There are many different techniques used in memo writing, but several basic rules should always be applied:

- Since memos are a little less formal than business letters, it is best to use simple language.
- Keep your memo clear. Use short, simple sentences.
- A memo should not be any longer than one page. Most people do not have time to read long memos.
- The opening and closing formula can be more direct, and less formal than in a letter.

Here is an example of memo.

Memo

1. DATE 9th June
2. TO Vincent Mills, Human Resources Manager
FROM Philip Groves, Managing Director
3. SUBJECT Seminars on management
4. The seminars as we discussed are to be held on 15–17 June.
Could you contact the members of Seminars and inform me about the following:
 - a. The topics that these Seminars cover
 - b. Short description of each topic
 - c. Whether you think we should use reports printed in advance
5. We haven't much time, so could you do this a.s.a.p. and also check the availability of the members who will be involved in these Seminars.

Signature *PG*

VOCABULARY

personal subject (matter)	– личная тема (вопрос)
executive level	– руководящий уровень
lack of respect	– неуважение, непочтительность
illegible [ɪˈleɪdʒəbl]	– нечеткий, неразборчивый, трудный для чтения (о почерке)
memorandum	– служебная записка, докладная записка
a.s.a.p. (as soon as possible)	– как можно скорее

Assignment. Answer the questions:

1. What are the rules of writing salutations at the beginning of the letter?
2. What complimentary closings are in use now?
3. What is a memo?
4. Who and where writes memos?
5. What are the rules of memo writing?

Assignment. Translate into English:

Письмо – это важный элемент ведения бизнеса. Без переписки вести деловые отношения невозможно. Почти все телефонные договоренности требуют письменного подтверждения. При установлении деловых контактов хорошо составленное письмо может лучшим образом представить вашу фирму и создать благоприятное впечатление о ней у вашего потенциального партнера.

Внешний вид письма имеет большое значение. Фирмы, как правило, имеют свои бланки для писем, отпечатанные типографским способом. Фирменный бланк должен иметь название фирмы, ее адрес, а также характер бизнеса фирмы.

TEXT 3. TELEPHONE CONVERSATIONS

Telephone is the most frequently used means of communication in business because it's the quickest way to get or pass on information. Primary negotiations are very often carried out over the phone. Nevertheless, important telephone conversations concerning prices, terms of payment or claims, are usually confirmed by a letter.

To save time at the beginning and at the end of telephone conversations standard phrases are used. They are given below:

Useful phrases

Hello. I'd like to speak to Mr Green, please!" – Алло. Я бы хотел поговорить с г-ном Грином, пожалуйста!

Can I have a word with him? – Можно мне поговорить с ним?

Could you put me through to Mr Green, please? – Соедините меня, пожалуйста, с г-ном Грином.

Who's this, please? – Кто у телефона?

Who's speaking? – Кто говорит?

Mr Green speaking. – Говорит г-н Грин.

Is that Mr Green? – Это г-н Грин?

Speaking. – Слушаю.

You've got the wrong number. – Вы ошиблись номером.

Sorry, you must have the wrong number. – Извините, Вы, должно быть, ошиблись номером.

It's the wrong number. – Это не тот номер.

Sorry to have bothered (troubled) you. – Извините за беспокойство.

The line is engaged. Can you hold on? – Номер занят. Вы можете не вешать трубку?

I'll see if he is in. – Я посмотрю, на месте ли он.

I'm afraid he's out at the moment. – По моему, его сейчас нет.

I'm afraid he is not available. – Боюсь, его сейчас нет.

Will you leave a message? – Передать ему что-нибудь?

Could you take a message? – Вы не могли бы передать ему кое-что?

Telephone Skills

The telephone may be one of the most powerful, efficient and *cost-effective* business tools you have at your disposal. If things start out badly on the phone, they may never progress beyond the first call. Whether you use the phone for *customer service* or for sales calls as part of a telemarketing strategy, telephone manners and *etiquette* are critical components of a professional image.

Through experience, you'll develop your own telephone style. You'll also find customers and *prospects* responding positively when you and your employees smile, listen and show personal interest!

The following tips will help you use your "telephone tool" to its fullest:

- Smile when you're on the phone; your customers will hear it!

- Answer the phone pleasantly and maintain a pleasant *demeanor* while on the phone.
- Never answer the phone with food in your mouth or try to eat quietly while talking.
- Return all phone calls within 48 hours.
- When you place a call that you know might be lengthy, ask if it's a good time to talk before you begin the conversation.
- Know what you want to say before making an important call.
- Make a telephone *appointment* when you want to have a focused, longer (15 or more minutes) conversation with someone who is normally busy.
- Listen and respond to the person on the other end of the line. When you focus on them rather than on what you're going to say next, the phone call becomes much more conversational.

Evaluate Your Telephone Voice

Your voice is your personality over the telephone. It makes an *immediate* impression that can portray you as friendly or distant, confident or *timid*, *spontaneous* or mechanical, **relaxed** or nervous.

So, how do *you come across* over the phone? Make a tape recording of yourself while on the telephone and evaluate the following *attributes*:

- **Pitch** – Is your voice too shrill or strained? Do you speak in a monotone? In normal speech, pitch varies. These variations are known as inflection. The more inflection you use, the more interesting your tone of voice is. Keep in mind that when you are under emotional stress, the pitch of your voice will tend to rise and become *shrill* or *strained*. Watch it! The pitch of your voice is an index of confidence and poise.
- **Volume** – Check the volume or loudness of your voice. Is it too soft or too loud? Often when people are tired or upset their voices tend to fade, and they will be asked to “speak up.” Be sure to speak loud enough to be heard, but not so loud that you sound forced.
- **Rate** – If you speak too slowly you'll likely lose the attention of the listener. Conversely, your listener won't be able to follow you if you speak too rapidly. In either case, your message won't *get through*.
- **Quality** – The quality of your voice is its most distinctive and individual characteristic. This is where the essence of warmth and understanding come into play. Smiling as you speak enhances

your vocal quality. Being angry, upset or in a hurry negatively affects your vocal quality.

- **Articulation** – The price of poor articulation is high, particularly in business. You must pronounce your words very clearly or your listeners will *misunderstand* you. *Faulty* articulation and incorrect word pronunciation give your listener the impression that you are sloppy, careless and lack knowledge.

VOCABULARY

cost-effective	– рентабельный
customer service	– служба работы с покупателями
telemarketing	– прямой маркетинг по телефону
tips	– советы, подсказки
etiquette ['etɪkət]	– этикет
prospect	– предполагаемый клиент (<i>амер.</i>)
demeanor	– поведение, манера вести себя (<i>амер.</i>)
to make an appointment	– назначать встречу
timid ['tɪmɪd]	– робкий; застенчивый
spontaneous	– непринужденный
relaxed	– ненапряженный
to come across as	– казаться, производить впечатление
attribute	– свойство; отличительная черта
pitch	– высота (тона, звука и т. п.)
volume	– громкость звука
shrill	– резкий; визгливый; высокий (о звуке)
strained	– натянутый, напряженный; неестественный
confidence	– уверенность
poise	– самообладание
rate	– темп
to get through	– быть понятым
articulation	– артикуляция, произнесение звуков

UNIT 19. Business correspondence

inflection	– интонация голоса
sloppy	– <i>разг.</i> неряшливый, небрежный
careless	– легкомысленный, несерьезный
to misunderstand	– неправильно понять
faulty	– неправильный

Assignment. *Translate into English:*

1. Слушаю. Кто говорит?
2. Можно мне поговорить с ...?
3. Кто у телефона?
4. Говорит Петров.
5. Вы ошиблись номером.
6. Я посмотрю, на месте ли он. Простите, его сейчас нет. Передать ему что-нибудь?
7. Не вешайте трубку, пожалуйста.
8. Соедините меня, пожалуйста, с г-ном Грином.
9. Вы хотите передать что-нибудь?

MARKETING MANAGEMENT**TEXT 1. MARKETING MANAGEMENT**

Management is a function of planning, organizing, coordinating, directing and controlling. Any managerial system, at any managerial level, is characterized in terms of these general functions.

Management is a variety of specific activities. Marketing management refers to a broad concept covering organization of production and sales of products, which is based on consumer requirements research. All companies try to look beyond their present situation and develop a long-term strategy to meet changing conditions in their industry. Marketing management, therefore, consists of evaluating *market opportunities*, selecting markets, developing market strategies, planning marketing tactics and controlling marketing results.

Strategic planning includes defining the company's long-term objectives as well as specific objectives, such as *sales volume*, *market share*, profitability and innovation, and deciding on financial, material and other resources necessary to achieve those objectives.

In problems of market selection and *product planning* one of the key concepts is that of the **Product Life Cycle**. That products pass through various stages between life and death (introduction – growth – maturity – decline), is hard to deny. Equally accepted is the understanding that a company should have *products mix* with representation in each of these stages. Companies can make far more effective *marketing decisions* if they take time to find out where each of their products stands in its life cycle.

As a managerial process, marketing is the way in which an organization determines its best opportunities in the marketplace. The marketing process is divided into a strategic and a tactical phase. The strategic phase has three components—*segmentation*, *targeting*, and *positioning* (STP). Segmentation is determining different groups of customers in the market. Targeting is choosing which groups of customers can be served effectively. Positioning is placing the company or brand in relation to competitors.

The marketing process includes designing and implementing various tactics, commonly referred to as the “4 Ps”: product, price, place (or distribution), and promotion.

VOCABULARY

marketing management	– управление маркетингом
market opportunities	– конъюнктура рынка
sales volume	– объем продаж
market share	– 1) доля на рынке; 2) доля участия; 3) удельный вес компании в обороте рынка; 4) удельный вес товара в обороте рынка
product planning	– планирование номенклатуры изделий
product life cycle	– жизненный цикл продукта
introduction	– введение, освоение
maturity	– зрелость
decline	– спад, упадок
product mix	– структура продукции; номенклатура продукции; ассортимент изделий
marketing decision	– решение о выборе рынков сбыта
sales	– объем продаж, объем сбыта, товарооборот
segmentation	– сегментация (рынка)
targeting	– таргетинг, определение круга потенциальных потребителей
positioning	– позиционирование товара (фирмы) на рынке по отношению к аналогичным товарам конкурентов
brand	– фирменная марка товара

Assignment. Answer the questions:

1. What is marketing management?
2. What is the Product Life Cycle and why it is considered one of the key concepts in marketing?
3. What is the strategic phase in a marketing process?
4. What is the tactical phase a marketing process?

TEXT 2. WHAT IS MARKETING?

Marketing is the wide range of activities involved in making sure that you're continuing to meet the needs of your customers and getting

value in return. These activities include market research to find out, for example, what groups of potential customers exist, what their needs are, which of those needs you can meet, how you should meet them, etc.

Marketing also includes analyzing the competition, positioning your new product or service (finding your market niche), pricing your products and services, and promoting them through continued advertising, promotions, public relations and sales. One of the greatest needs of managers of business is to understand and develop marketing programs for their products and services. Business success is based on the ability to satisfy customers. Modern marketing programs are built around the “*marketing concept*,” which directs managers to focus their efforts on identifying and satisfying customer needs – at a profit.

Marketing results can be improved through a better understanding of customers. This approach usually is referred to as the marketing concept. Marketing is a very complex subject; it deals with all the steps between determining customer needs and supplying them at a profit.

Any marketing program has a better chance of being productive if it is timed, designed and written to solve a problem for potential customers and is carried out in a way that the customer understands and trusts.

The Marketing Concept

The marketing concept is based on the importance of customers to a firm and states that:

- All company policies and activities should be aimed at satisfying customer needs, and
- Profitable sales volume is a better company goal than maximum sales volume.

To use the marketing concept, businesses should:

- Determine the needs of their customers (Market Research);
- Analyze their competitive advantages (Market Strategy);
- Select specific markets to serve (Target Marketing), and;
- Determine methods how to satisfy those needs (Marketing Mix).

Market Research

In order to manage the marketing function successfully, good information about the market is necessary. Frequently, a small market research program, based on a *questionnaire* given to present customers and/or prospective customers, can disclose problems and areas of dis-

satisfaction that can be easily remedied, or new products or services that could be offered successfully.

Marketing Strategy

Marketing strategy consists of identifying customer groups (Target Marketing), which a small business can serve better than its larger competitors, and tailoring its *product offerings*, prices, distribution, promotional efforts and services towards that particular market segment (Managing the Marketing Mix). A good strategy implies that a business cannot be all things to all people and must analyze its markets and its own capabilities so as to focus on a target market it can serve best.

Target Marketing

Owners of small businesses have limited resources to spend on marketing activities. Concentrating their marketing efforts on one or a few key market segments is the basis of target marketing. The major ways to segment a market are:

- **Geographical segmentation** – developing a loyal group of consumers in the home geographical territory before expanding into new territories.
- **Product segmentation** – extensively promoting existing best-selling products and services before introducing a lot of new products.
- **Customer segmentation** – identifying and promoting to those groups of people most likely to buy the product. In other words, selling to *heavy users* before trying to develop new users.

Managing the Marketing Mix

There are four key marketing decision areas in a marketing program. They are:

- Products and Services,
- Promotion,
- Place (Distribution), and
- Pricing.

The marketing mix is used to describe how owner-managers combine these four areas into an overall marketing program.

Products and Services

Effective *product strategies* for a *marketing manager* may include concentrating on a narrow *product line*, developing a highly specialized product containing an unusual amount of service.

Promotion

This *marketing decision* area includes advertising, *salesmanship* and other *promotional activities*. In general, high quality salesmanship is necessary for small businesses due to their limited ability to advertise heavily. Good yellow-page advertising is widely used by small retailers. *Direct mail* is an effective, low-cost medium of advertising available to small businesses.

Price

Determining price levels and/or *pricing policies* (including credit policy) is the major factor affecting total revenue. Generally, higher prices mean *volume of trade* and vice-versa, however, small businesses can often command higher prices due to the personalized service they can offer.

Distribution

The manufacturer and wholesaler must decide how to distribute their products. Working through established distributors or manufacturers' agents generally is most *feasible* for small manufacturers. Retailers should consider cost and *traffic flow* as two major factors in location site selection. In other words, low cost, low traffic location means you must spend more on advertising to build traffic.

Marketing Performance

After marketing program decisions are made, owner-managers need to evaluate how well decisions have turned out. *Standards of performance* need to be set up, so results can be evaluated against them. Sound data on industry norms and past performance provide the basis for comparing against present performance.

Owner-managers should audit their company's performance at least quarterly. The key questions to ask are:

- Is the company doing all it can to be customer-orientated?
- Do the employees make sure the customer's needs are truly satisfied and leave them with the feeling that they would enjoy coming back?
- Is it easy for the customer to find what he or she wants and at a *competitive price*?

VOCABULARY

marketing concept	– концепция маркетинга
market research	– изучение конъюнктуры, возможностей рынка
market strategy	– рыночная стратегия
target marketing	– целевой маркетинг (разграничение сегментов рынка, выбор одного или нескольких из этих сегментов и разработка товаров и комплексов маркетинга в расчете на каждый из отобранных сегментов)
questionnaire	– вопросник, анкета, опросный лист
product offering	– предложение товара на рынке
product strategy	– стратегия в отношении продукта
marketing manager	– менеджер по маркетингу, заведующий отделом сбыта
product line	– предметно-производственная специализация
marketing mix	– тактика и методы маркетинга
heavy user	– крупный потребитель
marketing decision	– решение о выборе рынков сбыта
salesmanship	– умение продавать, торговать
promotional activities	– мероприятия по продвижению товара, деятельность по организации спроса и сбыта
direct mail	– метод маркетинга, при котором компании рассылают образцы своей продукции потенциальным заказчикам
pricing policy	– политика цен
volume of trade	– объем торговли
feasible	– вероятный, возможный
wholesaler	– оптовик, оптовый торговец
retailer	– розничный торговец
traffic flow	– торговля, поток покупателей
standards of performance	– стандарты работы

quarterly

– раз в квартал, раз в три месяца

competitive price

– конкурентная цена, конкурентоспособная цена

Assignment. Answer the questions:

1. What is a marketing concept?
2. What is a marketing concept based on?
3. What is Market Research?
4. What is Market Strategy?
5. What is Target Marketing?
6. What is geographical segmentation?
7. What is product segmentation?
8. What is customer segmentation?
9. What is Market Mix?

TEXT 3. HOW TO DEVELOP A MARKETING CONCEPT?

Unfortunately, there is still a misunderstanding about the word marketing. Many people, including top executives, use it as a *sophisticated* term for selling. The words “Marketing representative” are commonly used in ads to recruit *salespeople*. Actually, marketing is a way of managing a business so that each critical business decision is made with full knowledge of the *impact* it will have on the customer.

Here are some specific ways in which the marketing approach differs from the classic, or sales approach to managing a business.

1. In the classic approach, engineers and designers create a product, which is then given to salespeople who are told to find customers and sell the product. In the marketing approach, the first step is to determine what the customer needs or wants. That information is given to designers who develop the product and finally to engineers who produce it. Thus, the sales approach only ends with the customer, while the marketing approach begins and ends with the customer.

2. The second major difference between the sales and marketing approaches is the focus of management. The sales approach almost always focuses on volume while the marketing approach focuses on profit.

In short, under the classic (sales) approach the customer exists for the business, while under the marketing approach the business exists for the customer.

The marketing concept is a management plan that views all marketing components as part of a total system that requires effective planning, organization, leadership and control. It is based on the importance of customers to a firm, and states that:

All company policies and activities should be aimed at satisfying customer needs. Profitable sales volume is a better company goal than maximum sales volume.

In order to conduct a successful marketing program you must be able to answer the following questions:

1. What type of business are you in (*manufacturing, merchandising* or service)?
2. What is the nature of your product(s) or service(s)?
3. What market segments do you intend to serve? (Describe the age, sex, income level and *life-style concept* characteristics of each market segment.)
4. What strategies will you use to attract and keep customers?
 - Product
 - Price
 - Place
 - Promotion
 - Persuasion (personal selling)
5. What is your unique selling proposition (USP)?

Who are your competitors, and what will you do to control your share of the market?

VOCABULARY

sophisticated	– сложный
salespeople	– продавцы (<i>амер.</i>)
impact	– воздействие; влияние
manufacturing	– производство
merchandising	– торговля, сбыт
life-style concept	– концепция “образа жизни” (концепция в современном маркетинге, учитывающая индивидуальные особенности потребителя при выборе покупок и планировании затрат) (<i>амер.</i>)
persuasion [pə'sweɪʒən]	– убеждение

unique selling proposition

– уникальное торговое предложение

share of the market

– доля рынка

Assignment. Answer the questions:

1. What is the difference between the sales approach and marketing approach to business?
2. What questions are to be answered to conduct a successful marketing program?

TEXT 4. MARKETING CONTROL

There are four types of *marketing control*, each of which has a different purpose: *annual-plan control*, *profitability control*, *efficiency control*, and *strategic control*.

Annual-plan control

The basis of annual-plan control is managerial objectives—that is to say, specific goals, such as *sales and profitability* that are established on a monthly or quarterly basis. Organizations use five tools to monitor *plan performance*. The first is *sales analysis*, in which sales goals are compared with actual sales and discrepancies are explained or *accounted for*. A second tool is *market-share analysis*, which compares a company's sales with those of its competitors. Companies can express their market share in a number of ways, by comparing their own sales to total market sales, sales within the market segment, or sales of the segment's top competitors. Third, marketing *expense-to-sales analysis* shows how much a company spends to achieve its sales goals. The ratio of marketing expenses to sales is expected to *fluctuate*, and companies usually establish an acceptable range for this ratio.

In contrast, financial analysis estimates such expenses (along with others) from a *corporate perspective*. This includes a comparison of profits to sales (*profit margin*), sales to assets (*asset turnover*), profits to assets (*return on assets*), assets to net worth (*financial leverage*), and, finally, profits to net worth (*return on net worth*).

Finally, companies measure customer satisfaction as a means of tracking goal achievement. Analyses of this kind are generally less quantitative than those described above and may include customer's complaints and suggestions systems, surveys of customer's needs satis-

faction, and careful analysis of reasons why customers switch to a competitor's product.

VOCABULARY

marketing control [kən'trəʊl]	– управление маркетингом
annual-plan control	– контроль годового плана
profitability control	– контроль рентабельности
efficiency control	– контроль эффективности
strategic control	– стратегический контроль
sales analysis	– анализ возможностей сбыта
sales and profitability	– объем продаж и рентабельность
plan performance	– выполнение плана
to account for	– 1) объяснять; 2) нести ответственность; 3) отвечать; 4) отчитываться; 5) принимать во внимание
market-share analysis	– анализ удельного веса компании в обороте рынка
expense-to-sales analysis	– анализ соотношения затрат и объема продаж
to fluctuate	– колебать(ся), быть неустойчивым
corporate perspective	– виды на будущее у корпорации
profit margin	– размер прибыли
asset turnover	– оборот основных фондов
return on assets	– доходы на активы
financial leverage	– финансовый левередж, показатель использования заемных средств
return on net worth	– прибыль на собственный капитал

Assignment. *Answer the questions:*

1. What is annual plan control?
2. What are the tools to monitor plan performance?
3. What does market-share analysis show?
4. What does expense-to-sales analysis show?

Assignment. *Translate the text into Russian:*

Marketing Methods

Before selling the goods you must do a lot of market research first. The information you are interested in is if there is any demand for your goods, what the market potential is, what sort of competition you will meet, i.e. how the price of your goods compares with other competitive products including those produced locally, local conditions and preferences, local trading customs and habits, what seasonal factors should be taken into account and the like.

But in general marketing covers not only market research, but also planning the selection (assortment) of goods, and consequently the production itself, price policy, advertising and promotion of sales, controlling the sales, and post-sales servicing.

So marketing is a system of running all the business activities of a company in respect of coordinating supply and demand for the goods produced. Originally marketing was meant to help avoid overproduction in industrially advanced countries. Marketing enables to coordinate production and goods circulation (consumption of goods) for the purpose of using all the resources for the benefit of people and for covering in the best possible way all their needs (requirements).

Assignment. *Write a short essay on:*

1. Marketing as the wide range of activities.
2. Developing a marketing concept.
3. Target marketing.

UNIT 21

ADVERTISING

TEXT 1. BASIC DEFINITIONS OF ADVERTISING, PROMOTION, PUBLIC RELATIONS AND PUBLICITY, AND SALES

It's easy to become confused about these terms: advertising, *promotion*, *public relations* and *publicity*, and sales. The terms are often used interchangeably. However, they refer to different but similar activities. Some basic definitions are provided below.

What is Advertising?

Advertising is bringing a product (or service) to the attention of potential and current customers. Advertising is typically done with *signs*, *brochures*, *commercials*, direct mail or e-mail messages, personal contact, etc.

What is Promotion?

Promotion keeps the product in the minds of the customer and helps stimulate *demand* for the product. Promotion involves ongoing advertising and publicity (mention in the press). The ongoing activities of advertising, sales and public relations are often considered aspects of promotions.

What is Public Relations?

Public relations includes ongoing activities to ensure the company has a strong public image. Public relations activities include helping the public to understand the company and its products. Often, public relations are conducted through the *media*, that is, newspapers, television, magazines, etc. As noted above, public relations is often considered as one of the primary activities included in promotions.

What is Publicity?

Publicity is mention in the media. Organizations usually have little control over the message in the media, at least, not as they do in advertising. Regarding publicity, reporters and writers decide what will be said.

What is Sales?

Sales involves most or many of the following activities, including cultivating prospective buyers (or *leads*) in a market segment; *convey-*

ing the *features*, advantages and benefits of a product or service to the lead; and coming to agreement on pricing and services.

An Example of the Definitions

The following example from the *Reader's Digest* may help to make the above five concepts more clear.

– “...if the circus is coming to town and you paint a sign saying 'Circus Coming to the City Saturday', that's **advertising**. If you put the sign on the back of an elephant and walk it into town, that's **promotion**. If the elephant walks through the mayor's flower bed, that's **publicity**. And if you get the mayor to laugh about it, that's **public relations**.”
If the town's citizens go the circus and they spend a lot of money at the circus, that's **sales**.”

VOCABULARY

advertising and publicity

– реклама и пропаганда

public relations

– связь с общественностью (пресса, потребители, клиенты и т. д.)

promotion

– содействие в продаже какого-л. товара (*амер.*)

media ['mi:djə]

– средства информации

sign [saɪn]

– вывеска

brochure ['brəʊʃjʊə]

– брошюра, буклет, проспект

commercial

– короткая звуковая реклама или видеореклама на радио или телевидении

direct mail [daɪ'rekt 'meɪl]

– метод маркетинга, при котором компании рассылают образцы своей продукции потенциальным заказчикам

demand

– спрос

lead

– потенциальный покупатель (*амер.*)

to convey

– передавать (чувства и т. п.)

feature

– особенность, деталь, признак, свойство

Assignment. Answer the question:

What are the definitions of advertising, promotion, public relations and publicity, sales?

TEXT 2. ADVERTISING

Advertising is one of the largest industries. In 1986, for example, American business spent over \$100 billion to advertise its products. Since consumers are the principal targets of these *sales campaigns*, we ought to know something about the services advertisers perform, as well as some of the techniques they use.

The Benefits of Advertising

Advertising *benefits* consumers and the economy in a number of ways:

- It provides us with information about prices, appearance of certain new goods and services, and their availability.
- Advertising often results in lower prices. *Large-scale production* can reduce costs. By creating *mass markets*, advertising enables producers to reduce the costs of their products and pass those savings on to the consumers.
- Advertising stimulates competition, and competition benefits all of us. Advertising by one firm puts pressure on others within the industry.
- Advertising pays most of the cost of magazines and newspapers, and all of the cost of commercial radio and TV.

Advertising helps the economy as a whole by stimulating *consumer demand*. Consumer spending has a direct effect on the health of the economy. Advertising helps to keep that spending at healthy levels.

The Price We Pay for Advertising

Not everyone agrees that advertising benefits the economy. Critics list the following points of its *disadvantages*:

- The information contained in advertising does not inform and often *misleads* the consumer.
- Because it costs money to advertise, this cost adds to the price consumers pay.
- Consumers are tempted to spend money for products they do not really need.
- Radio and TV are not really free because the cost of advertising on them is also passed on to the consumer.

Advertising Strategies

Three strategies that have been especially popular with advertisers can be classified as **slogans**, **rational appeals**, and **emotional appeals**.

Slogans. Advertisers often use slogans that sound great but mean little or nothing. Yet, advertisers seem to feel that such slogans, when repeated often enough, do increase sales.

Rational Appeals. Rational appeals rely upon logic or reason to convince the consumer to buy a product.

“Our Cookies Contain 25% Fewer Calories Than the Next Leading Brand.” This is an example of an advertisement that appeals to reason. Ads for health foods, *pain relievers* and home *remedies* tend to use this technique.

Emotional Appeals. Emotional appeals rely upon the use of psychology. The following is a sampling of such strategies:

– **Testimonials.** These are the advertisements in which famous people claim they use and enjoy a particular product. Ads for sports equipment frequently rely on this strategy.

– **The Bandwagon.** The bandwagon appeal implies that everybody is using a particular product, and that if you don’t, you will be left out. The term derives from the practice, during nineteenth-century circus or political parades, of jumping on or following behind the wagon carrying the band. *Soft drink* and automobile ads use this appeal.

– **Popularity.** Some advertisements suggest that simply by using the advertised product you will be popular or find romance. Toothpaste ads showing moments of romance between handsome young men and women are typical of these kinds of campaigns.

Every day you as a consumer are the object of the *marketing efforts* of companies. The advertising on television and radio and in the newspaper that come to your house are just some of the ways that *sales promotions* reach you. Most of these marketing strategies represent honest efforts to convince you to buy a product or service. Nevertheless, you are responsible for evaluating advertising directed at you, separating fact from emotion, and deciding whether or not to buy the product.

VOCABULARY

sales campaign

– компания по организации и стимулированию сбыта

to benefit

– помогать, приносить пользу

large-scale production

– серийное производство

mass market

– рынок товаров массового производства

consumer demand

– спрос населения, потребительский спрос

spending	– расходы, траты
disadvantage	– недостаток, убыток, ущерб
to mislead	– вводить в заблуждение
to tempt	– уговаривать, склонять; соблазнять, убеждать
slogans	– слоган (лозунг, призыв)
rational appeal	– призыв к разуму
emotional appeal	– эмоциональный призыв
pain relievers	– болеутоляющие средства
remedies	– средство от болезни, медикамент, лекарство
testimonial	– рекомендация
soft drink	– безалкогольный напиток
romance	– любовная история
bandwagon	– фургон или грузовик с оркестром (передвижного цирка и т. п.)
marketing efforts	– меры по организации и стимулированию сбыта
sale promotion	– стимулирование сбыта

Assignment. Answer the questions:

1. What are the methods and types of advertising?
2. In what way do consumers and the economy benefit from advertising?
3. What are the benefits of advertising?
4. What are the disadvantages of advertising?
5. How are advertising strategies classified?
6. Can you give the examples of different advertising strategies on Russian TV?
7. Does advertising influence your personal decisions to buy or not to buy?

TEXT 3. MAJOR METHODS OF ADVERTISING AND PROMOTION

How to Write Ads?

Writing *ads* is a skill. There are important aspects to think about, including the *wording*, graphics, arrangement of wording and graphics,

coloring, how your audience will interpret the ads, their placement, etc. Poorly done ads can hurt you worse than not having ads at all.

What Should You Write in Your Ads?

Before you write your ads, you should carefully think over your unique selling position so you know what unique features and benefits to convey and to whom.

Note that a common mistake among inexperienced ad writers is to write the ad to themselves, rather than to their current and potential customers. Your ads should clearly tell about the benefits of products and services to potential customers. Use the terms that the customer will value, for example, *easy access*, low cost, easy to use, *reliability*, etc. Your ads should answer the customer's question: "What's it for me?" Your ad should also specify what they are to do next. What action should they take and how do they take it, for example, whom do they call and how.

Major Methods of Advertising

Brochures – Brochures can contain a great deal of information if designed well, and are becoming common methods of advertising.

Direct mail – *Mail* sent directly from you to your customers can be highly *customized* to suit their nature and needs. You may want to build a *mailing list* of your current and desired customers.

E-mail messages – These can be wonderful means to inform about your business. Your e-mail address may be included at the end of each of your e-mail messages. Many e-mail *software packages* will automatically attach your e-mail address, if you prefer.

Magazines – Magazines ads can be quite expensive. Find out if there's a magazine that focuses on your particular industry. If there is one, then the magazine can be very useful because it already focuses on your market and potential customers. Consider placing an ad or writing a short article for the magazine. Contact a reporter to introduce yourself. Reporters are often on the look out for new stories.

Newsletters – This can be powerful means to conveying the nature of your organization and its services.

Newspapers – Lots of people read local newspapers. You can get your business in the newspaper by placing ads, writing a letter to the editor or working with a reporter to get a story written about your business. Advertising can get quite expensive. Newspapers are often quite useful in giving advice about what and how to advertise.

Posters and bulletin boards – *Posters* can be very powerful when placed where your customers will actually notice them. Place the posters on *bulletin boards* and other places which your customers frequent, and always refresh your posters with new and colorful posters that will appear new to passers by.

Radio announcements – A major advantage of radio ads is they are usually cheaper than television ads, and many people still listen to the radio, for example, when in their cars.

Telemarketing – The use of telemarketing is on the rise.

Television ads – They are more expensive than most of major forms of advertising. However, with the increasing number of *television networks* and stations, businesses are placing more commercials or other forms of advertisements.

Web pages – Now, advertising and promotions on the World Wide Web are almost *commonplace*. Using the Web for advertising requires certain equipment and expertise, including getting a computer, getting an Internet service provider, buying (usually renting) a Web site name, designing and installing the Web site graphics and other functions as needed (for example, an *on-line store* for *e-commerce*), promoting the Web site (via various *search engines*), and maintaining the Web site.

VOCABULARY

ad (сокр. of advertisement)	– объявление, реклама
to place (publish, run) an advertisement	– опубликовать рекламное объявление
wording	– форма выражения, формулировка
audience [ˈɔ:dʒəns]	– радиослушатели, телезрители
easy access	– свободный доступ, открытый доступ
reliability [rɪˈlaɪəˈbɪlɪti]	– надежность
newsletter	– информационный бюллетень (фирмы, учреждения)
bulletin board	– доска объявлений (<i>амер.</i>)
poster	– рекламная афиша
customized	– сделанный по заказу
mailing list	– список адресатов

TEXT 4. What Advertising Medium to Use?

software package	– комплект программного обеспечения
television network	– телевизионная сеть
commonplace	– привычное дело, обычное явление
on-line store	– Интернет-магазин
e-commerce	– торговля через Интернет
search engine	– поисковая машина в Интернете

Assignment. Answer the questions:

1. What should the ads convey to the public?
2. What must the wording in the ads be?
3. What should the ads also specify?
4. What are the main methods of advertising? Briefly describe them.

TEXT 4. WHAT ADVERTISING MEDIUM TO USE?

Newspaper Advertising

Every *advertising medium* has characteristics that give it natural advantages and limitations. As you look through your newspaper(s), you'll notice some businesses that advertise regularly. Observe who they are and how they advertise their products and services. More than likely, their advertising investment is working if it's selling!

Some Advantages in Newspaper Advertising

Almost every home receives a newspaper, either by news-stand or home delivery. Reading the newspaper is a habit for most families. And, there is something for everybody: sports, comics, crosswords, news, *classifieds*, etc. You can reach certain types of people by placing your ad in different sections of the paper. People expect advertising in the newspaper. In fact, many people buy the paper just to read the ads from the supermarket, movies or department stores.

Unlike advertising on TV and radio, advertising in the newspaper can be examined at your *leisure*. A newspaper ad can contain details, such as prices and telephone numbers or *coupons*.

There are many advantages to advertising in the newspaper. From the advertiser's point-of-view, newspaper advertising can be conve-

nient because it can be made quickly, if necessary, and you can often insert a new advertisement *on short notice*. Another advantage is the large variety of ad sizes which newspaper advertising offers. Even though you may not have a lot of money in your budget, you can still place a series of small ads.

Some Disadvantages with Newspaper Advertising

Advertising in the newspaper offers many advantages, but it also has disadvantages, such as:

- Newspapers usually are read once.
- The print quality of newspapers isn't always the best, especially for photographs. So for best results simple artwork and line drawings are to be used.
- Your ad has to compete with other ads for the reader's attention.
- Not every person who gets the newspaper will read your ad. They may not read the section you advertised in, or they may simply have skipped the page because there wasn't any interesting news on it.

Magazine Advertising

The main differences between newspaper advertising and magazine advertising are the following: magazines are usually weekly or monthly publications instead of daily and advertisements in magazines are more often in color.

Because ads in magazines are not immediate, they take more planning. Often, an ad for a monthly magazine must be prepared at least a month in advance of publication, so ads *detailing* prices and items have to be carefully composed to insure accuracy.

There are two categories of magazines: *trade magazines* and *consumer magazines*. Trade magazines are publications that go to certain types of businesses, services and industries. Consumer magazines are generally the kind you find on the average newsstand.

Radio Advertising

Since its beginning, radio has become an integral part of our culture. In some way, it touches the lives of almost everyone, every day. Radio, as a medium, offers a form of entertainment that attracts listeners while they are working, traveling, relaxing or doing almost anything. Radio offers information such as: news, *weather reports*, advertising and music.

Television Advertising

Television is often called the “king” of the advertising media, since a majority of people spend more hours watching TV per day than any other medium. TV has proven its persuasive power in influencing human behavior. But it’s also the “king” of advertising costs.

Cable Advertising

Cable advertising is a lower cost alternative to advertising on broadcast television. It has many of the same qualities as broadcast television, and in fact, since it offers more programming, it’s even easier to reach a designated audience.

Outdoor Advertising

When people think of Outdoor Advertising, they usually think of the colorful *billboards* along our streets and highways. Included in the “outdoor” classification, however, are benches, posters, signs and advertising on buses, subways, taxicabs and trains.

Outdoor advertising reaches its audience as an element of the environment. Unlike newspaper, radio or TV, it doesn’t have to be invited into the home.

Direct Mail

What makes “direct” mail different than regular mail? Nothing. It *appeals* directly to an individual consumer. Usually through the mail, but other carriers also participate. Direct mail may be used more than you think. Studies indicate that it is the third largest media expenditure behind television and newspaper.

Specialty Advertising

– “Giveaways” are the pencils, pens, buttons, calendars and refrigerator magnets you see everyday. They are called “Specialty Advertising” in the advertising business. Businesses imprint their name on items and give them away (or sometimes sell them at very low cost) in order that:

– You notice their name enough times on the item. So when you plan to buy something or you need some service you think of their name first.

– You appreciate the *goodwill* of the company giving you the item and eventually return the favor by giving them some business.

These are long-term advertising investments that can take months or years to turn into actual sales.

Specialty advertising is a unique way to generate goodwill and put your name on items that people remember.

Conclusion

There is no one best way to advertise your product or service. It is important to explore the various advertising media and select those, which will most effectively convey your message to your customers in a cost-efficient manner.

Always remember, advertising is an investment in the future of your business.

VOCABULARY

advertising medium	– средство рекламы
news-stand	– газетный киоск
classifieds	– объявления, сверстанные по тематике, классифицированные объявления
leisure ['leɪzə]	– досуг, свободное время
coupon ['kʊ:pən]	– купон (купон дает покупателю право на скидку или вещевую премию)
on short notice	– тотчас же, в короткий срок
to detail	– детализировать; подробно описывать
trade magazine	– отраслевой журнал (производственно-технический, экономический)
consumer magazine	– журнал для массового потребителя
weather report	– сводка погоды, прогноз погоды
persuasive power	– сила убеждения
direct-mail advertising	– прямая почтовая реклама
outdoor advertising	– уличная реклама
billboard	– рекламный щит
to appeal	– обращаться
goodwill	– доброжелательность; репутация фирмы, престиж фирмы

Assignment. *Translate the text into Russian:*

Advertising is an important means of promoting the goods that are being produced already as well as new lines in business. There are specialized firms dealing with advertising, different kinds of mass media (TV, radio, newspapers, cinema, journals, magazines, posters) are used for advertising goods. Special leaflets, booklets and other printed matter about goods may be published for the same purpose. Participation in fairs and exhibitions helps to promote the goods as well. The choice of media for advertising depends on the kind of goods and on the local conditions and people's habits: sometimes TV and radio ads are best, in other cases it may be trade journals or leaflets distributed among potential buyers.

Assignment. *Write a short essay on:*

1. Advertising, its benefits and disadvantages.
2. Advertising strategies.
3. Methods of Advertising. Their strong and weak points.

INTERNET AND E-BUSINESS**TEXT 1. THE ORIGINS OF THE INTERNET**

Internet is being used now to gather information, to shop or just for entertainment. You're probably familiar with the process of *dialing in* and moving from *website* to website. But do you really understand how you're doing what you're doing as you move from *web* location to web location? How did Internet get started?

The Internet began in the late 1960s as an experiment by the U.S. Department of Defense to see if a non-centralized *network* could be built to *withstand* the destruction of one or more of its parts. Unlike previous networks, this new network did not have a single central point. Instead, all *sites* on the network were interconnected.

Out of this network came a protocol for linking computers together. A protocol is a set of standards for how *network communication* takes place. The protocol is called **TCP/IP** (Transmission Control Protocol/Internet Protocol). This protocol is the standard that makes it possible for different computers all over the globe to talk to each other. The TCP/IP protocol is the foundation of the Internet.

At first, the Internet was used solely by the US government, but soon universities and other institutions connected themselves to the Internet to communicate with one another and collaborate on projects. The Internet grew to connect hundreds of different sites all across the world. Each organization on the Internet was responsible for maintaining its part of the network, so the Internet was not owned or controlled by any one organization.

Today, the Internet connects up to 40 million people around the globe and is growing by as much as 10% per month.

Getting connected

The Internet is like a system of roads, freeways, and bridges. The term "Information Superhighway" describes how the Internet works. From any road in any city, you can get to almost any other road in any other city. From your computer you can send an electronic mail message to someone sitting at a computer in Helsinki, Warsaw, or Moscow.

Internet access companies or **Internet Service Providers (ISP)** provide physical connections that allow you to access the Internet.

These connections are called “**POPs**,” which stands for “points of presence.”

Your computer uses a modem to dial into a POP, which connects you to the Internet. Once connected to a POP, you have access to all the resources of the Internet. Most ISP's will also supply you with *software* available for work in the Internet: a Web *browser*.

The Birth of Domain Names

In the 1980's, a major change occurred as a result of the increase in *scale* of the Internet and its associated management issues. To make it easy for people to use the network, *hosts* were assigned names, so that it was not necessary to remember the numeric addresses. Originally, there were a fairly limited number of hosts, so it was feasible to maintain a single table of all the hosts and their names and addresses. The shift to having a large number of independently managed networks or so called **Local Area Networks (LANs)** meant that having a single table of hosts was no longer feasible, and the **Domain Name System (DNS)** was established. A domain name is the letters or words that visitors must type in to come to your website. The DNS permitted the conversion of a numeric *host address* (i.e, 215.72.87.66) to a simpler, easier to remember name address (e.g. *www.prospekt.org*).

The Birth of the Web Browser

In October of 1994, Mosaic Communications Corporation (re-named “Netscape Communications” on 11 November 1994) introduced the first public version of their *browser*, “**Mosaic NetScape**.” A browser is a software program, which reads the computer language (**Hyper Text Markup Language – HTML**) used to code information on the Web and allows you to view documents on the Web. This was one of the first web browsers to be freely distributed across the Internet.

How does email work?

Let's say you're sending mail to (*user name@domain name*). When you've finished composing your email, your *mailer* (*email software*) performs a *gethostbyname* system call to look up the **IP** address of the *remote* host (*aol.com*). The **IP** address (**INTERNET PROTOCOL** address) is an assigned number, which identifies a host in an Internet. It has three parts: network number, optional *subnet number*, and host number.

Your system *queries* an Internet name *server* to find the address of *aol.com*.

Your mailer opens a *virtual circuit* over the Internet to “*joy's*” mailer. It communicates with the remote mailer by using the **Simple Mail Transfer Protocol (SMTP)**.

If all goes well, the mail is usually delivered within a few seconds, even if the recipient's machine is on the other side of the world.

If the remote site is *down*, your mailer will keep trying every hour or so, usually for a couple of days.

If the site still can't be reached, the mail will be returned to you as “undeliverable message.”

People and organizations without fulltime Internet connections may also use the **Post Office Protocol (POP)**.

VOCABULARY

to dial	– набирать код
website	– узел глобальной сети (всемирной паутины), узел WWW (любой компьютер в сети Internet, обслуживаемый сервером глобальной сети)
web	– <i>сокр.</i> от WWW всемирная паутина (собрание гипертекстовых и иных документов, доступных по всему миру через сеть Internet)
Department of Defense	– Министерство обороны
to withstand	– выдержать, противостоят
site	– сайт (любой адрес в Интернете, где хранится информация)
network communication	– передача информации в глобальной сети
freeway	– автострада, многопутная дорога (<i>амер.</i>)
superhighway	– автострада высшего класса (<i>амер.</i>)
Internet Service Providers	– провайдер (компания, предоставляющая доступ удаленным пользователям к Интернету по коммутируемым или выделенным линиям)

software program	– компьютерные программы
browser	– браузер (программа навигации и просмотра в Интернете)
domain name	– имя домена
host	– хост (сетевой узел, использующий протоколы TCP/IP)
host address	– ведущий адрес (адрес, присвоенный главному сетевому узлу)
scale	– масштаб, размер
subnet	– подсеть
query ['kwɪəri]	– запрос
server	– сервер
mailer	– почтальон (программа доставки электронной почты адресату)
email software	– программа для электронной почты
remote [rɪ'məʊt]	– удаленный
virtual circuit ['vɜ:tʃjuəl'sə:kit]	– виртуальная цепь, виртуальный канал (последовательность логических соединений между передающим и принимающим компьютером)
down	– не работающий; не функционирующий (о компьютере)
undeliverable message	– недоставленное сообщение

Assignment. Answer the questions:

1. When and how did Internet get started?
2. What is the TCP/IP protocol?
3. Who provides physical connections that allow the access to the Internet?
4. How is the host address expressed in DNS?
5. What is a browser?
6. What is a domain name?
7. What is the IP address?

TEXT 2. WHO OWNS THE WWW?

Who owns the World Wide Web (WWW)? The answer is – NOBODY! How can that be?” you could ask. This concept is a bit difficult to grasp unless you understand the structure of the Internet and its component parts, including the WWW.

We have called the Internet “The Information Superhighway” and that is still the most accurate analogy. The Internet is a network of independently-owned and operated interconnecting communication *pipelines*, just as the system of roads and bridges is a network of independently-owned and operated *thoroughfares*. From dirt roads to gravel roads to two lane paved roads to the largest multi-lane superhighways. Each road and each bridge was built by an independent *entity* and continues to be owned and controlled by that entity, including sale or other transfer of interest. Anyone can connect to an interstate highway, if the price is right.

The beauty of the system, however, is that anyone can drive on any of these roads, usually *for free*. Once you get on one road in the system, you can use it to access any number of other roads, to go anywhere on the network you choose. All you need is a vehicle -- a car or a computer with a modem and software.

The Internet works the same way. Some parts of the Internet were installed and now maintained by government agencies, some by universities, some by private businesses, some by individuals. Each new connection to the Internet is achieved by acquiring permission to connect to someone who is already connected. It can be as simple as an individual *signing up* for a *dial-up access account* through an ISP, or as complicated as a new ISP establishing a high-speed data connection to a major backbone, with dozens of pieces of computer hardware to regulate and route the traffic. Once you're on, you're on. You can go anywhere.

The WWW is merely a *subset* of information published on the Internet. The only thing distinguishing information on the Web from other types of information on the Internet is the format in which the information is published. Web documents are published in **Hyper-Text Markup Language (HTML)**. In order to put up a *web page* of your own, whether individual or business, you need to get access to the WWW by either renting space on an existing commercial *Web server*, or by *putting up* your own Web server and paying for a connection to someone else's data pipeline.

Either way, you'll own a piece of the WWW yourself!

VOCABULARY

bypass route	– объезд, объездной маршрут
pipeline	– канал (связи, снабжения, коммуникации и т. д.)
thoroughfare ['θɒrəʃeə]	– транспортная магистраль
entity	– организация
for free	– бесплатно
to sign up	– подписаться на услуги провайдера
dial-up access	– наборный доступ (по телефону)
user account	– учетная запись пользователя (содержит имя пользователя и его пароль для регистрации при входе в сеть)
subset	– подмножество
web page	– страница или ряд страниц, хранящиеся в сети
web server	– web-сервер (компьютер, предоставляющий доступ к службам и страницам WWW пользователям Интернета)
to put up	– организовывать, устраивать

Assignment. Answer the questions:

1. How is new connection to the Internet achieved?
2. What is the difference between Internet and WWW?
3. What language is used in WWW?
4. What are the two ways of putting up a web page in The Internet?

TEXT 3. E-BUSINESS (SELLING ON THE INTERNET)

Should you sell your products and services on the Internet? Offering your customers this option may be an important service for your business and may bring you new sales from around the globe.

A few strategies for handling online sales are outlined below. If you think that selling via the Internet is for you, you'll want to *stay abreast* of the topic – *keep up* with news in the traditional media and on the Web.

Use Email, Fax and Phone to Complete Transactions

A low-budget solution for Internet sales is to “sell” your product on your web site by inviting customers to complete the transaction using email, fax or phone (800 number). The disadvantage of this method is that customers may not send you all the information you need to complete the sale; obtaining the additional information could be *time-consuming* and costly. Also, since the customer would need to initiate a second step *off-line* to make the purchase, your chances of sale are reduced.

Fill-in Forms

Adding forms (possibly using **CGI** [computer graphics interface] scripts or other techniques) to your web site allows your customer to quickly “fill in the blanks” of an *order form* for your products at that moment *online*. Customers can *place an order* immediately while they’re still excited about what they’ve seen on your web site. (You can build a *database* of order information from these sales for future promotions as well.)

The form can be *set up* to immediately return a message to the customer indicating which required field(s) have been left blank. The customer will understand that the form will not be submitted until information in all of the required fields has been submitted. This allows you to gather all of the necessary data to *complete a sale*, which is an advantage over your customer sending an *unstructured*, and possibly incomplete, email message to place an order.

Your web page designer adds the script to your web site, and your Internet Service Provider (ISP) sets up a system for sending you the information collected from your forms.

Shopping Cart Software

Shopping Cart software allows customers to make selections (by *checking a box*, for example) as they move from page to page on your site. At the end of shopping a completed order form is generated and displayed to your online customers. They either proceed to *check out* or they have the opportunity to revise the order until it’s complete.

Secure Financial Transactions

Transmitting credit card information over the Internet remains somewhat of a barrier to Internet sales. Many ISPs offer secure network services to prevent customers’ financial information from being

easily stolen. **SECs** or Secure Electronic Transactions allow users to send a credit card account number to a merchant in *encrypted* or *scrambled* form. The merchant, using a special code, can electronically and automatically verify the *validity* of the card and the user with a bank.

International Sales

Web sites can be accessed from any place around the globe! Consequently, if you offer sales on the Internet, you'll need to determine how you will (or won't!) handle international sales. *Shipping costs*, *customs forms*, and monetary *exchange rates* are just a few issues to consider.

Third Party Service Providers

You might consider employing a third party that specializes in collecting, processing and shipping Internet orders for your product. This will allow you to focus on other key business issues while still taking advantage of additional sales generated by the Internet. Evaluate the costs and benefits of such a service.

Remember to Offer a Timely Response to an Order

The speed of the Internet creates the expectation that you will respond promptly to an *online order*. Make sure your business confirms orders via email in a timely fashion so you satisfy and keep customers!

Building Internet Sales Takes Time

Remember that it may take time to build Internet sales. To organize sales on the Internet requires good planning, a well-designed web site, careful evaluation your target market, and constant promotion of your web site. Some services and products may be more suitable for web sales than others. Customers will often visit your site several times before they make a purchase, so make your site interesting to visit and the one where it's easy to place orders!

VOCABULARY

stay abreast	– не отставать, идти в ногу
to keep up with news	– быть в курсе новостей
time-consuming	– отнимающий много времени
off-line	– автономно, без подключения
fill-in forms	– бланки для заполнения
CGI (computer graphics interface)	– интерфейс компьютерной графики

order form	– бланк заказа
online	– (работающий) в режиме онлайн
to place an order	– подавать заказ
to set up	– настраивать
to complete a transaction	– осуществить сделку
unstructured	– расплывчатый
checkbox	– окошко для отметки; флажок (для указания включения/выключения требуемых опций, <i>напр.</i> “галочкой”)
to check out	– заканчивать работу
database	– база данных
secure financial transaction	– безопасная финансовая операция
encrypted	– зашифрованный
scrambled	– скремблированный, засекреченный
validity	– действительность
shipping costs	– затраты на транспортировку
customs forms	– таможенные декларации
exchange rates	– курсы обмена валют
online order	– заказ по Интернету

Assignment. *Answer the questions:*

1. What are the methods of selling on the Internet? Describe them.
2. What do secure electronic transactions allow to the user?
3. What is necessary to organize sales on the Internet?

TEXT 4. CREATING A WEB-BASED BUSINESS

Since 1996 or so, everyone with access to the Internet has had the opportunity to create an additional *revenue source* with an online business. A web-based business can be very successful if you do it right. It's a way of making money without worrying about changing the economy, a boss or employees. All you need is a website, a merchant account, a bank account and your brain.

What you won't need

There are certain “no's” that you need to know to have a successful web-based business. To build the perfect online business you first need to think about the things you don't want or need before concerning yourself with what you need. Here are the things you won't need:

- **NO Employees:** Employees require you to pay them, manage them, and many times they need a place to work. To make things easier, stay away from employees, at least in the beginning.
- **NO Inventory:** You should not have an inventory that you need to store it somewhere and storage space can be expensive. Also, you'll end up with tons of shipping and packing demands. If you sell products, make sure your supplier does *drop-shipping* to most places in the world. Another form of product is electronic products such as music, software and e-books.
- **NO Time:** After your business has started, it should not require more than a few hours of your time to manage and maintain each month. The more you can automate things the better.
- **NO Location:** Your business should not reside anywhere other than in *cyberspace*. A website will allow you to make business anywhere in the world. Your web-based business is making you money and you can maintain it as long as you can get Internet access a few hours a month.

What to sell?

Now that you know what not to have, you have to focus on what you need for your web-based business. First, you need to know what you are going to sell. You have three choices – physical products, services, and *intellectual property*.

Physical products are food, clothing, appliances, homes and nearly everything that can be touched. As inventory is not necessary there are a couple of ways to handle products without inventory – you can use companies that make drop shipments or you can manufacture *on demand*. You can print and bind books, copy videocassettes, or burn a CD or DVD as orders come in. There are some people that are successfully selling print-on-demand books.

Drop-shipping is the key to selling products online without an inventory. Many manufacturers around the world will fulfill your customers' orders as they come in and put your label on the box before sending it out. You don't have as much *gross profit* per product, but you are saving money since you don't have to *warehouse items*, to maintain

staff to package and ship products or fulfill any other demands. All you have to do is sell the product.

Service businesses can also use Internet. There are some industries that have been gaining some success such as *online tutoring*, various types of consulting, language translation, computer programming including web design, and several others.

To have an online-only service business, you will need to be able to fulfill the service from your location. One cannot wash customer's windows in France if he or she is in New York.

You need to be able to *close the sale* without a physical meeting. If you must meet face-to-face with a prospect to get her to buy, you won't have much freedom and you will need to pay for the travel. You wouldn't get too many clients if they had to pay for airfare just to do business with you.

Informational products are perfect for the Internet. This type of intellectual property can be writing, works of art, or software.

Creating the Perfect Web-based Business

Here are some quick steps for getting your online business up and running.

- Get your idea into an electronic format.
- Research your competition.
- Find a place to host your company web site. Look for an inexpensive hosting company that has great service.
- Build an inexpensive, yet professional web site that is easy for your customers to use with a simple, but reliable shopping cart.
- Determine your payment system. Most likely you will want a merchant account to handle credit card payments or you can try out PayPal or ClickBank.
- Optimize your site for the *search engines* and be sure you are listed in all the major search engines.
- Use pay per click (PPC) search engines such as Overture and Google AdWords to build targeted traffic quickly.
- Watch your bank account fill up.

VOCABULARY

revenue source

– источник дохода

drop shipment

– прямая поставка

cyberspace

– киберпространство

intellectual property	– интеллектуальная собственность
on demand	– по запросу
gross profit	– валовая прибыль
to warehouse items	– хранить товары на складе
service business	– предприятие сферы обслуживания
online tutoring	– онлайн-овое обучение
to close the sale	– совершить торговую сделку
shopping cart	– тележка для магазинов самообслуживания (<i>здесь программа для покупок в Интернете</i>)
search engine	– поисковая машина (в сети Internet – инструментальные средства, предназначенные для отсеивания информации, не относящейся к теме запроса)

Assignment. Answer the questions:

1. What things are not necessary to run a successful web-based business?
2. What can be sold on the Internet? Describe the kinds of sales on the Internet.
3. What is drop shipping and why is it important for ebusiness?

Assignment. Write a short essay on:

1. The origins of the Internet.
2. Creating a web page.
3. Selling on the net.

GRAMMAR REVISION COURSE

ОСНОВНЫЕ ПОНЯТИЯ В ГРАММАТИКЕ

Parts of speech. Части речи

Все слова, входящие в язык, делятся на разряды, называемые частями речи. Различаются следующие части речи:

1. существительное (noun, *n*)
2. прилагательное (adjective, *a*)
3. числительное (numeral, *num*)
4. местоимение (pronoun, *pron*)
5. глагол (verb, *v*)
6. наречие (adverb, *adv*)
7. предлог (preposition, *prep*)
8. союз (conjunction, *cj*)
9. междометие (interjection, *interj*)

1. Существительным называется часть речи, обозначающая предметы. Предметами в грамматике называют все то, о чем можно спросить: *кто* это? или *что* это?

Например: Кто это? – a doctor, a man, a girl

Что это? – a tree, a house, freedom

Существительные имеют два артикля: **a (an)** – неопределенный и **the** – определенный.

Существительные имеют два числа: единственное – a boy, a tree и множественное – boys, trees.

Существительные имеют два падежа: общий – my sister и притяжательный – my sister's. Притяжательный падеж, как правило, имеют одушевленные существительные.

2. Прилагательным называется часть речи, обозначающая признаки предметов и отвечающие на вопрос: какой? Например: red, interesting, Russian и т. д.

Прилагательные не изменяются по родам, числам и падежам.

Прилагательные имеют три степени сравнения: положительную, сравнительную и превосходную.

3. Числительным называется часть речи, обозначающая количество или порядок предметов при счете. Числительные делятся на количественные и порядковые.

4. Местоимением называется часть речи, которая употребляется вместо имени существительного или прилагательного.

5. Глаголом называется часть речи, которая обозначает действие или состояние, представленное в виде действия.

Глаголы в английском языке имеют четыре основные формы.

1. Инфинитив (неопределенная форма) to take.
2. Прошедшее время (Past Indefinite) took.
3. Причастие прошедшего времени (Past Participle) taken.
4. Причастие настоящего времени (Present Participle) taking.

С помощью этих форм образуются все сложные временные формы действительного и страдательного залога.

6. Наречием называется часть речи, указывающая на признак действия или на различные обстоятельства, при которых протекает действие (как, где, когда и т. д.): quickly.

Существительное, прилагательное, числительное, местоимение, глагол и наречие являются **самостоятельными** частями речи. Они обозначают предметы, их качества, действия и т. п. и являются членами предложения.

Предлоги и союзы являются **служебными** частями речи. Они показывают различные отношения между членами предложения или предложениями.

Parts of sentence. Члены предложения

Предложением называется сочетание слов, выражающее законченную мысль:

Слова, входящие в состав предложения и отвечающие на какой-нибудь вопрос, называются **членами предложения**. Члены предложения делятся на главные и второстепенные.

Главные члены предложения: **подлежащее** (subject) и **сказуемое** (predicate);

Второстепенные члены предложения: **дополнение** (object), **определение** (attribute) и **обстоятельство** (adverbial modifiers).

Подлежащим называется член предложения, обозначающий предмет или лицо, о котором что-либо говорится в предложении. Подлежащее отвечает на вопрос *кто?* или *что?*

Сказуемым называется член предложения, обозначающий то, что говорится о подлежащем. Сказуемое отвечает на вопросы: *что делает подлежащее? что делается с подлежащим? кем или чем является подлежащее.*

Дополнением называется второстепенный член предложения, который обозначает предмет и отвечает на вопросы, соответствующие в русском языке вопросам косвенных падежей как с предлогом, так и без него: *кого? чего? что? кому? чему? кем? чем? о ком? о чем?*

Обстоятельством (adverbial modifiers) называется второстепенный член предложения, который обозначает, как или при каких обстоятельствах (*т. е. где, когда, почему, зачем* и т. п.) совершается действие.

Обстоятельства могут обозначать:

1. Время (adverbial modifier of time).
2. Место (adverbial modifier of place).
3. Образ действия (adverbial modifier of manner).
4. Причину (adverbial modifier of cause).
5. Цель (adverbial modifier of purpose).
6. Степень (adverbial modifier of degree).

1) Проанализируйте следующие предложения, назовите главные и второстепенные члены.

1. He is one of the best students.
2. Our University is quite large and old.
3. The course of study lasts five years.
4. The academic year is divided into two terms.
5. Students pass examinations twice a year.
6. University has a large library.
7. Many students go in for sports.

Транслитерация

Транслитерация – это передача букв одного языка буквами и буквосочетаниями другого языка. Русские имена пишутся по-английски путем транслитерации, т. е. передачи их буквами и буквосочетаниями английского языка. Ниже приводятся соответствия русских звуков и английских букв:

Русские звуки

Английские буквы

е, ё	е, уо (Klenov, Klyonov)
ж	zh (Zhilin)
з	z или s (Kozlov, Kuz'min)
и	i (Silin)
й	ei, ai или iy (Leikin, Maikov, Vyazemskiy)
х	kh или h (Khokhlov)
ц	ts (Tsiolkovsky)
ч	ch, tch (Chernov, Tchaikovsky)
ш	sh (Shishkin)
щ	sch (Schepkin)
ы	y (Krylov)
ь	' (Mal'kov)
ю	iu или yu (Yudin, Tiurin)
я	ia или ya (Petrosian, Yakovlev)

The pronouns. Местоимения

Местоимения употребляются в предложении вместо имени существительного или имени прилагательного. Местоимения называют людей, предметы или признаки уже упомянутые ранее.

Слова, обозначающие мужчин, заменяются местоимением **he** (он).

Слова, обозначающие женщин, заменяются местоимением **she** (она).

Слова, обозначающие неодушевленные предметы, заменяются местоимением **it**.

Местоимение **they** (они) относится ко всем трем родам:

They are boys. **They** are managers. **They** are apples.

Personal pronouns. Личные местоимения

Личные местоимения в английском имеют два падежа:

1. Именительный падеж (the nominative case).
2. Объектный падеж (the objective case), заменяющий собой все падежи русского.

Число	Лицо	Именительный падеж	Объектный падеж
Ед.	1 лицо	I (я)	me (мне, меня)
	2 лицо	you (ты)	you (тебе, тебя)
	3 лицо	he (он) she (она) it (оно)	him (ему, его) her (ей, ее) it (ему) неодушевл.
Мн.	1 лицо	we (мы)	us (нам, нас)
	2 лицо	you (вы)	you (вам, вас)
	3 лицо	they (они)	them (им, их)

Притяжательные местоимения. Possessive pronouns

Единственное число

1 лицо **my** (мой, моя, мое, мои)

2 лицо **your** (твой, твоя, твое, твой)

3 лицо **his** (его), **her** (ее), **its** (его)

Множественное число

1 лицо **our** (наш, наша, наше, наши)

2 лицо **your** (ваш, ваша, ваше, ваши)

3 лицо **their** (их)

Притяжательные местоимения отвечают на вопрос *чей?* и имеют две формы: основную и абсолютную.

Основная форма употребляется в тех случаях, когда за притяжательным местоимением стоит существительное.

This is **my** book and that is **your** book. Это моя книга, а то **твоя** книга.

Абсолютная форма притяжательных местоимений употребляется в тех случаях, когда за местоимением не стоит существительное.

This is my book and that is **yours**. Это моя книга, а то **твоя**.
It is not **mine**. Она не **моя**.

Абсолютные формы притяжательных местоимений

Лицо	Единственное число	Множественное число
1 лицо	mine (мой, моя, мое, мои)	ours (наш, наша, наше, наши)
2 лицо	yours (твой, твоя, твое, твой)	yours (ваш, ваша, ваше, ваши)
3 лицо	his (его), hers (ее), its (его)	theirs (их)

Demonstrative pronouns. Указательные местоимения

Указательные местоимения **this** и **that** имеют единственное и множественное число.

Единственное число

this [ðɪs] (этот, эта, это)

that [ðæt] (тот, та, то)

This is my house and **that** is yours.

These are my books. Take **those** books.

Множественное число

these [ðeɪz] (эти)

those [ðoʊz] (те)

Это мой дом, а **то** – твой.

Эти книги мои. Возьми **те** книги.

Указательное местоимение **such** имеет одну неизменяемую форму.

I like **such** books.

Мне нравятся **такие** книги.

2) Выберите правильные притяжательные местоимения.

1. Is this (your / yours) house?
2. It's (their / theirs) house, not (our / ours).
3. They're new customers and I don't know (their / theirs) names yet.
4. (My / Mine) flat is bigger than (her / hers), but (her / hers) is nicer.
5. That's not (my / mine) book. (My / Mine) is new.
6. They took (our / ours) books and we took (their / theirs).
7. Are these pencils (her / hers)?

Вопросительные местоимения

Эти местоимения употребляются для построения вопросительного предложения.

What (что, какой, какая, какое, какие)

What is it?

Что это такое?

What book is it?

Какая это книга?

Who (кто)

Who is this man?

Кто этот человек?

Whose (чей)

Whose pencil is it?

Чей это карандаш?

Which (который)

Which of these books is yours?

Которая из этих книг твоя?

When (когда)

When does the lesson begin?

Когда начинается урок?

Why (почему, зачем)

Why did you come here?

Почему вы пришли сюда?

How (как)

How are you?

Как поживаете?

How many (much) (сколько)

How much is this pen?

Сколько стоит эта ручка?

Вопросительное местоимение **what** относится к словам, обозначающим вещи, предметы, явления.

Вопросительное местоимение **who** относится к словам, обозначающим людей.

Однако обратите внимание:

Who is he?

Кто он? (как его зовут) *He is Mr. Johnson.*

What is he?

Кто он? (по профессии) *He is a manager.*

Местоимение **who** имеет два падежа:

1. Именительный падеж **who**.
2. Объектный падеж **whom** (кому, кого).

Who is here?

Кто здесь?

Whom do you see there?

Кого ты там видишь?

Whom did you give my book?

Кому ты дал мою книгу?

3) Переведите на английский язык.

1. Чье это письмо? – Это наше письмо.
2. Чей это компьютер? – Это ее.
3. Кто этот человек? – Этот человек наш заказчик.
4. Какие это книги? – Это хорошие книги.
5. Которые из этих книг наши? – Они все ваши.
6. Кого вы встречаете сегодня?
7. Почему вы пришли рано?
8. Когда вы идете на работу?

Возвратные местоимения

Возвратные местоимения употребляются в предложении для того, чтобы сказать, что предмет, названный подлежащим предложения,

(а) сам совершает действие или,

(б) сам совершает действие и испытывает его на себе.

Как правило, они переводятся глаголом с частицей -сь (-ся), которая присоединяется к глаголам. Например:

Do it **yourself**.

Сделайте это **сами**.

Do not cut **yourself**!

Не порежьтесь!

В английском языке возвратные местоимения образуются от личных:

I – **myself**

we – **ourselves**

you – **yourself**

you – **yourselves**

he – **himself**

they – **themselves**

she – **herself**

it – **itself**

4) Употребите нужное возвратное местоимение.

1. I shall ask him 2. They want to do it 3. She washed 4. You will answer the letter 5. I looked at ... in the mirror. 6. We shall tell her 7. They have done the task 8. She doesn't like to speak about 9. The story ... is very good, but not the translation. 10. Children, do it

Местоимения *little* и *few* и местоименные выражения *a little* и *a few*

Местоимение **little** и местоименное выражение **a little** употребляются с неисчисляемыми существительными.

Местоимение **few** и местоименное выражение **a few** употребляются с исчисляемыми существительными:

Give me **a little** water, please.

There is **little** milk in the bottle.

I have **a few** books on management.

There are only **few** pencils in the box.

Местоимения **few** и **little** означают “мало”, а местоименные выражения **a few** и **a little** – “немного”.

Many (много) употребляется с исчисляемыми существительными: **many books**.

Much (много) употребляется с неисчисляемыми существительными: **much water**.

5) Вставьте *much, many, little, few, a little, a few*.

1. I haven't got ... free time on weekdays. 2. The supplier didn't have ... time to prepare for the shipment of merchandise. 3. He had ... English books at

home, so he went to the library. 4. After a hard day's work he felt ... tired. 5. Travelling by train is fast, but that by plane is ... faster. 6. There was ... work today and we spent ... time to do it. 7. There was ... sugar in the bowl, and we had to put ... sugar there. 8. He knows French ... and can help you with the translation of this text. 10. When we walked ... farther we saw the subway station. 11. ... Englishmen can speak Russian well.

6) Переведите на английский язык следующие пары слов.

Много тетрадей, много молока, много воды, много дней, много газет, много мела, много снега, много лет, много картин, много музыки, много сахара, много чая, много лимонов, много мяса, много комнат, много учителей, много работы, много воздуха, много птиц, много машин.

7) Переведите на английский язык.

1. В стакане есть немного молока. 2. У меня осталось мало времени, чтобы выполнить эту работу. 3. У тебя много кофе? – Нет, очень мало. 4. Немногие из англичан хорошо говорят по-русски. 5. У них здесь очень мало друзей. 6. У него очень мало времени для чтения. 7. У меня много русских книг и мало английских книг. 8. У меня есть немного времени вечером, чтобы закончить эту работу. 9. Я провожу много времени в библиотеке, потому что я готовлюсь к экзаменам.

**Неопределенные местоимения *some, any*,
отрицательное местоимение *no***

Употребление **some** и **any**, а также их производных определяется типом предложения.

В утвердительном предложении употребляются, как правило, местоимение **some** и его производные:

Give me **something** to read,
please.

Дайте мне что-нибудь почитать, пожалуйста.

I met him **somewhere** before.

Я встречал его где-то раньше.

В вопросительных и отрицательных предложениях обычно используется местоимение **any** и его производные:

Have you seen him **anywhere**?

Вы видели его где-нибудь?

Is there **anything** I can do for you?

Могу ли я что-нибудь для вас сделать?

В отрицательных предложениях используется либо местоимение **any** и его производные:

I cannot find this book **anywhere**.

Я не могу нигде найти эту книгу.

Либо отрицательное местоимение **no**:

There is **nobody** in that room.

В той комнате никого нет.

There isn't **anybody** in that room.

В той комнате никого нет.

Различия между местоимениями **any** и **some** – в степени неопределенности, поэтому иногда местоимение **any** можно встретить и в утвердительных предложениях:

You can find this book **anywhere**. – Эту книгу вы можете найти где угодно.

8) Образуйте производные местоимения и переведите их.

Образец: some + body = somebody – кто-то, кто-нибудь

some body
any one
no thing
every where

9) Вставьте *somebody, anybody, nobody, anything, everybody*.

1. The question is so difficult that ... can answer it. 2. ... sent this message by email yesterday. 3. Does ... know how to solve this problem? 4. It is too late. I think there is ... in the office now. 5. ... knows that plants like water. 6. Is there ... here who knows English? 7. You must find ... who can help you. 8. ... knew anything about the terms of a contract. 9. The question is very easy. ... can answer this question. 10. There is ... in the reception room. I don't know him. 11. Is there ... you want to tell me?

Спряжение глагола <i>to be</i>			
Число	Утвердительная форма	Вопросительная форма	Отрицательная форма
Настоящее время (Present Indefinite)			
Ед. ч.	I am . You are . He (she, it) is .	Am I? Are you? Is he (she, it)?	I am not . You are not . He (she, it) is not .
Мн. ч.	We (you, they) are .	Are we (you, they)?	We (you, they) are not .
Прошедшее время (Past Indefinite)			
Ед. ч.	I (he, she, it) was . You were .	Was I (he, she, it)? Were you?	I (he, she, it) was not . You were not .
Мн. ч.	We (you, they) were .	Were we (you, they)?	We (you, they) were not .
Будущее время (Future Indefinite)			
Ед. ч.	I shall be . You (he, she, it) will be .	Shall I be? Will you (he, she, it) be?	I shall not be . You (he, she, it) will not be .

Число	Утвердительная форма	Вопросительная форма	Отрицательная форма
Мн. ч.	We shall be . You (they) will be .	Shall we be? Will you (they) be?	We shall not be . You (they) will not be .

Спряжение глагола *to have*

утверждение	отрицание	вопрос
I have	I have no...	have I?
he has	he has no...	has he?
she has	she has no...	has she?
it has	it has no...	has it?
we have	we have no...	have we?
you have	you have no...	have you?
they have	they have no...	have they?

Глагол **to have** означает “иметь”, “обладать” и переводится на русский язык ‘у меня (тебя и т. д.) есть’.

Вопросительная форма образуется постановкой глагола-сказуемого перед подлежащим.

В отрицательных предложениях ставится отрицательное местоимение **no**: I have **no** watch. He has **no** books.

В кратких отрицательных ответах после глагола следует отрицание **not**: *I have not* или (в разговорной речи) *I haven't, he has not* или *he hasn't*.

10) Вставьте глаголы *to be, to have* в нужной форме.

1. He ... born in 1985.
2. We ... a lot of work yesterday.
3. We ... many customers abroad.
4. He ... a good experience in advertising.
5. Who ... absent from work yesterday?
6. He ... a manager.
7. What ... he?
8. ... he a good manager?
9. These ... your job responsibilities.
10. Where ... this book? It ... on the table.
11. What ... their names?
12. You ... a skilled supervisor in a month.
13. What ... you?
14. How ... she?
15. How ... you? I ... fine.

Оборот *there is / there are*

Оборот **there is / there are** служит для выражения наличия или отсутствия какого-либо предмета в определенном месте или в определенное время. Перевод предложения с таким оборотом нужно начинать с обстоятельства места, а если его нет, то со сказуемого.

Present Indefinite

Утвердительн. предл.	Вопросительн. предл.
There is a picture on the wall. На стене картина.	Is there a picture on the wall? На стене есть картина?
There are pictures on the wall. На стене картины.	Are there pictures on the wall? На стене есть картины?

Past Indefinite

Утвердительн. предл.	Вопросительн. предл.
There was a picture on the wall. На стене была картина.	Was there a picture on the wall? На стене была картина?
There were pictures on the wall. На стене были картины.	Were there pictures on the wall? На стене были картины?

Future Indefinite

Утвердительн. предл.	Вопросительн. предл.
There will be pictures on the wall. На стене будут картины.	Will there be pictures on the wall? На стене будут картины?

Выбор формы глагола **to be** зависит от числа существительного, следующего сразу за ним:

There **is** a **chair** and two armchairs in the room.

There **are** **two armchairs** and a chair in the room.

Вопросительные предложения с оборотом **there is / there are** строятся следующим образом:

Общий вопрос: **Is there** anything on the table? **Will there be** a conference tomorrow?

Специальный вопрос: What **is there** on the table?

Разделительный вопрос: **There are** some books on the table, aren't there?

11) Вставьте *to be* в нужной форме.

1. There ... a telegram on the table. 2. ... there any telegrams from Moscow? – Yes, there ... some. 3. ... there ... a flight for Moscow tomorrow? – Yes, there 4. There ... much snow last winter. 5. There ... a lot of stars and planets in space. 6. ... there ... a lift in your future house? – Yes, there 7. Some years ago there ... many old houses in our street. 8. ... there many customers yesterday? No, there 9. ... there a lamp over the table? – Yes, there

12) Напишите следующие предложения в прошедшем и будущем временах.

1. There is much snow in winter.
2. There are 5 theatres in our city.
3. There is no lift in our house.
4. There are many new books in our library.
5. There is little milk in the bottle.
6. There are 3 rooms in our flat.
7. There is a map on the wall.

13) Переведите на английский язык, употребляя неопределенные (или отрицательные) местоимения и их производные.

1. Есть кто-нибудь здесь?
2. Я здесь не знаю никого.
3. Есть кто-нибудь, кто может помочь мне?
4. Такие сувениры продаются везде.
5. В саду есть кто-нибудь? – Там никого нет.
6. На столе есть что-нибудь? – Нет, там ничего нет.
7. В сумке что-то есть? – Да, есть.
8. В этой книге есть что-нибудь интересное?
9. На стене есть какие-нибудь картины? – Да, там есть несколько.
10. В нашей библиотеке есть какие-то книги на английском языке.

Степени сравнения прилагательных и наречий

Прилагательные обозначают признаки предметов и отвечают на вопрос *какой?*

A wide road

Широкая дорога

A tall tree

Высокое дерево

An interesting book

Интересная книга

Наречия отвечают на вопрос *как?*

He speaks English well

Он говорит по-английски хорошо.

Прилагательные и наречия имеют три формы степеней сравнения: положительную (positive degree), сравнительную (comparative degree), превосходную (superlative degree).

Формы сравнительной и превосходной степеней образуются двумя способами:

Способ 1. Если прилагательное односложное, форма его сравнительной степени образуется при помощи суффикса **-er**, а форма превосходной степени – при помощи суффикса **-est**.

Полож. степень	Сравн. степень	Превосх. степень
strong – сильный	stronger – сильнее	the strongest – сильнейший
cold – холодный	colder – холоднее	the coldest – самый холодный

Некоторые двусложные прилагательные, оканчивающиеся на **-y**, **-er**, **-ow** образуют степени сравнения так же, как и односложные, с помощью суффиксов **-er** и **-est**.

easy	легкий
easier	более легкий, легче
the easiest	самый легкий, легчайший
clever	умный
cleverer	более умный, умнее
the cleverest	самый умный, умнейший
narrow	узкий
narrower	более узкий, уже
the narrowest	самый узкий

Способ 2. От двусложных прилагательных и прилагательных состоящих из трех или более слогов сравнительная степень образуется при помощи слова **more (less)**, а превосходная степень – при помощи слова **most (least)**.

famous	знаменитый
more(less) famous	более (менее) знаменитый
the most famous	самый знаменитый, знамени- тейший
interesting	интересный
more(less) interesting	более (менее) интересный, ин- тереснее
the most interesting	самый интересный, интерес- нейший

Исключения при образовании степеней сравнения прилагательных

Положительная степень	Сравнительная степень	Превосходная степень
good (хороший)	better (лучше)	the best (самый лучший, лучше всего)
bad (плохой)	worse (более плохой, хуже)	the worst (самый плохой, худший)
little (маленький)	less (меньше, меньший)	the least (самый маленький)
many, much (много)	more (больше)	most (больше всего, самый большой)
far (далекий)	farther (более далекий)	the farthest (самый далекий)
far (далеко)	further (дальше)	the furthest (дальше всего)

Существительное, определяемое прилагательным в превосходной степени, всегда имеет определенный артикль **the**.

В предложениях со степенями сравнения прилагательных и наречий используются следующие союзы и способы выражения сравнения:

as ... as	такой же ..., как
not so ... as	не такой ..., как
not such (a) ... as	не такой ..., как
twice as much as	в два раза больше
three times as long as	в три раза длиннее, чем
three times as high as	в три раза выше, чем
ten times as much as	в десять раз больше
half as much/many	вдвое меньше
half the size/the weight	в два раза меньше по размеру/по весу
half the length	в два раза меньше по длине
much better/worse	намного лучше/хуже
much more/less	гораздо больше/меньше
the ... the	чем ... тем

14) Образуйте сравнительную и превосходную степень от следующих прилагательных и наречий.

1. large, tall, long, easy, hot, big, cold, nice, bad, strong, short, wide, good, happy, high, low, busy, well, little, many, far.

2. wonderful, necessary, quickly, interesting, comfortable, popular, active, famous, pleasant, beautiful, slowly, clearly.

15) Раскройте скобки, употребив нужную степень сравнения прилагательного/наречия.

1. Winter is (cold) season of the year. 2. Moscow is (large) than St.Petersburg. 3. Which is (long) day of the year? 4. The Alps are (high) mountains in Europe. 5. Even (long) day has an end. 6. It is one of (important) questions of our conference. 7. Your English is (good) now. 8. Who knows him (well) than you? 9. We have (little) interest in this work than you. 10. Health is (good) than wealth. 11. He worked (well) of all. 12. Today he worked (slowly) than usually. 13. The Russian grammar is (difficult) than the English one.

Предлоги

Предлоги, обозначающие место

above – над	There is a lamp above the table.
across – через	I live across the street.
around – вокруг	We are sitting around the table.
at – у, в, возле, рядом	We are sitting at the table. I study at the University. The pupils are at the lesson.

behind – за, позади, сзади

between – между

down – вниз

in – в

on – на

under – под

in front of – впереди, перед

near – вблизи, около, рядом с, возле

over – над, через, сверх

up – вверх

There is a garden **behind** the house.

Between the tables.

Down the river.

He is **in** the office.

The book is **on** the desk.

The book is **under** the table.

There is a telephone **in front of** him.

She is sitting **near** the table.

There is a bridge **over** the river
Up the river.

Предлоги направления

to – к

from – от, из, со

into – в, внутрь

out of – из

on(to) / onto – на

through – через, сквозь

Come **to** me.

Take this book **from** the table.

I come **from** Russia.

Put the book **into** the bag.

Take the book **out of** the bag.

Snow fell onto the ground.

He came in **through** the door.

Предлоги времени

in – в

in – через

at – в

on – в

by – к

from ... till ... – от... до

from... to... – от... до

for – в течение

during – во время

after – после

before – перед

within – в течение

in April, **in** 2003

in an hour, **in** two days

at 5 o'clock, **at** midnight

on Monday, **on** the 10th of February

by the end of the week

from 5 **till** 6 o'clock

from 5 **to** 6 o'clock

for an hour

during the lesson

after work

before the lesson

within a month

Прочие предлоги

by – посредством walk

with – вместе, с, чем-либо (как инструментом)

for – для

by foot

write **with** a pen

eat **with** a spoon

a letter **for** you

16) Заполните пропуски предложениями.

1. There is a carpet ... the floor. 2. What street do you live ...? 3. ... Sunday the banks are closed. 4. Last week he went ... Moscow. 5. They will go ... the college tomorrow. 6. She goes ... work ... bus. 7. He stayed ... the hotel ... one night. 8. Many people travel ... train. 9. There were many books ... the table and ...the bookcase. 10. He was born ... the first ... October. 11. The work begins ... nine o'clock ... the morning. 12. He took some books ... the table and put them ... his bag. 13. We went ... home ... foot. 14. My father works ... the plant.

Неопределенный и определенный артикли

Неопределенный артикль *a (an)* происходит от числительного **one** (один), определенный – от указательного местоимения **that** (тот).

Артикль употребляется перед каждым нарицательным существительным.

Упомянув предмет впервые, мы употребляем перед ним неопределенный артикль **a(an)**. Упомянув этот же предмет вторично, мы ставим перед ним определенный артикль **the**. Например: This is **a** book. **The** book is interesting.

Неопределенный артикль *a (an)* употребляется перед **единичным, отдельным** предметом, который мы не выделяем из класса ему подобных. Неопределенный артикль **an** обычно стоит перед существительным, которое начинается с гласного звука: **an apple, an egg**.

Например: I bought a book yesterday. Я купил вчера книгу (одну из многих ей подобных). I have an apple. У меня есть яблоко (одно, какое-то).

Неопределенный артикль **a (an)** может употребляться только с исчисляемыми существительными, стоящими в единственном числе. Перед неисчисляемыми существительными или существительными во множественном числе неопределенный артикль опускается.

Неопределенный артикль не употребляется:

а) с неисчисляемыми и “абстрактными” существительными:

I like coffee and tea. Friendship is very important in our life.

б) с существительными во множественном числе:

The books are on the table.

в) с именами собственными:

I told Jane about that.

г) с существительными, перед которыми стоят притяжательные или указательные местоимения:

This car is better than that.

That bike is old.

д) с существительными, за которыми следует количественное числительное, обозначающее номер:

Read the text on page eight.

Неопределенный артикль *a* необходим в конструкциях:

I have a... This is a... I am a... What a fine day!

I see a... There is a... He is a... What a good boy!

Определенный артикль *the* выделяет предмет или предметы из класса им подобных:

The book I bought yesterday was interesting. – Книга, которую я купил вчера, была интересной (*это – конкретная книга, которую говорящий выделяет из класса ей подобных*).

Определенный артикль **the** употребляется как с исчисляемыми, так и с неисчисляемыми существительными, как с единственным, так и с множественным числом.

Например: This is **a** book. **The** book is interesting (исчисляемое в единственном числе)

This is meat. **The** meat is fresh. (неисчисляемое).

These are books. **The** books are good. (множественное число).

Определенный артикль употребляется:

а) когда известно (из контекста, из окружающей обстановки) о каком предмете (предметах, явлениях) идет речь: Take the book, please;

б) когда речь идет о единственном в своем роде предмете или явлении: The Sun is in the centre of the solar system;

в) когда существительное имеет ограничивающее определение, чаще всего с предлогом of

We don't know the names of these people;

г) в словосочетаниях типа in the north, to the west, at the cinema, the same, in the country, the rest of the ...;

д) если перед существительным стоит прилагательное в превосходной степени

This is the most interesting book.

С географическими названиями и с именами собственными, артикль, как правило, не употребляется, кроме следующих случаев:

а) с названиями морей, рек, океанов, горных хребтов, групп островов используется определенный артикль: the Pacific Ocean, the Black Sea, the Thames, the British Isles, the Caucasus;

б) определенный артикль используется с несколькими названиями стран, областей и городов:

the Ukraine, the Crimea, the Netherlands, the Hague, the Riviera, the Congo, the West Indies;

в) определенный артикль используется с названиями стран, состоящими из 2 и более слов:

the Russian Federation, the United States of America, the United Kingdom;

г) перед собирательным именем семьи: The Petrovs – Петровы.

Артикль не нужен в сочетаниях со словами next и last типа:
next week, next year, last month, last Tuesday.

17) Вставьте артикли *a, an, the* где они необходимы.

1. This is ... pencil. ... pencil is red. 2. She is ... manager. 3. There are ... many flowers in your garden. ... flowers are beautiful. 4. Did you write ... plan? Give me your ... plan, please. 5. ... Black Sea is in ... South of Russia. 6. ... Petrovs are very friendly. 7. This is ... Ann's book. 8. What ... fine day it is today! 9. I don't know ... way to ... station. 10. Usually I get up at ... 7 o'clock in ... morning. 11. Will you have ... cup of ... tea? 12. ... Warsaw is ... capital of Poland.

18) Вставьте артикль *the*, где он необходим.

1. Do you live near school?
2. What is largest city in world?
3. This street is longest in town.
4. What city is capital of United States?
5. What did you have for lunch?
6. Peter is tallest in class.
7. We came into nearest shop.
8. Take pen and make exercise in written form.
9. In spring sky is blue and sun is shining.
10. Spring is best time for planting.

Множественное число существительных

Множественное число существительных, кроме тех, основа которых оканчивается на **-ch, -s, -ss, -sh, -x**, а также существительных, имеющих окончание **-o**, образуется путем прибавления к основе окончания **-s**:

- a boy – boys,
- a book – books,
- a pen – pens,
- a girl – girls.

Множественное число существительных, основа которых оканчивается на **-ch, -s, -ss, -sh, -x**, а также имеющих окончание **-o**, образуется путем прибавления окончания **-es**:

- a bench (скамейка) – benches
- a bus (автобус) – buses
- a glass (стакан) – glasses
- a box (коробка) – boxes
- a potato (картошка) – potatoes.

Существительные, оканчивающиеся на **-y** (после согласной) во множественном числе имеют окончание **-ies**:

- a baby (младенец) – babies
- a fly (муха) – flies
- a lady (леди) – ladies.

Существительные, оканчивающиеся на **-у** (после гласной) во множественном числе имеют окончание **-s**:

a boy – boys

a toy – toys.

Если слово оканчивается на **f (-fe)**, то во множественном числе **f** меняется на **v** и добавляется **-(es)**:

a life (жизнь) – lives

a knife (нож) – knives

a shelf (полка) – shelves

a wife (жена) – wives

(исключение: roof (крыша) – roofs).

Как читаются окончания существительных во множественном числе?

-s читается как [s] после глухих согласных: books, cats,

-s читается как [z] после звонких согласных и гласных: pens, boys,

-es читается как [ɪz] после **s, ss, sh, ch, x, z**: boxes

-у после согласных переходит в **i + es**: city – cities, lady – ladies.

Ряд существительных образует множественное число не по общим правилам:

а) изменяется корневая гласная:

a man (мужчина) – **men** (мужчины)

a woman (женщина) – **women** (женщины)

a foot (нога) – **feet** (ноги)

a tooth (зуб) – **teeth** (зубы)

a goose (гусь) – **geese** (гуси)

a mouse мышь – mice мыши

б) добавляется окончание **-en**:

an ox (бык) – **oxen** (быки)

a child (ребенок) – **children** (дети);

в) заимствуются формы единственного и множественного числа из латинского и греческого языков:

a formula – **formulae (formulas)**

a crisis – **crises**

a criterion – **criteria**

an index – **indices**

a bacterium – **bacteria**.

В английском языке есть существительные, которые имеют одну (общую) форму для единственного и множественного числа:

a deer (олень) – **deer** (олени)

a sheep (овца) – **sheep** (овцы)

a fish (рыба) – **fish** (рыбы)

a swine (свинья) – **swine** (свиньи).

Некоторые существительные могут употребляться в форме только единственного либо множественного числа.

Существительные, употребляемые только в единственном числе:

money – деньги
sugar – сахар
hair – волосы
business – дело
information – информация, сведения
fruit – фрукты
progress – прогресс, успехи
news – новость, новости
peace – мир
love – любовь
knowledge – знание, знания
advice – советы
furniture – мебель
luggage – багаж

Существительные, употребляемые только во множественном числе:

clothes – одежда
goods – товары
riches – богатства
thanks – благодарности
manners – манеры
money – деньги

Только во множественном числе употребляются обозначения предметов, состоящих из двух и более частей:

trousers – брюки
scissors – ножницы
shorts – шорты
pliers – плоскогубцы
spectacles (glasses) – очки

20) Перепишите исчисляемые и неисчисляемые существительные в 2 столбика и переведите их.

Time, water, machine, music, snow, word, coffee, money, idea, family, knowledge, sea, hour, tree, silver, meat, happiness, information, speed, book, news, house, friend, milk, student, pen, paper, clothes, picture, air.

21) Напишите следующие существительные во множественном числе.

Box, sheep, place, library, photo, mouse, lady, glasses, bush, dress, country, bus, party, wife, day, knife, knowledge, month, pen, hero, goose, company, life, deer, tomato, city, man, play, news, child, fruit, shelf, leaf, foot, fish, woman, money, information.

22) Поставьте существительные в следующих предложениях во множественное число (*обратите внимание на изменения в местоимениях и формах глагола to be*).

1. A new house is in our street. 2. This story is very interesting. 3. A woman, a man, a boy and a girl are the room. 4 Put this knife on that table. 5. What is your name? 6. He keeps his toy in a box. 7. This man works at our office. 8. He has a new suit. 9. The plate was on the table. 10. This town is very large. 11. Is that girl your sister? 12. I'll give you my book. 13. This story is good. 14. Is this a good match? 15. That house is new.

Безличные и неопределенно-личные предложения

Английские предложения отличаются от русских тем, что в них всегда есть подлежащее и сказуемое. Поэтому в безличных предложениях, когда нет подлежащего, используется в качестве формального подлежащего местоимение *it*.

It is cold today

Сегодня холодно.

It rains

Идет дождь

Как видим, безличные предложения такого типа состоят из местоимения *it*, которое не переводится, глагола-связки в нужном по смыслу времени и именной части сказуемого, выраженного чаще всего именем прилагательным. Именная часть может быть также выражена именем существительным или именем числительным.

It's nice to meet you

Приятно познакомиться

It is nine o'clock now

Сейчас девять часов

Очень часто безличные предложения описывают явление природы, состояние погоды, обозначают время, расстояние.

Вопросительная и отрицательная формы безличных предложений образуются по тем же правилам, что и вопросительные и отрицательные формы предложений с именным составным сказуемым.

Is it cold?

Холодно?

Wasn't it interesting?

Разве это не было интересно?

Isn't it funny?

Разве это не смешно?

Частица **not** ставится после первого вспомогательного глагола.

23) Переведите на английский язык.

1. Сегодня холодно.
2. Идет снег целый день.
3. Сейчас утро.
4. Было приятно познакомиться с вашим другом.
5. Поздно. Пора спать.
6. Разве это не смешно?
7. Сейчас уже 10 часов утра.
8. На улице холодно?
9. Сейчас ранняя весна, но уже тепло.
10. Это далеко отсюда?

Основные типы вопросов в английском языке

1. Общий вопрос

Общий вопрос относится ко всему предложению в целом, и ответом на него будут слова **yes** или **no**:

Do you like ice-cream? – Yes, I do.

Can you speak English? – Yes, I can.

Are you a foreigner? – No, I am not.

Have you bought a textbook? – Yes, I have.

Порядок слов в общем вопросе:

- 1) вспомогательный (модальный, глагол-связка) глагол;
- 2) подлежащее (существительное или местоимение);
- 3) смысловой глагол (или дополнение).

2. Специальный вопрос

Специальный вопрос относится к какому-нибудь члену предложения или их группе и требует конкретного ответа:

What is your name? – My name is Peter.

Where do you live? – I live in Moscow.

Специальный вопрос всегда начинается со специального вопросительного слова:

who (кто?)	where (где?)
whom (кого?)	why (почему?)
what (что?)	how long (как долго?)
which (который?)	how many (сколько?)
whose (чей?)	how much (сколько?)
when (когда?)	how (как?)

Порядок слов в специальном вопросе:

- 1) вопросительное слово (*what, where, who, when, how* и т. д.);
- 2) вспомогательный (модальный, глагол-связка) глагол;
- 3) подлежащее;
- 4) смысловой глагол;
- 5) дополнения;
- 6) обстоятельства (места, времени, образа действия и т. д.).

В специальных вопросах, обращенных к **подлежащему** в формах Present и Past Indefinite, **не употребляется** вспомогательный глагол **to do (did)** и **сохраняется** прямой порядок слов:

Who wants to go to the cinema?

Whose pen is it?

Who lives here?

3. Альтернативный вопрос

Альтернативный вопрос предполагает выбор из двух возможностей:

Do you like coffee or tea? Вы любите кофе или чай?

Альтернативный вопрос начинается как общий вопрос, затем следует разделительный союз **or** и вторая часть вопроса.

4. Разделительный вопрос

Разделительный вопрос состоит из двух частей. Первая часть – это повествовательное предложение (утвердительное или отрицательное), вторая, отделенная запятой от первой, – краткий вопрос, который на русский переводится *не правда ли? не так ли?*

You are a lawyer, aren't you? Вы юрист, не правда ли?

You aren't a lawyer, are you? Вы не юрист, не так ли?

В кратком вопросе повторяется вспомогательный, модальный или связочный глагол предложения, содержащего заявление. Если сказуемое предложения выражено глаголами **to be** или **to have**, то повторяются эти глаголы.

He **is** reading, **isn't** he? Он читает, не так ли? (*Повторяется вспомогательный глагол.*)

He **can** read, **can't** he? Он умеет читать, не так ли? (*Повторяется модальный глагол can.*)

He **is** a good specialist, **isn't** he? Он хороший специалист, не так ли? (*Повторяется связочный глагол to be.*)

He **has** a book, **hasn't** he? У него есть книга, не так ли? (*Повторяется глагол to have, употребляемый как смысловой глагол.*)

Если в повествовательной части разделительного вопроса содержится **утверждение**, то во второй – **отрицание**.

Если в повествовательной части – **отрицание**, то во второй части, как правило, – **утверждение**:

He **is** there, **isn't** he? Он там, не так ли?

He **isn't** there, **is** he? Он не там, не так ли?

24) Поставьте к следующим предложениям вопросы.

1. Общие.

2. Специальные.

3. Разделительные.

1. There is a book on the table. 2. He must work hard today. 3. We are leaving for Moscow next week. 4. We were reading the whole evening. 5. They

don't go to work on Sunday. 6. It is not cold today. 7. Ann has already begun to read a new book. 8. They will show you how to get there.

The Numerals. Числительные

Числительные обозначают количество предметов или порядок предметов при счете.

Числительные делятся на количественные, отвечающие на вопрос “сколько?” и порядковые, отвечающие на вопрос “который?”.

Количественные числительные от 13 до 19 образуются прибавлением суффикса **-teen** к основе.

Числительные, обозначающие десятки, имеют суффикс **-ty**. Порядковые числительные кроме первых трех (first, second, third) образуются прибавлением суффикса **-th** или **-eth** к соответствующим количественным числительным. Существительные с порядковыми числительными всегда употребляются с определенным артиклем.

Количественные числительные

Порядковые числительные

Сколько?

Какой по счету?

- 1 one – один
- 2 two – два
- 3 three – три
- 4 four – четыре
- 5 five – пять
- 6 six – шесть
- 7 seven – семь
- 8 eight – восемь
- 9 nine – девять
- 10 ten – десять
- 11 eleven – одиннадцать
- 12 twelve – двенадцать
- 13 thirteen – тринадцать
- 14 fourteen – четырнадцать
- 15 fifteen – пятнадцать
- 16 sixteen
- 17 seventeen
- 18 eighteen
- 19 nineteen
- 20 twenty

- the first – первый
- the second – второй
- the third – третий
- the fourth – четвертый
- the fifth – пятый
- the sixth – шестой
- the seventh – седьмой
- the eighth – восьмой
- the ninth – девятый
- the tenth – десятый
- the eleventh – одиннадцатый
- the twelfth – двенадцатый
- the thirteenth – тринадцатый
- the fourteenth – четырнадцатый
- the fifteenth – пятнадцатый
- the sixteenth
- the seventeenth
- the eighteenth
- the nineteenth
- the twentieth

Десятки:

Составные числительные:

- 20 twenty – the twentieth
- 30 thirty – the thirtieth
- 40 forty – the fortieth

- twenty-two – the twenty-second
- thirty-three – the thirty-third
- forty-four – the forty-fourth

50 fifty – the fiftieth
 60 sixty – the sixtieth
 70 seventy – the seventieth
 80 eighty – the eightieth
 90 ninety – the ninetieth

fifty-five – the fifty-fifth
 sixty-six – the sixty-sixth

Числительные от 100 и больше:

100 – a (one) hundred	100th – the hundredth
101 – a (one) hundred and one	101st – the one hundred and first
200 – two hundred	200th – the two hundredth
1000 – (one) thousand	1000th – the thousandth
1001 – a (one) thousand and one	
5,550 – five thousand five hundred and fifty	
5,000,000 – five million	
1500 – fifteen hundred (one thousand five hundred)	

Числительные **hundred, thousand, million** не имеют окончания **-s**, когда перед ними стоит другое числительное. Когда числительные обозначают неопределенное количество, они употребляются во множественном числе с окончанием **-s**, за которым следует предлог *of*. Сравните:

hundreds of books	two hundred books
thousands of books	five thousand books
millions of people	2 million people

Номера страниц, домов, квартир, транспорта, обозначаются не порядковыми, а количественными числительными. В этих случаях существительные употребляются без артикля: *page 15, house 40, flat 13, bus 72.*

Как читаются математические выражения?

multiply (×) – multiplied by, times
 divide (:) – divided by
 add, sum up (+) – plus
 subtract (–) – minus
 (=) – equals, is equal, makes
 2² – two in the second power

Как читаются даты?

Числительное, обозначающее год, делится на две части – число сотен, а затем – число десятков и единиц.

1900 – nineteen hundred, in (the year) nineteen hundred
 2000 – two thousand, in (the year) two thousand
 1905 – nineteen five, in (the year) nineteen five

Даты читаются следующим образом:

April 12, 2003 1) on the twelfth of April, two thousand three 2) on April the twelfth, two thousand three

25) Напишите цифрами следующие даты.

1. The first of March nineteen seventy-six.
2. The sixteenth of May nineteen five.
3. The third of July two thousand four.

26) Напишите по-английски.

- 1) 7 марта 1999 года; 2) 1 сентября 1974 года; 3) 22 апреля 1911 года;
- 4) 11 марта 1951 года; 5) 12 декабря 2004 года.

Прочитайте дробные числительные.

Простые	Десятичные
$\frac{1}{2}$ – a (one) half;	0.1 – O[ou] point one
$\frac{1}{4}$ – a (one) quarter	2.45 – two point four five
$\frac{2}{3}$ – two thirds	35.25 – three five (или: thirty-five) point two five
	1.5 – one and a half

27) Напишите цифрами дробные числа.

Простые:

- 1) A (one) half; 2) two thirds; 3) a (one) quarter; 4) three fourths; 5) two and a (one) half; 6) five and one sixth; 7) a (one) fifth.

Десятичные:

- 1) Zero (nought/ou) point two; 2) two point four five; 3) four point five;
- 4) three four (thirty four) point one zero two; 5) nought point nought one;
- 6) six point three five; 7) fifty eight point three nought five.

28) Переведите на английский язык

1. а) 220 дней; б) 1500 человек; в) 20545 книг; г) около 100 страниц; д) почти 300 тетрадей.

2. а) первый автобус; б) вторая страница; в) миллионный посетитель; г) часть первая; д) номер десятый.

3. а) два миллиона человек; б) миллионы книг; в) триста восемьдесят пять страниц; г) двадцать первое декабря 1997 года; д) двенадцатое марта 2005 года; е) одна четвертая; ж) три пятых; з) ноль целых, двадцать пять сотых; и) четыре целых и пять шестых; к) две целых, сто пять тысячных.

Времена английского глагола

Таблица временных форм глагола

Время	Простое Indefinite (Simple)	Продолженное Continuous	Завершенное Perfect
Настоящее Present	I write Я пишу (вообще, обычно)	I am writing Я пишу (сейчас)	I have written Я (уже) написал

Время	Простое Indefinite (Simple)	Продолженное Continuous	Завершенное Perfect
Прошедшее Past	I wrote Я (на) писал (вчера)	I was writing Я писал (в тот момент)	I had written Я написал (уже к тому моменту)
Будущее Future	I shall/will write Я напишу, буду писать (завтра)	I shall/will be writing Я буду писать (в тот момент)	I shall/will have written Я напишу (уже к тому моменту)

ГРУППА ВРЕМЕННЫХ ФОРМ INDEFINITE (SIMPLE)

Формы глагола в Present Indefinite

Число	Утвердительная форма	Вопросительная форма	Отрицательная форма
Ед.	I (you) ask He (she, it) asks	Do I (you) ask? Does he (she, it) ask?	I (you) do not ask He (she, it) does not ask
Мн.	We (you, they) ask	Do we (you, they) ask?	We (you, they) do not ask

Глаголы в формах **Indefinite (Simple)** описывают **обычные, повторяющиеся действия** как **факт** – безотносительно к их длительности или к результату действия:

He works as a manager.

Для указания на повторный характер действия часто употребляются слова every day / week, month, year (каждый день / каждую неделю, месяц, год), **often** (часто), **seldom** (редко), **always** (всегда), **usually** (обычно), **never** (никогда).

Наречия **often, seldom, always, never, usually** обычно ставятся перед глаголом.

В предложениях с глаголом **to be** эти наречия обычно ставятся после глагола.

He is never late for his work. – Он никогда не опаздывает на работу.

Отрицательная и вопросительная формы в Present Indefinite образуются при помощи вспомогательных глаголов **do, does, did** с частицей **not**, краткая форма: **don't, doesn't, didn't**.

Формы глагола в Past Indefinite

Число	Утвердительная форма	Вопросительная форма	Отрицательная форма
Ед. и мн.	I (you, he, she, it, we, they) asked	Did I (you, he, she, it, we, they) ask?	I (you, he, she, it, we, they) did not ask

Отрицательная и вопросительная формы в Present Indefinite образуются при помощи вспомогательных глаголов **do, does, did** с частицей **not**, краткая форма: **don't, doesn't, didn't**. Порядок слов прямой. Вопросительные предложения образуются, как правило, простой перестановкой подлежащего и вспомогательного глагола. Вопросительные местоимения при этом стоят всегда впереди.

He is a student. – Is he a student?

We do not write much. – Do we write much?

You have a computer. – Do you have a computer? – What do you have?

She does not live in Moscow. – Does she live in Moscow?

He didn't like the film. – Did he like the film? – What film he didn't like?

Regular and irregular verbs.
Правильные и неправильные глаголы

По способу образования прошедшего времени все глаголы в английском языке можно разделить на две группы: правильные и неправильные. У правильных глаголов вторая и третья формы (Past Indefinite Tense и Past Participle – простое прошедшее время и причастие прошедшего времени) совпадают между собой и образуются путем прибавления к основе глагола окончания **-ed (-d)**:

to ask – asked

to change – changed

to receive – received

to work – worked

При этом существует ряд особенностей:

а) если глагол оканчивается на **-y** с предшествующей согласной, то буква **y** меняется на **i** и добавляется окончание **-ed**

to supply – supplied

to apply – applied

если глагол оканчивается на **-y** с предшествующей гласной, то буква **y** не меняется и добавляется окончание **-ed**

to stay – stayed

to play – played

б) если глагол оканчивается на согласную с предшествующим кратким гласным звуком, то согласная на конце удваивается:

to stop – stopped

После звонких согласных и гласных звуков окончание **-ed** или **-d** произносится как [d] **loved, said**, а после глухих согласных как [t] **looked**.

После звуков [d] и [t] на конце слова окончание **-ed (-d)** произносится как [ɪd] **landed, started**.

Неправильные глаголы образуют вторую и третью формы различными способами, без четких правил. Это наиболее часто употребляемые глаголы.

Формы глагола в Future Indefinite

Число	Утвердительная форма	Вопросительная форма	Отрицательная форма
Ед.	I shall ask. You (he, she, it) will ask	Shall I ask? Will you (he, she, it) ask?	I shall not ask. You (he, she, it) will not ask
Мн.	We shall ask. You (they) will ask	Shall we ask? Will you (they) ask?	We shall not ask. You (they) will not ask

ГРУППА ВРЕМЕННЫХ ФОРМ CONTINUOUS

Формы глагола в Present Continuous

Число	Утвердительная форма	Вопросительная форма	Отрицательная форма
Ед.	I am asking. You are asking. He (she, it) is asking.	Am I asking? Are you asking? Is he (she, it) asking?	I am not asking. You are not asking. He (she, it) is not asking.
Мн.	We (you, they) are asking	Are we (you, they) asking?	We (you, they) are not asking

Present Continuous употребляется для выражения действия, **длящегося в настоящий момент или период**. Указание на время типа *now* (сейчас), *at the moment* (в данный момент) может быть либо выражено, либо подразумеваться.

С глаголами, которые обозначают не действие, а состояние, **Present Continuous** обычно не употребляется:

- to feel (чувствовать)
- to be (быть, находиться)
- to live (жить)
- to stay (оставаться)
- to hear (слышать)
- to see (видеть)
- to know (знать)
- to remember (помнить)
- to think (думать)
- to want (хотеть)
- to like (любить, нравиться)
- to love (любить)

Число	Утвердительная форма	Вопросительная форма	Отрицательная форма
Ед.	I (he, she, it) was asking . You were asking	Was I (he, she, it) asking? Were you asking?	I (he, she, it) was not asking . You were not asking
Мн.	We (you, they) were asking	Were we (you, they) asking?	We (you, they) were not asking

Past Continuous обычно употребляется для выражения конкретного действия, длившегося в точно указанный момент или период в прошлом.

Формы глагола в Future Continuous

Число	Утвердительная форма	Вопросительная форма	Отрицательная форма
Ед.	I shall be asking . You (he, she, it) will be asking	Shall I be asking? Will you (he, she, it) be asking?	I shall not be asking . You (he, she, it) will not be asking
Мн.	We shall be asking . You (they) will be asking	Shall we be asking? Will you (they) be asking?	We shall not be asking . You (they) will not be asking

Future Continuous употребляется для выражения действия, которое будет длиться в точно указанный момент или период в будущем.

Глаголы в формах Continuous описывают действие как **процесс**, как **длительность** – в определенный момент в прошлом, настоящем или будущем:

I **am going** to school (now).

Я иду в школу (сейчас, в настоящий момент).

I **was reading** a book yesterday at 5 o'clock.

Я читал книгу вчера в 5 часов.

I **will be watching** TV tomorrow at 7 o'clock.

Я буду смотреть телевизор завтра в семь часов.

Помимо этой функции, глаголы в Present Continuous выражают действие, отнесенное в ближайшее будущее:

We **are leaving** for Moscow in July.

Мы уезжаем в Москву в июле.

ГРУППА ВРЕМЕННЫХ ФОРМ PERFECT

Present Perfect

Present Perfect образуется при помощи вспомогательного глагола **to have** в настоящем времени (**have, has**) и третьей формы смыслового глагола. В вопросительном предложении вспомогательный глагол ставится

перед подлежащим. В отрицательном предложении после вспомогательного глагола ставится отрицание **not**.

Формы глагола в Present Perfect

Число	Утвердительная форма	Вопросительная форма	Отрицательная форма
Ед.	I (you) have asked . He (she, it) has asked	Have I (you) asked ? Has he (she, it) asked ?	I (you) have not asked . He (she, it) has not asked .
Мн.	We (you, they) have asked	Have we (you, they) asked ?	We (you, they) have not asked .

Past Perfect

Формы глагола в Past Perfect

Число	Утвердительная форма	Вопросительная форма	Отрицательная форма
Ед. и мн.	I (you, he, she, it, we, they) had asked .	Had I (you, he, she, it, we, they) asked ?	I (you, he, she, it, we, they) had not asked .

Past Perfect употребляется:

а) для выражения действия, завершившегося до какого-либо момента или другого действия в прошлом:

He had read the book by 10 o'clock yesterday.

Он прочел книгу до десяти часов (к десяти часам) вечера.

When we **came** to the airport the plane **had already landed**.

Когда мы приехали в аэропорт, самолет уже приземлился.

б) в предложениях, в которых одно действие завершилось до другого действия, дящегося в прошлом:

He had read the book and **was watching** TV when I came.

Когда я пришел, он уже прочитал книгу и смотрел телевизор.

Future Perfect

Формы глагола в Future Perfect

Число	Утвердительная форма	Вопросительная форма	Отрицательная форма
Ед.	I shall have asked . You (he, she, it) will have asked	Shall I have asked ? Will you (he, she, it) have asked ?	I shall not have asked . You (he, she, it) will not have asked

Число	Утвердительная форма	Вопросительная форма	Отрицательная форма
Мн.	We shall have asked . You (they) will have asked .	Shall we have asked? Will you (they) have asked?	We shall not have asked . You (they) will not have asked .

Future Perfect употребляется для выражения действия, которое будет происходить до определенного момента или другого действия в будущем, и завершится или прекратится до него.

Глаголы в формах **Perfect** выражают действие **завершенное**, которое привело к определенному результату (или к отсутствию результата). С помощью глагольных форм **Perfect** **подводится итог** действий. Время подведения итогов – либо настоящий момент **Present Perfect**, либо момент в прошлом **Past Perfect**, либо – в будущем **Future Perfect**.

I **have written** the letter (Present Perfect)

Я (только что) написал письмо (*передо мной письмо как результат*).

I **had written** the letter when he **came** (Past Perfect)

Я написал письмо, когда он пришел (*2 действия, одно завершилось раньше другого*)

I **will have written** the letter by 10 o'clock tomorrow (Future Perfect) –

Я напишу письмо к 10 часам завтра (*действие завершится к определенному моменту времени в будущем*).

29) Вставьте to write в нужной форме.

1. We often ... thank you letters to our customers.
2. What ... you ... now?
3. Yesterday they ... tests from 10 till 12 o'clock.
4. Who ... this letter?
5. I ... some letters last week.
6. What ... you ... tomorrow at 10?
7. When I came into the office, the secretary ... a letter.
8. ... you ... letters tomorrow?
9. I ... not ... this letter now. I ... it in some days.
10. ... he ... a letter now?
11. What ... she ... in the evening yesterday?
12. As a rule, he ... tests well.

30) Поставьте глаголы, данные в скобках, в нужную форму.

1. I already (tell) you the answer.
2. He (know) several foreign languages.
3. Usually the banks (open) at 9 o'clock.

4. He often (visit) them last year.
5. As a rule I (go) to my school by bus.
6. She (work) abroad next year.
7. She (not like) loud music.
8. Customers usually (not ask) many questions.
9. At present he (not work) at school.
10. What you (do) yesterday?
11. I (write) the letter but I (not send) it.
12. She already (answer) the letter.
13. He just (go) away.
14. I can't go out because I (not finish) my work.
15. I (not see) him for three years. I (be) glad to see him again some time.
16. When the train (arrive)? – It (arrive) at 2.00.

31) Переведите предложения на английский язык, используя Perfect.

1. Я никогда об этом не слышал.
2. Я уже прочитал ваше письмо.
3. Вы уже купили новую квартиру?
4. Вы сделали много ошибок в тексте.
5. Вы когда-нибудь видели этого человека?
6. В этом месяце я прочитал две новых книги.
7. Мой друг уехал в Москву неделю назад и еще не писал мне.
8. Я не видел новых фильмов за последнее время (lately).
9. Я посмотрел этот фильм на прошлой неделе.
10. Вы уже прочитали в газете о нашем новом театре?
11. Вы были когда-нибудь в Лондоне? – Нет, я поеду туда в этом году.

32) Переделайте предложения в вопросительно-отрицательные и дайте краткие ответы.

Образец:

They are at home. – Aren't they at home? – Yes, they are. – No, they aren't.

Они дома. – Разве они не дома? – Да, они дома. – Нет, они не дома.

1. The banks are closed on Sunday.
2. She has left for London.
3. You know their address.
4. We shall do this work together.
5. You have done the task.
6. The management of this firm is perfect.
7. He has finished his work.

33) Поставьте глаголы в скобках в одно из прошедших времен.

1. When we (to come) to the station the train already (to arrive).
2. They (to leave) for Moscow some days ago.
3. When I came he (to leave) the office, so we only had time for a few words.
4. When we (to come) to the airport, the plane already (to land).
5. He suddenly (to understand) that he (to travel) in the wrong direction.
6. We (to discuss) your plan tomorrow at 10 o'clock.
7. Who (to take the floor) at the meeting yesterday?
8. Where (to be) Bob? He

(to work) the whole day long yesterday. 9. I (go) home after work. 10. The letter already (to send) yesterday.

Passive Voice. Страдательный залог

Формы страдательного залога английских глаголов образуются с помощью вспомогательного глагола **to be** в соответствующем времени, лице и числе и **Причастия II** (Participle II) смыслового глагола:

	Present	Past	Future
Indefinite	is written	was written	will be written.
Continuous	is being written	was being written	will be being written
Perfect	has been written	had been written	will have been written

Глагол-сказуемое в страдательном залоге показывает, что подлежащее предложения является объектом действия со стороны другого лица или предмета.

Сравните:

I **bought** a book.

Я купил книгу.

The book **was bought** (by me).

Книга была куплена (мною).

Глаголы в страдательном залоге на русский язык переводятся

1. Глаголом быть + краткая форма причастия страдательного залога:

The letter **was sent** yesterday.

Письмо было послано вчера.

2. Глаголом с частицей -ся (-сь):

This problem **was discussed** last week.

Эта проблема обсуждалась на прошлой неделе.

3. Неопределенно-личным оборотом, т. е. глаголом в действительном залоге 3 лица множественного числа, типа “говорят”, “сказали”:

English **is spoken** in many countries.

На английском языке говорят во многих странах.

4. Глаголом в действительном залоге (при наличии исполнителя действия):

Pupils **are taught** at school by the teachers.

Учеников учат в школе учителя.

34) Раскройте скобки, поставьте глаголы в нужные формы страдательного залога.

1. Those books (return) to the library yesterday. 2. The paintings (exhibit) till the end of the month. 3. Why your home task (not do)? 4. The patient (take) to the hospital today, and (operate) tomorrow morning. 5. This room (use) only on special occasions. 6. This newspaper (not read). 8. Dictionaries

may not (use) at the examination. 9. Usually the experiments (carry out) every day, but they (not carry out) yesterday. 10. These methods (use) in advertising. 11. Thousands of new houses (build) every year.

35) Переведите предложения на английский язык.

1. Эта книга была прочитана всеми. 2. Письмо будет отправлено завтра. 3. Ее часто спрашивают? 4. На ваш вопрос ответят завтра. 5. Работа только что закончена нами. 6. Кредиты будут использоваться до конца года. 7. Телеграмма уже получена? 8. Мне предложили очень интересную работу. 9. В нашем городе сейчас строится много новых зданий. 10. Ключи были утеряны вчера. 11. Делегацию нужно встретить завтра в 9 часов утра в аэропорту. 12. Вам сказали об этом? 13. Сотни новых домов будут построены к концу этого года.

Wordbuilding. Словообразование

В английском языке существуют следующие способы словообразования: **словосложение**, **словопроизводство** с помощью суффиксов и префиксов, и **конверсия** – переход слов из одной части речи в другую без изменения формы слова.

1. СЛОВОСЛОЖЕНИЕ – это соединение двух слов в одно с образованием нового слова:

Примеры сложных существительных:

schoolchildren – школьники;

postman – почтальон;

newspaper – газета.

Примеры – сложных прилагательных:

waterproof – водонепроницаемый;

red-hot – нагретый докрасна;

first-class – первоклассный.

Примеры сложных местоимений:

something – что-нибудь;

anywhere – везде;

somehow – как-нибудь.

2. СЛОВОПРОИЗВОДСТВО – это образование нового слова с помощью суффиксов и префиксов.

**Наиболее употребительные суффиксы
и префиксы существительных**

Суффиксы:

-er/or – teacher (преподаватель), writer (писатель), actor (актер), doctor (доктор);

-ist – scientist (ученый), economist (экономист);

-ment – movement (движение), development (развитие), government (правительство);

-ance – distance (расстояние), importance (важность), appearance (внешность);

-(t)ion – revolution (революция), translation (перевод), operation (действие);

-ity/-ty – popularity (популярность), honesty (честность), ability (способность);

-hood – childhood (детство), neighbourhood (окрестность);

-ship – friendship (дружба), leadership (лидерство);

-age – passage (проход), breakage (поломка);

-ence – conference (конференция), difference (различие);

-dom – freedom (свобода), wisdom (мудрость);

-sion/ssion – division (деление), discussion (обсуждение);

-ness – happiness (счастье), illness (болезнь), darkness (темнота).

Префиксы:

re- – reconstruction (реконструкция);

co- – cooperation (сотрудничество), coexistence (сосуществование);

dis- – disadvantage (неудобство), discomfort (дискомфорт);

in- – inaccuracy (неточность), independence (независимость);

mis- – misunderstanding (недоразумение), misinformation (дезинформация);

im- – impossibility (невозможность), impatience (нетерпение);

un- – unemployment (безработица), unreality (недействительность);

il- – illegality (незаконность), illiteracy (неграмотность).

Наиболее употребительные суффиксы и префиксы глаголов.

Суффиксы:

-en – deepen (углубить), lighten (осветить), strengthen (усилить);

-fy – classify (классифицировать), electrify (электризовать), specify (определить);

-ize – organize (организовать), characterize (характеризовать), mechanize (механизировать);

-ate – indicate (указать), activate (активизировать).

Префиксы:

co- – cooperate (сотрудничать);

de- – decode (расшифровать), decompose (разложиться);

dis- – disappear (исчезнуть);

in- – input (вводить);

inter- – interact (взаимодействовать), interchange (взаимозаменять);

over- – overheat (перегреть), overhear (подслушивать);

re- – reconstruct (восстановить), rewrite (переписать).

Наиболее употребительные суффиксы и префиксы прилагательных

Суффиксы:

- able – comfortable (удобный);
- al – natural (естественный), cultural (культурный), territorial (территориальный);
- ant – distant (отдаленный), resistant (стойкий);
- ent – dependent (зависимый), different (различный);
- ful – careful (осторожный), useful (полезный), powerful (мощный);
- ible – possible (возможный), visible (видимый);
- ic – atomic (атомный), historic (исторический);
- ive – inventive (изобретательный), effective (эффективный);
- less – hopeless (безнадежный), useless (бесполезный), homeless (бездомный);
- ous – famous (известный), dangerous (опасный), various (различный)
- y – rainy (дождливый), sunny (солнечный), dirty (грязный).

Префиксы:

- un- – unhappy (несчастный), unable (неспособный), uncomfortable (неудобный);
- in- – independent (независимый), indirect (косвенный), invisible (невидимый);
- im- – impossible (невозможный), imperfect (несовершенный);
- ir- – irregular (нерегулярный), irrational (иррациональный);
- il- – illegal (незаконный), illimitable (неограниченный);
- non- – non-fertous (цветной).

3. Конверсия:

Конверсией называется совпадение формы и произношения слов, относящихся к различным частям речи:

- water** – вода (существительное); **to water** – поливать (глагол)
- limit** – предел (существительное); **to limit** – ограничивать (глагол)
- hand** – рука (существительное); **to hand** – вручать (глагол) и т. д.
- supply** – снабжение (существительное); **to supply** – снабжать

36) Образуйте новые слова с помощью суффиксов и префиксов переведите их.

-er/or

to teach (обучать) – teacher (учитель)

to write –

to supply –

-sion/ssion/tion

to produce (производить) – production (производство)

to discuss –

to include –

-ment

to move (двигать(ся)) – movement (движение)

to develop –

to replace –

-ing

to build (строить) – building (здание)

to meet –

to write –

-ness

happy (счастливый) – happiness (счастье)

ill –

dark –

37) Укажите, от каких слов образованы следующие существительные, определите суффиксы.

Pressure, construction, direction, concentration, collection, necessity, agreement, difference, drawing.

38) Используя известные вам суффиксы и префиксы, образуйте существительные от следующих слов и переведите их на русский язык.

1) to sail, to connect, to educate, to build, to create;

2) friend, leader, fellow;

3) dark, weak, cold, bright, free.

39) Образуйте прилагательные от следующих слов, используя суффиксы и префиксы, и переведите их на русский язык.

Hope, truth, beauty, rain, peace, help, colour, power, joy, care, use.

40) Найдите определения следующих префиксов.

1) inter- 2) post- 3) bi- 4) pre- 5) multi- 6) ex-:

a) more than one; many;

b) later than; after;

c) before; in preparation;

d) former and still living;

e) between; among a group;

f) two; twice; double.

41) Образуйте новые слова и переведите их на русский язык.

1) inter- 2) post- 3) bi- 4) pre- 5) multi- 6) ex-:

a) ...lingual;

b) ...date;

c) ...arranged;

d) ...national;

e) ...director;

f) ...graduate;

- g) ...personal;
- h) ...husband;
- i) ...annual;
- j) ...date.

Функции и перевод слова *one*

1. Слово **one**, если оно стоит перед личной формой глагола, является формальным подлежащим неопределенно-личного предложения. В таких предложениях **one** на русский язык не переводится:

One must know for certain what to do. Нужно точно знать, что делать.

2. Слово **one** (мн. ч. **ones**) может употребляться как заменитель ранее упомянутого исчисляемого существительного. В этом случае **one** переводится словом, которое заменяет, или совсем не переводится:

I have lost my pen. I must buy one. Я потерял ручку. Я должен купить ручку.

Here are some pens. Which ones would you like to buy? Вот несколько ручек. Какие (ручки) вы хотели бы купить?

Перед **one** (**ones**) может стоять артикль **the one** или определяющие местоимения **this one, another one, the blue ones**. В этом случае на русский язык **one** обычно не переводится:

I don't like this pen, show me another one. Мне не нравится эта ручка, покажите мне другую.

What pens will you buy? – The blue ones. Какие ручки вы купите? – Синие ручки.

Слово **one** в притяжательном падеже переводится на русский язык местоимением **свой, своя, свое**.

One should always keep *one's* word. Надо всегда держать *свое* слово.

One часто употребляется в сочетании с модальными глаголами:

One should be careful when working with chemical substances. Нужно быть осторожным при работе с химическими веществами.

One may work in this laboratory only observing certain rules. В этой лаборатории *можно* работать только при соблюдении определенных правил.

Функции и перевод местоимения *that*

1. **That (those)** является указательным местоимением и переводится **тот, та, то, те** или **этот, эта, это, эти**:

That book was published long ago. Та книга была опубликована давно.

2. **That** в функции подлежащего или дополнения переводится **это**:

That is not right. We understood that. Это не правильно. Мы поняли это.

3. **That (those)** как заместитель ранее упомянутого существительного либо переводится этим существительным, либо совсем не переводится:

The height of this new house is larger than that of the old one. Высота этого нового дома больше, чем (высота) старого.

4. **That** в качестве относительного местоимения присоединяет определительные придаточные предложения, заменяет **which, who, whom** и переводится **который, которая, которое, которые**:

The man that is sitting at the table is our teacher. Человек, который сидит за столом, наш учитель.

The parts that are used in this machine must be hardened. Детали, которые используются в этой машине, должны быть закалены.

5. **That** в качестве союза присоединяет дополнительные придаточные предложения и переводится **что**:

He said that he would finish his report tomorrow. Он сказал, что закончит свой доклад завтра.

6. В качестве союза, присоединяющего придаточные предложения подлежащие и сказуемые, **that** переводится **то, что**:

That he refused any help didn't surprise anybody. То, что он отказался от любой помощи, никого не удивило.

7. **That** в качестве союза, вводящего обстоятельственное придаточное предложение цели, обычно в сочетании с **so** или **in order**, переводится **для того чтобы** или **чтобы**:

Enough time was given so that (in order that) everyone could get ready for the examination. Было дано достаточно времени для того, чтобы все смогли подготовиться к экзамену.

8. **That** в сочетании с наречием **now**, переводится **теперь, когда**:
Now, that I have passed my examinations, I'm free. Теперь, когда я сдал экзамены, я свободен.

42) Переведите следующие предложения, обращая внимание на значения слов *one (ones)*.

1. These shoes are too large; show me smaller ones, please.
2. One should be very attentive when crossing the street.
3. One never knows the result of the experiment.
4. This computer is more powerful than the one we need.
5. This antenna allows TV to receive very weak signals.
6. One can expect better weather in two days.
7. That is clear without explanation.
8. The methods they use are not the ones that lead to success.
9. The more one reads, the more one knows.
10. This dictionary is too small; I'll need a bigger one.

43) Переведите следующие предложения, обращая внимание на значения слов *that (those)*.

1. They knew that the work they continued to do was useless.
2. That the assignment is difficult isn't more a news.
3. She said that she wouldn't buy the dress that she liked.
4. The question that was discussed at the meeting yesterday was very important.
5. Those buildings belong to our University.
6. We didn't expect that the shipment all these goods was so expensive.
7. What was that he wanted?
8. The advice that you gave me is very important.

Complex object – Сложное дополнение

Сложное дополнение – это сочетание существительного или местоимения в объектном падеже (напр. **me, him, us, them**) с инфинитивом или причастием I. Существует в трех основных вариантах:

1. С инфинитивом **без частицы to** или с причастием после глаголов восприятия

see (видеть): I saw him drive the car. I saw them working in the lab.

watch (наблюдать): We watched the plane land. We watched the children playing in the yard.

notice (замечать): Nobody noticed him go out. He didn't notice that happen.

feel (чувствовать): She felt somebody touch her hand. They didn't feel the train start.

hear (слышать): I didn't hear you come into the room. I heard her playing piano.

I saw him enter the house.

Я видел, как он вошел в дом.

I saw him entering the house.

Я видел, как он входил в дом.

В первом случае (вышеперечисленные глаголы с инфинитивом без частицы **to**) подчеркивается факт действия, во втором (эти же глаголы с причастием I) – процесс действия.

2. С инфинитивом без частицы to после глаголов

to let (позволять): Don't let them play in the street.

to make (заставлять): Don't make me laugh.

3. С инфинитивом с частицей to после глаголов

to want (хотеть): I want you to help me.

to expect (ожидать): I expect you to come in time.

to believe (верить, считать): I believe her to be a very good teacher.

to know (знать): I know him to be a good student.

to advise (советовать): I advise you to enter the institute.

to consider (считать): English climate is considered to be mild.

to order (приказывать): He is ordered not to be late.

to allow (позволять): They allow to use dictionaries at the exam.

to find (находить, считать): I find your story to be very interesting.

would like (хотел бы): I would like you to finish your work.

44) Раскройте скобки.

1. If you want us (make) the work quickly you should let us (start) at once. 2. Would you like me (send) this letter right now? 3. We find your prices (be) too high. 4. Please let me (know) the results of your investigation as soon as possible. 5. He made us (wait) for two hours. 6. I find your offer (be) a very interesting one. 7. I'd like him (enter) the university but I can't make him (do) it. 8. I want her (learn) English. 9. I heard the door (open) and saw my friend (come) into the room. 10. I saw her (drive) the car. 11. I saw him (go out) of the house. 12. The teacher advised us (use) dictionaries. 13. We expect our letter (be) answered soon. 14. We don't want you (tell) anything. 15. That is too difficult for you to do, let me (help) you.

45) Переведите на английский язык.

1. Вы ожидаете, работа будет сделана скоро? 2. Вы хотите, чтобы мы встретились сегодня? 3. Вы хотите, чтобы я начал работать сразу? 4. Мы ожидаем, что они хорошо проведут у нас время. 5. Я хочу, чтобы он закончил эту работу сегодня. 6. Мы считаем, что она знает ответ на этот вопрос. 7. Вы хотите, чтобы мы обсудили этот вопрос? 8. Мы ожидаем, что

на этом месте будет построен новый дом. 9. Вы хотели бы, чтобы он сделал доклад на конференции?

Complex subject – Субъектный инфинитивный оборот

Субъектный инфинитивный оборот (сложное подлежащее) состоит из
1) существительного в общем падеже или местоимения в именительном падеже и

2) глагола (обычно в страдательном залоге) + инфинитив.

Оборот переводится на русский язык придаточными предложениями.

He is known to be a good lawyer. Известно, что он хороший юрист.

He is said to have graduated from the University. Говорят, что он закончил университет.

The experiments were reported to be successful. Сообщили, что эксперименты были успешны.

В субъектном инфинитивном обороте могут употребляться глаголы:

to see – видеть

to hear – слышать

to say – сказать

to expect – ожидать, полагать

to think – думать, полагать, считать

to suppose – предполагать

to believe – полагать

to consider – считать, полагать

to assume – допускать

to know – знать

to report – сообщать

которые могут стоять в любом времени в страдательном залоге.

Неопределенно-личным предложениям русского языка в английском языке чаще всего соответствуют пассивные обороты, как например:

It is reported that...

Сообщается, что ...

It was supposed that ...

Предполагали, что ...

Субъектный инфинитивный оборот употребляется также в сочетании с некоторыми глаголами, которые могут стоять в действительном залоге, а именно с глаголами:

to prove, to appear, to seem – казаться

to turn out – оказаться

to happen – случаться

This case turned out to be very complicated.

Оказалось, что дело очень сложное.

The weather appeared to have improved.

Казалось, что погода улучшилась.

46) Переведите на русский язык.

1. The Balance Sheet is considered to be the most important accounting document.
2. The trade credit appears to be the easiest way for postponing payments.
3. Decision making is believed to be the most difficult task for managers.
4. He was seen to come to work early.
5. You are supposed to be able to read English texts without a dictionary.
6. The contract is assumed to be a standard one.

Модальные глаголы и их заменители

Модальные глаголы показывают отношение говорящего к действию, выраженному инфинитивом. Например, сравните:

You can speak English.	Вы можете (умеете) говорить по-английски.
You must speak English.	Вы должны говорить по-английски.
You may speak English.	Вы можете говорить по-английски. (Вас поймут.)

Как видим, в одном и том же предложении изменение модального глагола меняет смысл всего предложения, т. е. меняется отношение к действию, выраженному инфинитивом.

Модальные глаголы не имеют форм во всех временах, для этого употребляются их эквиваленты (заменители).

Вопросительные и отрицательные предложения с модальными глаголами строятся без вспомогательных глаголов:

Can you help me? –	Вы можете помочь мне? –
Yes, I can . – No, I can't .	Да. – Нет.

К основным модальным глаголам относятся следующие:

Can – мочь, быть в состоянии, **could** – прошедшее время;

предполагает наличие физической, умственной и прочих возможностей, позволяющих сделать что-либо:

I can swim.	Я могу (я умею) плавать.
I could translate this text.	(Я мог, был в состоянии) перевести этот текст.

Вежливую просьбу можно начинать с модального глагола **could**:

Could you help me, please!	Не могли бы вы помочь мне, пожалуйста!
-----------------------------------	--

В будущем времени у глагола **can** есть заменитель – конструкция **to be able to** (быть в состоянии что-либо сделать):

I shall be able to help you when I am free. Я смогу помочь тебе, когда освобожусь.

May – иметь возможность, получить разрешение (делать что-либо):

May I help you? Можно вам помочь?

Yes, you **may**. Да, можно.

Форма прошедшего времени **might** употребляется для выражения предположения:

He **might** know about it. Он, вероятно, знал об этом.

В будущем времени у модального глагола **may** есть заменитель – конструкция **to be allowed to** (получить разрешение сделать что-либо).

He will **be allowed to** take the book. Ему разрешат взять книгу.

Must – должен, обязан:

You **must** write it down now. Вы должны написать это сейчас.

Заменителями глагола **must** являются глаголы **to have to** и **to be to**, которые имеют некоторые дополнительные оттенки значения. Глагол **have to** означает долженствование, вызванное обстоятельствами, вынужденную необходимость, в то время как глагол **to be to** – долженствование, связанное с расписанием, планом или заранее сделанной договоренностью.

She **had to** stay at home. Она вынуждена была (ей пришлось) остаться дома.

The train **was to** arrive at 8 in the evening. Поезд должен был прибыть в 8 вечера. (По расписанию).

После модальных глаголов и некоторых их эквивалентов инфинитив употребляется без частицы **to**.

Заменителями модального глагола **must** являются также модальные глаголы **ought to**, **should** (в значении совета, рекомендации, упрека).

Children **ought to** obey their parents. Дети должны слушать своих родителей.

You **should** consult the doctor. Вам следует посоветоваться с врачом.

В сочетании с перфектным инфинитивом глагол **should** выражает сожаление о невыполненном действии и переводится “следовало бы”.

You **should have** helped them. Вам следовало бы помочь им. (Но вы не сделали этого).

5. You ... have shown your notes to the teacher.
6. I asked him, but he ... listen to me.
7. They ... have visited her, she was in the hospital.
8. Last summer we ... often go to the country.
9. You ... do this work yourself.
10. ... you tell me the way to the station?
11. You ... have helped us but you didn't.
12. ... I leave for a while? – Yes, you
13. She ... be more attentive to her work.
14. You ... come so early.

48) Переведите предложения на русский язык.

1. We have to stay at home. 2. He was allowed to take this book. 3. Who is able to do this work? 4. He had to leave for Moscow earlier. 5. We are to take exams in June. 6. Are they allowed to visit you? 7. They were able to do this work in time. 8. I'll be able to pass my examinations. 9. She'll be allowed to watch TV. 10. I have to come in time. 11. The train is to come soon. 12. Will you be able to drive a car?

49) Замените модальные глаголы соответствующими эквивалентами.

1. He couldn't explain anything. 2. You must not stay here. 3. Can you read this text? 4. You may take these books. 5. They can run quickly. 6. She might work in our room. 7. Who can help us? 8. They must go there tomorrow. 9. May I leave for a while? 10. We must meet at 7 o'clock.

50) Заполните пропуски соответствующими модальными глаголами: (*must, should, would, ought to, have to, needn't, can, could, may*).

1. They ... not do this work themselves. 2. You ... take my dictionary. 3. You don't look well, you ... consult the doctor. 4. She ... not speak any foreign language. 5. My friend lives a long way from his office and ... get up early. 6. "... we discuss this question now?" – "No, we ... 7. He ... to help them, they need his help. 8. I'm glad you ... come. 9. ... you tell me the time? 10. ... I go with you? No, you 11. Your ... have told me about it. 12. Why ... I help him if he doesn't want it?

51) Переведите предложения.

1. This building **should have been constructed** a year ago.
2. The letter **should have been sent** long ago.
3. The tests of materials **should have been conducted** before their use.
4. We **should not have used** that sort of steel.
5. This phenomenon **should be explained** by thermal expansion.

Participles. Причастия

ПРИЧАСТИЕ НАСТОЯЩЕГО ВРЕМЕНИ**Participle I**

Причастие I (причастие настоящего времени), образованное при помощи окончания **-ing**, имеет активную и пассивную (страдательную) формы:

	несовершенный вид	совершенный вид
Active	asking	having asked
Passive	being asked	having been asked

Причастие I употребляется в функции:

1. Определения:

The man **sitting** at the table is our teacher.

Человек, **сидящий** за столом – наш учитель.

The houses **being built** in our town are not very high.

Дома, **строящиеся** в нашем городе, невысоки.

2. Обстоятельства:

Going home I met an old friend.

Идя домой, я встретил старого друга.

Having finished work I went home.

Закончив работу, я пошел домой.

ПРИЧАСТИЕ ПРОШЕДШЕГО ВРЕМЕНИ**Participle II**

Причастие II (причастие прошедшего времени) всегда **пассивно**. Образуется оно прибавлением суффикса **-ed** к основе правильного глагола или путем чередования звуков в корне неправильного глагола.

Причастие II употребляется в функции:

1. Определения.

The book **translated from English** is very interesting.

Книга, **переведенная** с английского языка, интересная.

2. Обстоятельства (причины и времени):

Given the task he began to work.

Когда ему дали задание, он начал работать.

If printed, the text is easier to read.

Если текст напечатать, его легче читать.

Если перед причастием прошедшего времени в функции обстоятельства стоят союзы **if, when**, то оно переводится на русский язык обстоятельством придаточным предложением:

Plants grow better when watered.

Растения растут лучше, когда их поливают.

Если причастия настоящего и прошедшего времени стоят **перед** определяемыми существительными, то они, утрачивая в значительной степени свое отглагольное значение, выражают качество и приближаются по значению к обычному прилагательному:

unanswered call – не отвеченный звонок

sold goods – проданный товар

undelivered email – недоставленная почта

Если причастия настоящего и прошедшего времени стоят **после** определяемого существительного, то они не выражают качества, а имеют лишь глагольное значение. Такие причастия могут быть заменены определительным придаточным предложением.

all letters received – все письма, которые были получены

instructions received – полученные инструкции (инструкции, которые были получены)

52) Переведите предложения.

1. We answered all letters **received** yesterday.
2. The goods **purchased** were not of good quality.
3. The funds **obtained** by borrowing were enough to expand our business.
4. We hope the amount **transferred** to your bank will be duly (своевременно) received.

The Gerund. Герундий

Герундий – это неличная форма глагола, которая выражает действие как процесс, и образуется прибавлением окончания **-ing** к основе глагола. Герундий является промежуточной формой между глаголом и существительным и поэтому обладает свойствами и глагола и существительного.

Свойства глагола у герундия

1. Герундий имеет следующие формы времени и залога:

	Active	Passive
Indefinite	writing	being written
Perfect	having written	having been written

Indefinite Gerund выражает процесс в наиболее общем виде и действие, одновременное с действием глагола в личной форме.

We prefer using new methods of work.

Мы предпочитаем использовать новые методы работы.

We prefer new methods of work being used.

Мы предпочитаем, чтобы использовались новые методы работы.

Perfect Gerund выражает действие, которое обычно предшествует действию, выраженному глаголом в личной форме.

I remember having given this instruction.

Я помню, что дал (давал) это указание.

I remember having been given this instruction.

Я помню, что мне давали это указание.

Чаще всего формы пассивного герундия на русский язык переводятся придаточными предложениями.

2. Герундий может иметь прямое дополнение:

The state is interested in improving people's living conditions.

Государство заинтересовано в том, чтобы улучшить условия жизни народа.

3. Герундий может определяться наречием:

We have to insist on your replying promptly.

Мы вынуждены настаивать, чтобы вы ответили немедленно.

Свойства существительного у герундия

1. Герундий может определяться притяжательным местоимением или существительным в притяжательном падеже:

We insist on your coming as soon as possible.

Мы настаиваем на том, чтобы вы приехали как можно скорее.

2. Перед герундием может стоять предлог:

On receiving a letter we shall immediately take action.

По получении письма мы немедленно примем меры.

Употребление герундия

1. После следующих глаголов без предлогов:

a) to begin, to start, to finish, to stop, to continue, to keep (продолжать) и др.

Please, stop sending me email at this address.

Пожалуйста, перестаньте посылать мне электронную почту по этому адресу.

b) to like, to enjoy, to prefer, to mind, to excuse, to remember, to forget, to suggest, to avoid, to need, to want, to require и др.

The results need being checked.

Результаты необходимо проверить.

2. После глагола с предлогами:
to apologize for, to thank for, to look forward to, to congratulate on, to insist on, to depend on, to object to, to be interested in, to be responsible for
 и др.

We insisted on continuing the investigation.

Мы настаивали на продолжении расследования.

3. После существительного с предлогом:
 way of, programme of, reason for, process of и др.

The way of using is indicated in the instructions.

Способ использования указан в инструкциях.

4. После составных предлогов и словосочетаний:

on account of – ввиду, из-за

because of – из-за

due to – благодаря, из-за

with a view to – с целью (для того чтобы)

despite – несмотря на

The work could be continued

due to timely supplies of spare parts.

Работа могла продолжаться благодаря своевременным поставкам запчастей.

Герундий может употребляться:

1) в качестве подлежащего:

Reading is useful.

Чтение полезно.

2) как часть сказуемого после глаголов: to finish, to start, to continue, to go on, to keep и др.

He started reading the book.

Он начал читать книгу

3) как предложное дополнение:

I am fond of reading.

Я люблю читать

4) как прямое дополнение:

Do you mind my reading here?

Вы не против моего чтения здесь?

5) как обстоятельство времени:

After reading he closed the book.

После чтения он закрыл книгу.

6) как обстоятельство образа действия:

Instead of reading he went to the movies.

Вместо чтения он пошел в кино.

Перевод герундия на русский язык

Герундий может переводиться на русский язык:

1) существительным

We are interested in solving these problems.

Мы заинтересованы в решении этих проблем.

2) инфинитивом.

Everybody went on working.

Все продолжали работать.

3) деепричастием

On coming to the office he got down to work.

Придя в офис, он принялся за работу.

4) придаточным предложением

We regretted having done it.

Мы сожалели о том, что сделали это.

53) Найдите в предложениях герундий и определите время, залог и его функцию. Переведите предложения.

1. Would you please stop writing to us at this address?
2. Please, excuse us for waiting too long.
3. Some time was lost because of necessary preparing.
4. We are interested in getting the answer.
5. What is the purpose of writing a business plan?
6. I am grateful for his helping me. I am grateful for his having helped me.
7. We thank you for sending us your letter.

Условные предложения

Условные предложения могут быть следующими:

1. предложения реального условия;
2. предложения нереального условия.

Употребление глагольных форм в этих предложениях зависит от степени реальности и времени действия, выраженного глаголом.

Придаточные предложения реального условия и времени, действие которых отнесено к будущему:

В придаточных предложениях условия и времени с союзами

if (если),

when (когда),

after (после),

before (перед тем, как),

as soon as (как только),

unless (если не),

until (до тех пор, пока не),

будущее время заменяется формой настоящего времени, но на русский язык переводится будущим, например:

If you **help** me (придаточное предл. условия), I shall do this work on time (главное предл.)

Если ты поможешь мне, я сделаю эту работу вовремя.

As soon as I **am** free, I'll come to you.

Как только я освобожусь, я приду к тебе.

We shall not begin until you **come**.

Мы не начнем, пока ты не придешь.

Предложения нереального условия (Сослагательное наклонение)

Сослагательное наклонение выражает возможность, нереальность, предположительность действия.

Предложения нереального условия:

а) действие относится к настоящему или будущему:

If I **knew** his address I would write to him.

Если бы я знал его адрес (сейчас), я написал бы ему (сейчас или в ближайшем будущем).

If the weather were fine he would go to the country.

Если бы погода (сейчас) была хорошей, он бы поехал за город.

Глагол в придаточном предложении – в форме **Past Indefinite**, в главном – в форме **Future in the Past**.

б) действие относится к прошлому:

If the weather had been fine yesterday he would have gone to the country.

Если бы погода была вчера хорошей, он бы поехал за город.

В случае, если действие, описываемое сослагательным наклонением, относится к прошедшему времени, в главном предложении используется форма будущего совершенного с точки зрения прошедшего **Future Perfect in the Past**, а в придаточном – прошедшее совершенное **Past Perfect**.

If I had known his address I would have written to him.

Если бы я знал его адрес (в прошлом), я написал бы ему (в прошлом же).

I wish I lived not far from here. (настоящее время).

Жаль, что я не живу поблизости.

I wish I had lived not far from here (прошедшее время).

Жаль, что я не жил поблизости.

Сослагательное наклонение после глагола wish

Для выражения сожаления, относящегося к будущему, употребляются сочетания с глаголом **could**; для выражения пожелания на будущее, а также жалобы, просьбы или раздражения, употребляется **would**.

Примеры:

I wish it were spring now.

I wish I knew her address.

I wish I had made decision yesterday.

I wish you could drive a car.

I wish they would stop the noise.

Жаль, что сейчас не весна.

Мне бы хотелось знать ее адрес.

Жаль, что я не принял решение вчера.

Мне бы хотелось, чтобы ты во-
дил машину.

Мне бы хотелось, чтобы они
прекратили этот шум.

54) Раскройте скобки.

1. We (plant) the trees when the weather (get) warmer. 2. If we (use) the new method we should (have) better results. 3. I'm afraid the train (start) before we (come) to the station. 4. We (go) to the concert tomorrow if I (get) the tickets. 5. You (not pass) the examination if you not (work) much harder. 6. If you (not drive) more carefully you (have) an accident. 7. You (be) late if you (not take) a taxi. 8. If the situation (permit) we should (use) the new method long ago. 9. You have to (call) me as soon as you (arrive). 10. We (have) a picnic tomorrow if it (be) a fine day. 11. We (go) out when it (stop) raining. 12. We (not to have) dinner until you (come). 13. I'm sure they (write) to us when they (know) our new address.

55) Переведите на русский язык.

1. I wish you were not late as usual.
2. I wish the letter hadn't been so long.
3. I wish you wouldn't be slow.
4. I wish I could go to my work by car.
5. I wish it would stop raining.

56) Переведите предложения на русский язык.

1. If I had known that you needed help I would have helped you.
2. Had he got this medicine, he wouldn't have fallen ill.
3. What would have happened if he had missed the train?
4. If I knew your address I could write to you.
5. If you get the task after the lecture, you can do it by tomorrow.
6. If I got the task after the lecture I were able to do it better.
7. It would have been better if you had learned to drive a car.
8. If I had known his address, I should have come to him.
9. If an Englishman were our teacher, we would know English better.
10. If he had known the time-table he wouldn't have missed the train.

57) Переведите предложения на английский язык.

1. Если это необходимо, мы выполним задание к завтрашнему дню.
2. Если бы это было необходимо, мы бы выполнили задание к завтрашнему дню.

Grammar revision course. Основные понятия в грамматике

3. Если бы это было необходимо, мы бы выполнили задание на прошлом уроке.
4. Если бы мы смогли выполнить свою часть работы, мы бы сократили время намного.
5. Если я буду свободен завтра, я тебя навещу.
6. Если бы я освободился к концу дня, я бы тебя навестил.
7. Если бы я смог освободиться тогда, я бы тебя навестил.
8. Если бы вы не пропускали занятия, вы бы знали английский язык намного лучше.

Прилагательные и наречия, часто употребляемые в деловых и юридических документах

aforecited – вышеприведенный

aforenamed – вышеназванный

aforesaid – вышеизложенный

hence – поэтому, следовательно

henceforth – с этого времени, впредь

henceforward – с этого времени, впредь

herein – в этом; здесь, при сем

hereinabove – вышеупомянутый, вышеназванный

hereinafter referred to as – в дальнейшем именуемый

hereinbefore – выше

hereinto – сюда, в это место

here of – сего; этого; об этом; отсюда, из этого

hereon – на этой основе

thereby – таким образом

therefore – поэтому, следовательно

therein – здесь, там, в этом, в том

thereinafter – ниже (в документе)

thereof – из этого, из того

ADDITIONAL READING

1. WAT IS MANAGEMENT?

What do managers do?

These are standard questions that most of us in the management profession have been asked more than once. And questions we asked once in our careers too. Here is a basic look at management.

Art and Science

Management is both art and science. It is the art of making people more effective than they would have been without you. The science is in how you do that. There are four basic pillars: plan, organize, direct, and monitor.

Make Them More Effective

Four workers can make 6 units in an eight-hour shift without a manager. If I hire you to manage them and they still make 6 units a day, what is the benefit to my business of having hired you? On the other hand, if they now make 8 units per day, you, the manager, have value.

The same analogy applies to service, or retail, or teaching, or any other kind of work. Can your group handle more customer calls with you than without? Sell higher value merchandise? Impart knowledge more effectively? etc. That is the value of management – making a group of individual more effective.

Plan

Management starts with planning. Good management starts with good planning. Without a plan you will never succeed. If you happen to make it to the goal, it will have been by luck or chance and is not repeatable. You may make it as a flash-in-the-pan, an overnight sensation, but you will never have the track record of accomplishments of which success is made.

Figure out what your goal is (or listen when your boss tells you). Then figure out the best way to get there. What resources do you have? What can you get? Compare strengths and weaknesses of individuals and other resources. Will putting four workers on a task that takes 14 hours cost less than renting a machine that can do the same task with one worker in 6 hours? If you change the first shift from an 8 AM start to a 10 AM start, can they handle the early evening rush so you don't have to hire an extra person for the second shift?

Look at all the probable scenarios. Plan for them. Figure out the worst possible scenario and plan for that too. Evaluate your different plans and develop what, in your best judgement, will work the best and what you will do if it doesn't.

Organize

Now that you have a plan, you have to make it happen. Is everything ready ahead of your group so the right stuff will get to your group at the right time? Is your group prepared to do its part of the plan? Is the downstream organization ready for what your group will deliver and when it will arrive?

Are the workers trained? Are they motivated? Do they have the equipment they need? Are there spare parts available for the equipment? Has purchasing ordered the material? Is it the right stuff? Will it get here on the appropriate schedule?

Make sure everything needed to execute the plan is ready to go, or will be when it is needed. Check back to make sure that everyone understands their role and the importance of their role to the overall success.

Direct

Tell people what they need to do. It's like conducting an orchestra. Everyone in the orchestra has the music in front of them. They know which section is playing which piece and when. They know when to come in, what to play, and when to stop again. The conductor cues each section to make the music happen. That's your job here. You've given all your musicians (workers) the sheet music (the plan). You have the right number of musicians (workers) in each section (department), and you've arranged the sections on stage so the music will sound best (you have organized the work).

Monitor

Now that you have everything moving, you have to keep an eye on things. Make sure everything is going according to the plan. When it isn't going according to plan, you need to step in and adjust the plan, just as the orchestra conductor will adjust the tempo.

Problems will come up. Someone will get sick. A part won't be delivered on time. A key customer will go bankrupt. That is why you developed a contingency plan in the first place. You, as the manager, have to be always aware of what's going on so you can make the adjustments required.

This is an iterative process. When something is out of sync, you need to Plan a fix, Organize the resources to make it work, Direct the people who will make it happen, and continue to Monitor the effect of the change. Managing people is not easy. However, it can be done successfully. And it can be a very rewarding experience. Remember that management, like any other skill, is something that you can improve at with study and practice.

2. CHIEF EXECUTIVE OFFICER (CEO)

What is a chief executive officer?

The definition of "chief executive officer" almost always depends on whether a business is a corporation or not, that is, whether it has a board of di-

rectors or not. In an organization that has a board of directors, the “chief executive officer” is (usually) the singular organizational position that is primarily responsible to carry out the strategic plans and policies as established by the board of directors. In this case, the chief executive reports to the board of directors. In a form of business that is usually without a board of directors (sole proprietorship, partnership, etc.), the “chief executive officer” is usually the singular organizational position that sets the direction and oversees the operations of an organization. This organizational position, whether in corporations or not, is also sometimes called the President, Executive Director, Chief Administrator, etc.

What Knowledge and Skills are Required from Chief Executive Officers?

The chief executive officer is the overall, primary management and leadership role in the organization. Therefore, it's critical that chief executive officers have strong knowledge and skills in a wide variety of areas. However, there are certain basic areas of knowledge and skills which provide the foundation from which chief executive officers can add knowledge and skills customized to the particular nature of their organization, its industry (service, manufacturing, wholesale, etc.) and the current environment (political, social, economic and technological).

General Responsibilities of a Chief Executive Officer (CEO)

CEO AS a leader

- Advises the Board
- Advocates / promotes organization and stakeholder change related to organization mission
- Supports motivation of employees in organization products/programs and operations

CEO AS A VISIONARY / INFORMATION BEARER

- Ensures staff and Board have sufficient and up-to-date information
- Looks to the future for change opportunities
- Interfaces between Board and employees
- Interfaces between organization and community

CEO AS A DECISION MAKER

- Formulates policies and planning recommendations to the Board
- Decides or guides courses of action in operations by staff

CEO IS A MANAGER

- Oversees operations of organization
- Implements plans
- Manages human resources of organization
- Manages financial and physical resources

CEO IS A BOARD DEVELOPER

- Assists in the selection and evaluation of board members

- Makes recommendations, supports Board during orientation and self-evaluation
- Supports Board's evaluation of Chief Executive

Typical Major Functions/Responsibilities of Chief Executive Officer of a Corporation

The following list is one perspective and includes the major functions typically addressed by job descriptions of chief executive officers.

1. Board Administration and Support

Supports operations and administration of Board by advising and informing Board members, interfacing between Board and staff, and supporting Board's evaluation of chief executive.

2. Program, Product and Service Delivery

Oversees design, marketing, promotion, delivery and quality of programs, products and services.

3. Financial, Tax, Risk and Facilities Management

Recommends yearly budget for Board approval and prudently manages organization's resources within those budget guidelines according to current laws and regulations.

4. Human Resource Management

Effectively manages the human resources of the organization according to authorized personnel policies and procedures that fully conform to current laws and regulations.

5. Community and Public Relations

Assures the organization and its mission, programs, products and services are consistently presented in strong, positive image to relevant stakeholders.

3. 100 TIPS ON MANAGING PEOPLE

In organizations we must work with and for others. To be able to mutually achieve our goals we must be able to relate to others effectively. These ideas will help you do just that.

1. Catch people doing things right and then let them know that they are doing things right.
2. Use feedback to stay informed about what other people are doing in your area of responsibility and authority.
3. Have regular, focused meetings regarding the projects that you are responsible for.
4. Train others to do jobs. You cannot do them all, nor can others do them if they have not been trained.
5. Help others see how they will benefit from doing a job. This is when they truly become motivated.
6. Do not avoid talking to a poor performer. It hurts them, the organization and yourself if the situation is not dealt with.

7. Do not over control others. It is frustrating for them and time consuming for you.
8. Focus on results, not on activities or personalities.
9. Reward people for the results that they produce.
10. Manage by walking around. See what people are doing and listen to what they have to say.
11. Send thank you notes and memos.
12. Provide workers with open, direct, and immediate feedback on their actual performance as compared to expected performance and they tend to correct their own deficiencies.
13. Practice listening. Don't talk, just let people explain why they are doing the types of things that they are doing. You will learn many things.
14. Manage by exception. When things are going well, leave them alone. When a problem occurs, then help.
15. Never seek to place blame. Always focus on the problem.
16. Never ignore a concern of one of your people. While it may seem trivial to you, to the other person it is a problem that will continue to destroy their train of thought.
17. Make it a personal rule to respond to someone within 24 hours of hearing their request.
18. Give employees an opportunity to speak their opinions and suggestions without fear.
19. When you are going to make a change that affects others, get them involved before making the actual change. This increases commitment to make the change work after it is implemented.
20. When the environment and your sincerity permit, give the person a hug or a touch.
21. Employees are the only organization resource that can, with training, appreciate in value. All other resources depreciate.
22. People want to be involved in something important. Give them a whole project or a significant piece of the project to work on.
23. Have salary tied into performance appraisal and accomplishing of objectives.
24. Ask, "Will you please do this for me" instead of telling someone just to do it.
25. Eliminate private secretaries in favor of shared secretaries in order to make it easier to even out the work load.
26. If you give employees a basic employee handbook, you will not be interrupted with their questions.
27. Pay attention to small details, the big ones are obvious and get taken care of.
28. Stay open in your thinking. Be open to all new ideas. Do this and you will not be setting up barriers that do not exist.
29. Avoid asking others to do trivial personal items for you.

Additional reading

30. Say thank you to those with whom you associate.
31. A warm smile and strong handshake break barriers.
32. Smile. It helps you feel better and is contagious. The whole organization shudders when the boss is frowning. Likewise it smiles when the boss does.
33. Keep things “light” and have fun rather than being too serious. Seriousness blocks productivity.
34. Work with each person to create standard operating procedures for their specific job. It will eliminate repetitious questions.
35. Let people know why they are doing something. It then becomes more meaningful when they recognize their part in a greater vision.
36. Begin each day with a 5 to 10 minute meeting just at starting time. People will be focused, set in the right direction and can get right to work.
37. Practice the golden rule in business: Do unto others the way you would have them do unto you. Fairness will then be in your business.
38. Practice the platinum rule in interpersonal relationships. It is “Do unto others, the way they want to be done unto.” They will be more apt to stay comfortable when interacting with us when we are able to do things their preferred way.
39. Get others to commit to deadlines by asking, “When can you have that for me?”
40. Nail down commitment by asking, “Do I have your word that you will have that for me then?”
41. If you are unable to reach agreement or get a commitment from another person in a meeting, agree to disagree, but summarize your understanding in a confirming memo.
42. Giving people recognition generates energy within them. They will then direct that energy toward increased productivity.
43. Tap the potential of those working for you by giving them opportunities to think things through for themselves instead of just telling them how to do something.
44. Admit it when you do not know the answer to a question posed by a staff member. Then challenge the staff person to research and decide what the best answer is. It will help this person grow.
45. When you were away and some of your people did an exceptional job, call them at home in the evening when you find out and personally thank them for what they did instead of waiting until the next time you see them.
46. If you know that a person will respond angrily to a particular comment, avoid bringing it up. It is nonproductive and bad for the relationship. In other words, “never kick a skunk.”
47. When you appreciate what someone has done, let them know and put it in writing. This can then be added to their personnel file.

48. Have an opinion survey done to determine how people view the organization. That way you can catch any problems while they are still small.
49. When asking someone to do something, let them know what is in it for them and the organization. Do not focus just on what is in it for the organization and yourself.
50. The boss is the strongest model the employees have. Be a positive model as people are watching to see how you behave. They will reflect this in their own behavior. Lead by example.
51. Be a member of the 4 F club with others. Be seen as Fair, Firm, Friendly and having Foresight.
52. Do not help others unless they need and ask for help.
53. Encourage your people to come up with new ideas and ways to do things. Give them credit and recognition for the idea.
54. If a new idea won't work, at least praise the effort of the person so they will come up with future ideas.
55. Once a month meet with each staff member to catch any problems or concerns the person may have as soon as possible before they become a crisis.
56. Be the kind of a person that others want to help out and work for.
57. Be flexible and do whatever it takes to get the job done. Remember it is results that count, not activities.
58. Generally speaking, getting something done perfectly is usually not as important as getting it done. Perfection has a high cost and it may not be worth it.
59. When giving or receiving information, don't hurry. Take the time needed to truly understand. It prevents future problems and misunderstandings.
60. Never criticize an employee in front of others. Have all discussions of a corrective nature in private.
61. Hire people with specific skills and interests that match what the organization needs to have accomplished. The better the match, the better the productivity and the more motivated the person.
62. Treat people as people – not things.
63. Flaring in anger will drive others away. If not physically at least mentally.
64. Have regular performance review and goal setting sessions with each of your employees at least every three months.
65. Have regular “development discussions” with each of your people in which you discuss only how the individual may grow personally and how you and the organization may be able to support them in doing this.

Additional reading

66. Low morale in workers may be an indication of the boss only talking about negative things or what's wrong. Be sure to balance negative comments with more frequent positive comments.
67. Let your people know you are there to help them not to harass them.
68. Telling people what you plan to do, and when, can be a catalyst for getting objections and input which you might not otherwise receive.
69. Instead of saying to another, "What can I do for you?" ask them "What can you do for me on this project?"
70. Do not hold back from discussing the need to improve performance with one of your people.
71. Encourage others to develop their plan of action and give you a detailed explanation.
72. Encourage individuals to compete against themselves to achieve more. Let it be a personal challenge to become better as an individual – not competing with others but self.
73. Check the ratio of positive comments to negative comments that you make to your people. Purposely make more positive comments.
74. Demand accountability.
75. Do things for others. They will be more willing to do things for you.
76. Consider using time off as a reward for getting things done ahead of time.
77. Set up an orientation training program for all new employees. It will help them learn their way around as well as teach them where things are kept and why.
78. Stay informed of subordinates' needs and interests. Projects can be more effectively designed and rotated when you are well informed.
79. If individuals need some encouragement in taking action, ask them, "What if..." questions to help them see what choices of action are available.
80. Let people know that you know they can do it.
81. Ask questions creatively so the action to be taken is suggested by the person who is to take it.
82. Set up incentives that reward desired performance.
83. Ask others for their estimate of how long it will take to do a project. When possible, agree and hold them accountable for that goal.
84. Before an employee leaves on vacation agree on a "must do" list of activities to be completed.
85. Do not be quick to judge others. Learn to listen carefully before coming to conclusions.
86. Consider sharing ideas and responsibility with others rather than just getting someone to do it for you or just doing it yourself.
87. Inspire others to new levels of achievement by using positive encouraging feedback and ideas.

88. Don't just ask someone who is busy to get things done for you; look for the busy person who is getting results. This is a doer, not simply a busy wheel spinner.
89. Believe in the good of people.
90. Do not be a "baby sitter" of others, constantly taking care of them and telling them what to do. Challenge them and help them learn to think and do things for themselves.
91. Consider an incentive plan to reward productivity gains.
92. Don't do what you can get someone else to do by simply asking.
93. Clearly communicate who you want to do what, by when and at what cost. Then identify who needs to know about it and when they are to be informed.
94. For people you relate to regularly, keep a list of things you need to talk to the person about. Then when you meet with or call them, you can review all the items that have accumulated on your list.
95. Recognize you are not the only one who can do a job right. Trust others to do things for you.
96. Organize, deputize, supervise.
97. Keep a list of birthdays, marriage and work anniversaries and other special dates. Provide recognition to your people on each of these dates. Mark your calendar prior to the actual date so you have time to prepare for it.
98. Don't worry about who gets the credit for completing a project. Focus on the task to be accomplished and do it.
99. When credit is given to you for completion of a project, be sure to give it to all who were involved. This will nurture the relationships and provide motivation to support you in the future.
100. Be sincerely interested in the people working for and with you.

4. CREDIT CARDS

Many problems associated with credit can be avoided through the use of credit cards. In many businesses, particularly in the retail and consumer service fields, credit arrangements for customers are available through the use of these cards. Under these plans, there is little or no commitment of the business' own capital, and the costs and risks of administration and collection are almost entirely the responsibility of the credit card company or bank.

Credit card service is available from your regular commercial bank. Receipts from bank credit card purchases can be deposited daily and are immediately credited to your checking account. The bank assumes all credit risks provided that you follow instructions for approval of credit card purchases (often automatic with point of sale card swipers and online merchant accounts).

Credit card services are particularly vital for businesses with a large number of relatively small accounts. They eliminate the need for credit approval, in-

voice preparation, record maintenance, and collections. They also minimize your commitment of capital and virtually eliminate the risk of un-collectible accounts. From a marketing standpoint, the availability of instant credit could often encourage a customer to buy immediately, rather than postpone the decision to a later date or bypass it completely.

Credit cards are most often used for retail accounts. However, they have also been used successfully in selling to small commercial accounts. Businesses such as repair shops, supply firms, and stationery stores, which have a mixture of consumer and commercial accounts, often find it convenient and economical to extend credit card service to small commercial accounts.

5 THE MARKETING PROCESS

The marketing process consists of four elements: strategic marketing analysis, marketing-mix planning, marketing implementation, and marketing control.

Strategic marketing analysis

Market segments. The aim of marketing in profit-oriented organizations is to meet needs profitably. Companies must therefore first define which needs—and whose needs—they can satisfy. For example, the personal transportation market consists of people who put different values on an automobile's cost, speed, safety, status, and styling. No single automobile can satisfy all these needs in a superior fashion; compromises have to be made. Furthermore, some individuals may wish to meet their personal transportation needs with something other than an automobile, such as a motorcycle, a bicycle, or a bus or other form of public transportation. Because of such variables, an automobile company must identify the different preference groups, or segments, of customers and decide which group(s) they can target profitably.

Positioning. A key step in marketing strategy, known as positioning, involves creating and communicating a message that clearly establishes the company or brand in relation to competitors. Thus, Volvo Aktiebolaget (Sweden) has positioned its automobile as the “safest,” and Daimler-Benz AG (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 any one offering can excel 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 experiences with the company's product or through word of mouth.

Marketing-mix planning. 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 four compo-

nents—product, price, place, promotion—that fulfills the strategy for the targeted set of customer needs.

Place. Place, or where the product is made available, is the third element of the marketing mix and is most commonly referred to as distribution. When a product moves along its path from producer to consumer, it is said to be following a channel of distribution. For example, the channel of distribution for many food products includes food-processing plants, warehouses, wholesalers, and supermarkets. By using this channel, a food manufacturer makes its products easily accessible by ensuring that they are in stores that are frequented by those in the target market. In another example, a mutual funds organization makes its investment products available by enlisting the assistance of brokerage houses and banks, which in turn establish relationships with particular customers. However, each channel participant can handle only a certain number of products: space at supermarkets is limited, and investment brokers can keep abreast of only a limited number of mutual funds. Because of this, some marketers may decide to skip steps in the channel and instead market directly to buyers through direct mail, telemarketing, door-to-door selling, shopping via television (a growing trend in the late 20th century), or factory outlets.

Promotion. Promotion, the fourth marketing-mix element, consists of several methods of communicating with and influencing customers. The major tools are sales force, advertising, sales promotion, and public relations.

6. HOW TO CREATE A DOMAIN NAME?

Option 1

1. Go online to either InterNIC (www.internic.com) or a name registration service such as www.register.com and perform a name search to make sure the domain you want to establish is available.
2. After confirming the availability of your domain name, complete the online registration form to secure your name.

Option 2

1. You select an Internet Service Provider to host your website.
2. The service provider registers your company with the InterNIC -- the Internet's Network Information Center.
3. A unique domain name, of your choosing, is assigned to your business or organization. For example, *sun.com*, *indiana.edu*, *nasa.gov*, *neosoft.com*.
4. One or more IP network numbers are assigned to you. For example, 198.64.6. Internet zone tables are updated to include your domain name, the mapping between your domain name and network numbers, and to show that the route to your network is through your service provider.

What should it cost to have my own website?

Hosting fees will vary based on your individual need for space, download capacity, security and special programming requirements. In general, the monthly hosting fee for a basic web site account should cost between \$25 and \$50 a month.

Free Hosting Services

- There are a variety of places on the Internet that offer hosting at no charge. Before you decide to host your website with one of these services, be sure you understand the fine print of your hosting agreement. In general free hosting services are free because of the following:
- You will be required to place banner advertisements on either the top or bottom of each page of your website. In some cases you will be required to place banner advertisements on both the top and the bottom of your web pages.
- The activities of visitors to your website will be tracked via Cookies or other online software. Their activities on the Internet will be monitored and the data collected will be sold to marketing services.

About Modems And Telephone Lines

Telephone lines were designed to carry the human voice, not electronic data from a computer. Modems were invented to convert digital computer signals into a form that allows them to travel over the phone lines. Those are the scratchy sounds you hear from a modem's speaker. A modem on the other end of the line can understand it and convert the sounds back into digital information that the computer can understand. By the way, the word modem stands for **MO**dulator/**DE**Modulator.

Buying and using a modem used to be relatively easy. Not too long ago, almost all modems transferred data at a rate of 2400 Bps (bits per second). Today, modems not only run faster, they are also loaded with features like error control and data compression. So, in addition to converting and interpreting signals, modems also act like traffic cops, monitoring and regulating the flow of information. That way, one computer doesn't send information until the receiving computer is ready for it. Each of these features, modulation, error control, and data compression, requires a separate kind of protocol and that's what some of those terms you see like **V.32**, **V.32bis**, **V.42bis** and **MNP5** refer to.

If your computer didn't come with an internal modem, consider buying an external one, because it is much easier to install and operate. For example, when your modem gets stuck (not an unusual occurrence), you need to turn it off and on to get it working properly. With an internal modem, that means restarting your computer -- a waste of time. With an external modem it's as easy as flipping a switch.

6. How to create a domain name?

A modem's speed is measured in **bits per second (bps)**. A 14.4 modem sends data at 14,400 bits per second. A 28.8 modem is twice as fast, sending and receiving data at a rate of up to 28,800 bits per second.

Many things can interfere with the speed of a file transfer. These can range from excessive line noise on the telephone line, the speed of the web server from which you are downloading files, the number of other people trying to access the same file and the overall traffic on the Internet.

Until the end of 1995, the conventional wisdom was that 28.8 Kbps was about the fastest speed you could squeeze out of a regular copper telephone line. Today, you can buy a modem capable of a data transmission up to 56 Kbps. The key question for you is knowing what speed modems your Internet service provider (ISP) has. If your ISP has only 28.8 Kbps modems on its end of the line, you could have the fastest modem in the world, and only be able to connect at 28.8 Kbps. Before you invest in a 56 Kbps modem, make sure your ISP supports them.

APPENDIX

FREQUENTLY USED BUSINESS ABBREVIATIONS

A

- A1** первый класс, первоклассный
- AA** (Advertising Association) рекламная ассоциация
- AAA** первоклассные ценные бумаги (условное обозначение)
- aar** (against all risks) против всех рисков (в страховании)
- AC** 1. (average costs) средние издержки. 2. (account current) текущий банковский счет (в Англии), открытый счет (в США). 3. (assistant cashier) помощник кассира
- a/c** или **ACC** (account) счет
- ace** 1. (acceptance) акцепт, тратта. 2. (accepted) принятый. 3. (accidental) случайный
- ACE** (active corps of executives) корпус действующих должностных лиц
- AD** (aggregate demand) совокупный спрос
- ad** 1. (advertisement) рекламное объявление. 2. (administration) администрация. 3. (advice) извещение, авизо
- a/d** (after date) от сего числа
- ADP** (automatic data processing) автоматическая обработка данных
- adt** (advertisement) рекламное объявление
- Adv.** (advance) кредит
- AFC** (average fixed costs) средние постоянные издержки
- AFL** (American Federation of Labor) Американская федерация труда (АФТ)
- AGM** (annual general meeting) ежегодное общее собрание акционеров
- agt** (agreement) соглашение, договор
- AMA** (American Management Association) Американская ассоциация по совершенствованию методов управления
- AMEX** (American Stock Exchange) Американская фондовая биржа
- amt** (amount) сумма, количество
- A. O.** (account of) за счет кого-л.
- AOB** (any other business) "Разное" в повестке дня
- APC** (average propensity to consume) средняя доля потребления в доходе
- APR** (annual percentage rate) процентная ставка в годовом исчислении
- APS** (average propensity to save) средняя доля сбережений в доходе
- APT** (Automatic Programming Tool) система автоматического программирования, АПТ (США)
- AR** 1. (average revenue) средний доход. 2. (annual returns) отчетные данные, итоги за год
- ARR** (accounting rate of return) расчетная норма прибыли
- arrgt** (arrangement) соглашение, договоренность
- AS** (aggregate supply) совокупное предложение
- a/s** (after sight) после предъявления
- a.s.a.p.** (as soon as possible) как можно быстрее, срочно

AVC (average variable costs) средние переменные издержки
AW (airway) авиалиния
A/W (actual weight) фактическая масса

B

b/d (barrels per day) баррелей в день
BIS (Bank for International Settlements) Банк международных расчетов
bal (balance) баланс, сальдо
b.b. 1. (bank book) банковская книжка. 2. (bear bonds) предъявительские облигации. 3. (bill book) вексельная книга
bn (billion) миллиард
БОР (balance of payments) платежный баланс
BOT (balance of trade) торговый баланс
BP 1. (bill of parcels) фактура, накладная. 2. (bills payable) векселя к уплате
Br. 1. (branch) отрасль, отделение, 2. (British) британский
Bu (bureau) бюро, отдел, управление
bus (business) бизнес, дело, предпринимательство

C

C (costs consumption) потребительские расходы
c.a. или **C/A** (current account) текущий счет
CA 1. (chartered accountant) дипломированный бухгалтер, ревизор. 2. (Consumers' Association) ассоциация потребителей. 3. (chief accountant) главный бухгалтер
CAD 1. (cash against documents) наличные против документов. 2. (computer-aided design) автоматизированное проектирование
CAF (cost, assurance and freight) стоимость, страхование и фрахт

c.a.f. (cost and freight) стоимость и фрахт
CAM (computer-aided manufacturing) автоматизированное производство
CAR (compound annual return) сложные поступления за год
CAT (computer-assisted trading) автоматизированная система торговли
C.B.D. (cash before delivery) оплата наличными до доставки товара
c.b.d. (central business district) центральный деловой район
cc (copies) копии (надпись на письме)
CCA (current-cost-accounting) учет текущей стоимости
C.D. (cash discount) скидка при сделке за наличные
C/D (certificate of deposit) депозитный сертификат
CEO (*Amer.* chief executive officer) президент; управляющий высшего ранга
СЕТ (Common External Tariff) Единый внешний тариф
CGT (capital-gains tax) налог на реализованный прирост рыночной стоимости капитала
С. Н. 1. (clearing house) расчетная палата. 2. (custom house) таможня
CHIPS (Clearing House Inter-Bank Payments System) Система межбанковских электронных клиринговых расчетов ("Чипс")
cia (cash in advance) оплата наличными вперед, аванс
c.i.f. (cost, insurance, freight) стоимость, страхование, фрахт
CMV (current market value) текущая рыночная стоимость
CNAR (compound net annual rate) сложная чистая годовая ставка
c/o (care of) на адресе письма лицу, которое живет там временно

Co (company) компания
CO (cash order) приказ об оплате наличными
COD или **C.O.D.** (cash on delivery) оплата наличными в момент поставки, наложенный платеж
COLA (cost-of-living-adjustment) поправка на рост стоимости жизни, надбавка на дороговизну
COMEX (Commodity Exchange) Нью-Йоркская товарная биржа
cont. или **cont'd** (continued) продолжение следует
corp(n) (corporation) корпорация
C. P. (carriage paid) провоз оплачен
CPAF (cost-plus-award-fee) оплата издержек производства плюс периодические премии
c.p.d. (charterers pay dues) пошлины подлежат оплате фрахтователем
CPFF (cost-plus-fixed-fee) оплата издержек плюс твердая прибыль
CPI (consumer price index) индекс потребительских цен
CPM (critical-path method) метод критического пути
CPP (current purchasing power) текущая покупательная способность
c.r. (current rate) текущая ставка; курс дня, существующий тариф
CRC (cost-reimbursement contract) контракт с возмещением издержек
CS (capital stock) акция, акции, акционерный капитал
CV (convertible) обратимый, конвертируемый
C.W.O., **c.w.o.** (cash with order) наличный расчет при выдаче заказа

D

D (demand) спрос
D/A 1. (documents against acceptance) документы против акцепта. 2. (deposit account) депозитный счет. 3. (documents attached) документы прилагаются

DAF (delivery at frontier) поставка (товара) на границе
DBA, **d.b.a.** (doing business as...) действующий как...
DBMS (database management system) система управления базами данных
dc (direct costs) прямые издержки
DCF (discounted cash flow) дисконтированные будущие наличные поступления
det (document) документ
dd. 1. (dated) датированный. 2. (delivered) доставленный
DC (demand curve) кривая спроса
dept или **dep** (department) отдел, министерство
DI (disposable income) наличный / располагаемый доход
D.M. (decision maker) лицо, принимающее решение
DMU (decision-making unit) хозяйственная единица с правом принятия решений
DOC (direct operating cost(s)) прямые эксплуатационные расходы
DP (data processing) обработка данных
D/P 1. (documents against presentation) документы против предъявления. 2. (documents against payment) документы против оплаты
DPI (disposable personal income) располагаемый личный доход
DPS (data processing system) система обработки данных
DS (directing staff) руководящий персонал
DSR (debt service ratio) коэффициент обслуживания долга

E

E & OE (errors and omissions excepted) ошибки и пропуски исключены (надпись на бланках счетов-фактур)

EBB (extra best best) самого высшего качества

EBIT (earnings before interest and taxes) доходы до вычета процентов и налогов

EDD (estimated delivery date) предполагаемая дата поставки

EDP (electronic data processing) электронная обработка данных

Е.Е. или **е.е.** (errors excepted) исключая ошибки

EGM (Extraordinary general meeting) чрезвычайное / внеочередное общее собрание

emb. (embargo) эмбарго, запрещение

enc или **encl.** (enclosure) вложение, приложение (на письме, содержащем документ)

е.о.д. (every other day) раз в два дня, через день

Е.Р.Д. (excess profits duty) налог на сверхприбыль

EPIC (electronic price information computer) компьютерная система ценовой информации

EPOS (electronic point of sale) электронный пункт продажи

eps (earnings per share) прибыль компании в расчете на одну акцию

Е. Р. Т. (excess profits tax) налог на сверхприбыль

ERM (Exchange Rate Mechanism) Механизм валютных курсов

ESOP (employee share-ownership plan) план приобретения акций служащими компании

ETF (electronic transfer of funds) электронная система платежей

F

faa (free of all average) свободно от всякой аварии

Fac (facsimile) факсимиле, факс

fas (free alongside ship) франке вдоль борта судна

FC (Fixed cost) фиксированные издержки

FIFO (first in, first out) первым прибыл – первым обслужен / обслуживание в порядке поступления

FMCG (fast-moving consumer goods) потребительские товары постоянного спроса

FMS (flexible manufacturing system) гибкая производственная система

FTC (Federal Trade Commission) Федеральная торговая комиссия

FOB (free on board) франко-борт

FOQ (free on quay) франко-набережная

FOR (free on rail) франко-вагон

f.o.t. (free of tax) освобожденный от обложения налогом

Four Ps (product, place, promotion and price) четыре составных части маркетинга

FP (fixed price) фиксированная цена

f.p. (fully paid) полностью оплаченный

FPA (free of particular average) свободный от частной аварии

f.v. (folio verso *Лат.*) на обороте листа

F.W. (Full Weight) общая масса

G

GATT (General Agreement on Tariffs and Trade) Общее соглашение о тарифах и торговле

GDP (gross domestic product) валовой внутренний продукт (ВВП)

GNI (gross national income) валовой национальный доход

GNP (gross national product) валовой национальный продукт (ВНП)

G.O. (general office) главная контора

GP (general purpose) общего назначения

GS (government stocks) государственные бумаги

GSS (Government Statistical Service) Правительственная статистическая служба

GW или **g.w.** (gross weight) масса брутто

Н

hon sec (honorary secretary) почетный секретарь

HP (hire purchase) покупка в рассрочку

HRIS (human resources information system) информационная система по трудовым ресурсам

I

I (investments) инвестиции

IBRD (International Bank for Reconstruction and Development) Международный банк реконструкции и развития

ICC (International Chamber of Commerce) Международная торговая палата

ICCH (International Commodities Clearing House) Международная товарная клиринговая палата

IDA (International Development Association) Международная ассоциация развития

IDC (industrial development certificate) сертификат/разрешение на промышленное строительство

II (investors in industry) инвесторы в промышленность

I/L (import license) лицензия на импорт

IMF (International Monetary Fund) Международный валютный фонд

Inc, inc (incorporated) акционерный

IOU (I owe you) я вам должен, в начале расписки

IPO (initial public offering) первый выпуск акций

IRA Individual retirement account (*амер.*) персональный пенсионный счет

IRR (internal rate return) внутренняя ставка дохода

M

MS (money supply) предложение денег

M.T. (mail transfer) перевод по почте

MU (monetary unit) денежная единица

M.U. или **MU** (marginal utility) предельная / маргинальная полезность

m.v. (market value) рыночная стоимость

N

n (net) нетто, чистый вес

NAV (net asset value) стоимость чистых активов

NB (new bonds) новые облигации / закладные

NBV (net book value) первоначальная стоимость капитального актива

NC (no charge) без оплаты

N/C (numerical control) цифровое программное управление

N.C.I. (no common interest) без обычных процентов

NCT (National Chamber of Trade) Национальная торговая палата

NCV (no commercial value) не имеет коммерческой ценности

N.D. или **n.d.** (no date) без даты

NDP (net domestic product) чистый внутренний продукт

n/e (not exceeding) не превышающий, не более, максимум

NE (net export) чистый экспорт

N.F. или **n/f** (no funds) "без покрытия"

N.I. или **NI** (national income) национальный доход

NIP (normal investment practice) нормальная инвестиционная практика

NL (no liability) без всякой ответственности
n/n (non-negotiable) без права передачи (о документе)
NNI (net national income) чистый национальный доход
NNP (net national product) чистый национальный продукт
NOC (Notice of completion) уведомление об окончании работ
NOD (Notice of dispatch) уведомление об отгрузке
NOR или **N/R** (Notice of readiness) уведомление о готовности к отправке
NP (national product) национальный продукт
n.p.1. (notes payable) векселя к оплате.
2. (net proceeds) чистый доход
n/p (nonpayment) неуплата
NPD (new product development) разработка нового продукта
npv (no par value) без номинала
NPV (net present value) чистая текущая стоимость
NRV (net realizable value) чистая цена реализации
N.S.F. (not sufficient funds) не обеспечено денежным покрытием
NTB (non-tariff barrier) нетарифный барьер
NT.WT (Net weight) вес нетто
N.V (nominal value) номинальная стоимость
NYSE (New York Stock Exchange) Нью-Йоркская фондовая биржа

О

O/a 1. (Old account) старый счет.
2. (on account) в счет причитающейся суммы. **3.** (outstanding account) неоплаченный счет
O/A (open account) открытый счет
ОАА (old-age assistance) пособие престарелым
ОАР (old-age pension) пенсия по старости

о/с (overcharge) завышенная цена; завышенный расход
O.D. или **O/D** или **o/d** (on demand) по требованию
OD (overdraft) превышение кредита
OGP (original gross premium) первоначальная валовая премия
о/h (overhead) накладные расходы
OMS (output per manshift) выработка за человеко-смену
ОPEC (Organization of Petroleum Exporting Countries) Организация стран – экспортеров нефти, ОПЕК
O.R. (owner's risk) на риск владельца
orgn (organization) организация
O/S или **o/s** 1. (on sale) в продаже.
2. (out of stock) распродано.
3. (outstanding) неуплаченный, просроченный

OT или **o/t** (old terms) прежние условия
OTC market (over-the counter market) внебиржевой рынок ценных бумаг

Р

P. A., p.a или **P/A** 1. (private account) счет частного лица или фирмы. **2.** (per annum) за год.
3. (particular average) частная авария. **4.** (power of attorney) доверенность
РА (personal assistant) личный секретарь-референт
РАВХ (private automatic branch exchange) частная автоматическая телефонная станция с выходом в общую сеть
PAC 1. (planning advisory committee) плановый консультативный комитет. **2.** (planning, analysis and controll) планирование, анализ и контроль. **3.** (put and call) опцион “пут” и “кол”

- Пас, p.a.c.** или **P. a.C** (put and call) двойной опцион, стеллажная сделка
- part.** (participant / participating) участник / принимающий участие
- PAS** (Production Advisory Service) производственно-консультативная служба
- PAYE** (pay-as-you-earn) уплата налогов при получении заработанных денег
- P. B** (passbook) банковская расчетная книжка
- PC** 1. (paid cash) уплачено наличными. 2. (private contract) частное соглашение / договор. 3. (personal computer) персональный компьютер
- p.c.** 1. (per centum – *лат.*) процент. 2. (partly cash) часть платежа производится наличными. 3. (petty cash) мелкие деньги, разменная монета
- P. C.** 1. (particular charges) особые расходы. 2. (pay card) карточка на выплату зарплаты, расчетный лист
- p/c** (priced catalogue) прейскурант
- PCE** (personal consumption expenditures) затраты на личное потребление
- pchs** (purchase) покупка, закупка
- PD** (pickup and delivery) вывоз и доставка
- p.d.** (per day) на день, в день
- PDE** (producer durable equipment) капитальное оборудование с длительным сроком службы
- PDR** или **P/D ratio** (price-dividend ratio) отношение цены акции к доходу по ней
- PE** (planned expenditure) планируемые расходы
- P. E.** (permissible error) допустимая ошибка
- P/E** (price / earnings) отношение цены к прибыли на акцию
- PEP** (personal equity plan) личный план инвестирования
- Per an.** или **per ann.** (per annum – *лат.*) в год, ежегодно
- Per cap.** (per capita – *лат.*) на душу населения, на человека
- per pro(c)** (per procurationem – *лат.*) по доверенности
- pf(d)** (preferred) привилегированный (об акциях)
- PFU** (prepared for use) готовый к употреблению
- PI** (personal income) личный доход
- PIN** (personal identification number) личный идентификационный номер (кредитной или наличной карточки)
- P & L a/c** (profit-and-loss account) счет прибылей и убытков
- P.L.** или **P/L** (profit and loss) прибыль и убыток
- PLC** (public limited company) публичная / открытая компания с ограниченной ответственностью
- pmh** (production per man-hour) производительность за человеко-час
- P.O.** (Payment Order) платежное поручение
- P.O.D.** (pay on delivery) наложенный платеж, наложенным платежом
- POS** (point of sale) торговая точка
- P.P.** 1. (postage paid) почтовые расходы оплачены. 2. (purchase price) покупная цена
- P/p** (partial pay) частичная оплата
- PPD** или **ppd** (prepaid) предоплаченный
- P.-P.F** (Production-possibility frontier) граница производственных возможностей
- PPI** (producer price index) индекс цен производителей
- PPP** (purchasing power parity) паритет покупательной способности

PR (public relations) связи фирмы с отдельными лицами, организациями, общественностью
PRO (public relations officer) сотрудник по связям с общественностью
prox. (proximo – *лат.*) в следующем (месяце, году)
PRT (petroleum revenue tax) налог с дохода от продажи нефти
P/S или **P.S.** (public sale) аукцион
PTN (public telephone network) государственная телефонная сеть
Pty (proprietary company) частная компания с ограниченной ответственностью

Q

Q (quarter) четверть, квартал
Q или **q**. (quantity) количество
QARAM (Quality, Reliability Assurance and Maintainability) гарантия качества, надежности и ремонтнопригодности
QP (quality products) качественные продукты
Q.w.Q (quantity with quality) количество и качество

R

RA (repurchase agreement) соглашение об обратном выкупе
r. & a (rail and air) перевозки по железной дороге и воздуху
R & D (Research and development) научные исследования и опытно-конструкторские разработки
r & o (rail and ocean) перевозки по железной дороге и морем
R.E. (real estate) недвижимое имущество
R.M.D. (ready money down) уплата наличными немедленно
ROA (return on assets) доход на активы
ROC (return on capital) прибыль на капитал

ROE (return on equity) доход на долю собственников / на акционерный капитал
R. of E. (rate of exchange) валютный / обменный курс
ROI (return on investment) прибыль на инвестированный капитал
RP (repurchase agreement) соглашение о покупке ценных бумаг с последующим выкупом.
R.P. (retail price) розничная цена
RPI (Retail Price Index) индекс розничных цен
RPM (resale price maintenance) поддержание розничной цены
RRP (recommended retail price) рекомендуемая розничная цена

S

S.A. (savings account) срочный счет
S and h.e. (Sundays and Holidays excepted) исключая воскресенья и праздничные дня
SB (savings bond) сберегательная облигация
S.B. 1. (savings bank) сберегательный банк. 2. (short bill) краткосрочный вексель
SBU (strategic business unit) стратегическое подразделение
SE (shareholders' equity) акционерный капитал
SEAF (Stock Exchange Automatic Exchange Facility) система автоматической покупки и продажи ценных бумаг
SEAQ (Stock Exchange Automatic Quotation System) электронная система биржевых котировок
sec (secretary) секретарь
sees (securities) ценные бумаги
S/N (Shipping note) уведомление об отгрузке
S.P. 1. (starting price) начальная / отправная цена. 2. (stop of payment) приостановка платежей
s.p. (selling price) продажная цена

SQC (statistical quality control) статистический контроль качества

S.R. (short rate) краткосрочная процентная ставка

SWIFT (Society for Worldwide Interbank Financial Telecommunications) Международная межбанковская электронная система платежей, СВИФТ

Т

T. A. (transferable account) переводной счет

t. & d. (time and date) время и число

TB (Treasury bill) казначейский вексель

TC 1. (total cost) общая стоимость, общие издержки. 2. (traveller's check) дорожный чек

TD или T/D (time deposit) срочный депозит

TE 1. (tax exempt) освобожденный от налога. 2. (trade expenses) торговые расходы

TFO (total Fixed outlay) общие постоянные издержки

T.M. (trademark) торговый знак, фабричная марка

TMO (telegraphic money order) телеграфное платежное поручение

TO (total outlay) общие издержки

TOC (total ordering cost) общая стоимость выполнения заказа

TP (total profit) общая прибыль

TPC (total purchasing cost) общие затраты на приобретение

TPI (tax and price index) индекс налогов и цен

TPPC (total package procurement contract) комплексный всеобъемлющий контракт

TR (total revenue) совокупный доход

trans (transaction) сделка, операция

TRC (total resource cost) общие издержки ресурса

Tr.Co. (trust company) траст-компания

TT (telegraphic transfer) телеграфный перевод

TU или **T.U.** 1. (trade(s) union) тред-юнион, профсоюз. 2. (total utility) общая полезность

T.U.C. (Trades Union Congress) Конгресс тред-юнионов

T.W. (total weight) общая масса

U

UCC (uniform commercial code) единый коммерческий кодекс

UNO (United Nations organization) Организация Объединенных Наций, ООН

USM (unlisted securities market) рынок не котируемых ценных бумаг

USP (unique selling proposition) уникальное качество

u.t. (usual terms) обычные условия

u.u.r. (under usual reserve) с обычной оговоркой

V

vac. (vacation) отпуск

VAT или **V.A.T** (value-added tax) налог на добавленную стоимость

VC 1. (valuable cargo) ценный груз, 2. (variable cost) переменные издержки

V.C. (vice-chairman) вице-председатель

VIMC (vertically integrated marketing channel) вертикально интегрированный маркетинговый канал

VIP (very important person) очень важная персона

W

WA (with average) включая частную аварию

W.C. или **w/c** (without charge) без оплаты / накладных расходов

Frequently used business abbreviations

w.g. (weight guaranteed) гарантированная масса
whs (warehouse) (товарный) склад
WI (when issued) после выпуска (ценной бумаги)
WIP (work in progress) незавершенное производство
wkly (weekly) еженедельно
W/M (without margin) без оплаты разницы
W.P.A. или **w.p.a.** (with particular average) включая частную аварию
WPI (wholesale price index) индекс оптовых цен
W/R (warehouse receipt) товарная квитанция / расписка
W/W (warehouse warrant) складской warrant

X

X. (exclusive) исключая, без
X (extension) после телефонного номера
X. C (ex coupon) без купона
XD или **X-d** (ex dividend) без дивиденда
X.I или **x.i** (ex interest) без начисления процентов

Y

Y. (year) год
YLD (yield) доходность
Y.O. (yearly output) годовой объем производства
YOB (year of birth) год рождения
YOD (year of death) год смерти

TRANSPORT AND DELIVERY TERMS IN CONTRACTS

Incoterms 2000

ICC International Chamber of Commerce (Международная торговая палата, MTII) recommends that “Incoterms 2000” be referred to specifically whenever the terms are used, together with a location. For example, the term “Delivered at Frontier” (DAF) should always be accompanied by a reference to an exact place and the frontier to which delivery is to be made.

Here are three examples of correct use of Incoterms:

FCA Kuala Lumpur Incoterms 2000

FOB Liverpool Incoterms 2000

DDU Frankfurt Schmidt GmbH Warehouse 4 Incoterms 2000

EXW EX WORKS (... named place) “Ex works” means the seller's only responsibility is to make the goods available at the seller's premises, i.e., the works or factory. The seller is not responsible for loading the goods on the vehicle provided by the buyer unless otherwise agreed. The buyer bears the full costs and risk involved in bringing the goods from there to the desired destination. Ex works represents the minimum obligation of the seller.

FCA FREE CARRIER (... named place) This term has been designed to meet the requirements of multimodal transport, such as container or roll-on, roll-off traffic by trailers and ferries. It is based on the same name principle as F.O.B. (free on board), except the seller fulfills its obligations when the goods are delivered to the custody of the carrier at the named place. If no precise place can be named at the time of the contract of sale, the parties should refer to the place where the carrier should take the goods into its charge. The risk of loss or damage to the goods is transferred from seller to buyer at that time and not at the ship's rail. The term “carrier” means any person by whom or in whose name a contract of carriage by road, rail, air, sea, or a combination of modes has been made. When a seller has been furnished a bill of lading, way bill or carrier's receipt, the seller duly fulfills its obligation by presenting such a document issued by a carrier.

FAS FREE ALONGSIDE SHIP (... named port of shipment) “F.A.S.” or “free alongside ship” requires the seller to deliver the goods alongside the ship on the quay. From that point on, the buyer bears all costs and risks of loss and damage to the goods. Unlike F.O.B., F.A.S. requires the buyer to clear the goods for export and pay the cost of loading the goods.

FOB FREE ON BOARD (... named port of shipment) Under “F.O.B.” or “free on board,” the goods are placed on board the ship by the seller at a port of shipment named in the sales agreement. The risk of loss of or damage to the goods is transferred to the buyer when the goods pass the ship's rail (i.e., off the dock and placed on the ship). The seller pays the cost of loading the goods.

CFR COST AND FREIGHT (... named port of destination) “CFR” requires the seller to pay the costs and freight necessary to bring the goods to the named destination, but the risk of loss or damage to the goods, as well as any cost

increases, are transferred from the seller to the buyer when the goods pass the ship's rail in the port of shipment. Insurance is the buyer's responsibility.

- CIF COST, INSURANCE AND FREIGHT** (... named port of destination) "CIF" is CFR, with the additional requirement that the seller procure transport insurance against the risk of loss or damage to goods. The seller must contract with the insurer and pay the insurance premium. Insurance is generally more important in international shipping than domestic shipping, because U.S. laws generally hold a common carrier to be liable for lost or damaged goods.
- CPT CARRIAGE PAID TO** (... named place of destination) This term means the seller pays the freight for the carriage of the goods to the named destination. The risk of loss or damage to the goods and any cost increases transfers from the seller to the buyer when the goods have been delivered to the custody of the first carrier, and not at the ship's rail. Accordingly, "freight/carriage paid to" can be used for all modes of transportation, including container or roll-on roll-off traffic by trailers and ferries. When the seller is required to furnish a bill of lading, way bill, or carrier receipt, the seller duly fulfills its obligation by presenting such a document issued by the person contracted with for carriage to the main destination.
- CIP CARRIAGE AND INSURANCE PAID TO** (... named place of destination) This term is the same as "freight/carriage paid to (CPT)" but with the additional requirement that the seller has to procure transport insurance against the risk of loss or damage to the goods during the carriage. The seller contracts with the insurer and pays the insurance premium.
- DAF DELIVERED AT FRONTIER** (... named place) "Delivered at frontier" means that the seller's obligations are fulfilled when the goods have arrived at the frontier but before the customs border of the country named in the sales contract. The term is primarily used when goods are carried by rail or truck. The seller bears the full cost and risk in delivering the goods up to this point, but the buyer must arrange and pay for the goods to clear customs.
- DES DELIVERED EX SHIP** (... named port of destination) Means the seller shall make the goods available to the buyer on board the ship at the place named in the sales contract. The seller bears the full cost and risk involved in bringing the goods there. The cost of unloading the goods and any customs duties must be paid by the buyer.
- DEQ DELIVERED EX QUAY** (... named port of destination) Means the seller has agreed to make the goods available to the buyer on the quay or the wharf at the place named in the sales contract. The seller bears the full cost and risks in delivering the goods to that point including unloading.
- DDU DELIVERED DUTY UNPAID** (... named place of destination) Under these terms, the seller fulfills his obligation to deliver when the goods have been available to the buyer uncleared for import at the point or place of the named destination. The seller bears all costs and risks involved in bringing the goods to the point or place of named destination. There is no obligation for import clearance.
- DDP DELIVERED DUTY PAID** (... named place of destination) represents the seller's maximum obligation. The term "DDP." is generally followed by words indicating the buyer's premises. It notes that the seller bears all risks and all

costs until the goods are delivered. This term can be used irrespective of the mode of transport. If the parties wish to make clear that the seller is not responsible for certain costs, additional word should be added (for example, “delivered duty paid exclusive of VAT and/or taxes”).

INTERNET VOCABULARY

AGENT SOFTWARE An application, macro or applet (прикладная программа, запускаемая при каждом обращении к Web-странице, в исходный текст которой она встроена) that acts on behalf of someone to automate certain tasks, usually difficult or repetitive. For example, an email agent might sort email according to the identity of the senders.

ARCHIE A system for locating files that are publicly available by anonymous FTP.

BANNER LINK Advertiser or sponsor's ad banner on WebPages. Usually a link to their homepage.

BOOKMARKS A list of URLs maintained by browser software as a set of “bookmarks” to aid in navigating the Web without having to type in long addresses.

BROWSER A software program, which reads HTML and allows you to view documents on the Web. Netscape Navigator currently has approximately a 70% share of the browser market and Internet Explorer has around a 10% share.

CGI SCRIPT Common Gateway Interface, an application programming interface (API) for writing scripts that perform functions on the Web so that the same script code may run on any type of computer.

CLICKSTREAM The audit trail of a Web surfer's choices in navigating a site or sites. A key Web marketing demographic.

CLICKTHROUGH Act of clicking on a link that takes you to another website. Commonly used to refer to clicking on Web advertisement or banner link and going to advertiser's website.

CYBER COMMUNITY A community that exists only online, which has as its basis certain characteristics or common interests, strong enough to motivate its members to behave similarly in response to relevant information.

CYBER MALL Or electronic mall, a set of online storefronts providing a cyberspace where multiple organization's sites are hosted, with varying degrees of community or commonality.

CYBERSPACE Euphemism for the online community; whether the Internet or Web or a commercial online service such as America Online or Compuserve.

DOMAIN NAME The word address of a Webserver, usually ending with a 3-character extension such as .com, .gov, .edu, .net, org.

DOWNLOAD To transfer files from one computer to another.

DNS DOMAIN NAME SYS A mechanism used in the Internet for translating names of host computers into addresses. The DNS also allows host computers not directly on the Internet to have registered names in the same style.

EMAIL The abbreviation for *electronic mail*

EMAIL ADDRESS Composed of two parts, user name and domain name, separated by “@” sign: (e.g., “UserName@DomainName”)

- FAQ** Frequently Asked Questions: A list of questions with their answers. Most mailing lists and all network newsgroups provide FAQ postings on a regular basis.
- FORM** An electronic form filled out by a visitor, in which the questionnaire is automated and the answers are stored, usually in a database.
- FTP** File Transfer Protocol: The Internet standard high-level protocol for transferring files from one computer to another.
- GIF** Graphics Interchange Format The standard graphics file format of the Web, recognized by all browser software. Originally developed for CompuServe in the late 1980s. Pronounced either with soft g as in jiffy or hard g as in gift.
- GOPHER** A menu-based system for exploring Internet resources.
- HOME PAGE** A page or series of pages of information stored on the Web.
- HIT** Act of downloading a file from Web server. Often misused term as a “hit” does not represent a single visitor to a web site. For example, viewing a page with five images, would be recorded by the web server as six “hits” (the html file plus five image files)
- HTML** Hyper Text Markup Language: the computer language used to code information on the Web.
- HTTP** Denotes Web page, by telling your computer to read this file through “hyper text transfer protocol.”
- HTTPS** Secure HTTP, utilizes encryption to transmit a secure message or transaction. Requires encryption enabled Browser.
- IMAGE MAP** A Web image in which individual bits are “mapped” to their respective positions, enabling variable mouse-driven control by clicking on different areas of the image.
- INTERACTIVE** Two-way communications of an ongoing nature; increasingly, users of the Web will raise the bar on “interactive” until it is synonymous with live interaction with a person, rather than time- shifting interaction with data, as in most e-mail. Newsgroups, Bulletin Boards, Chats are considered interactive.
- INTERNET PROTOCOL (IP) ADDRESS** An assigned number, which identifies a host in an Internet. It has three parts: network number, optional subnet number, and host number.
- IP** Internet Protocol: The network layer protocol for the Internet.
- IRC** Internet Relay Chat, the Internet's live chat area for online conferencing.
- ISDN** Integrated Services Digital Network. ISDN lines transmit voice and data in digital format. This means this type of phone line is much faster than a regular phone line, carrying large amounts of data. It requires special equipment and costs more than a regular phone line.
- JPEG** A standard graphics file format on the Web and in electronic publishing; an alternative to GIF files.
- KNOWBOT** An experimental information-retrieval tool; a “knowledge robot” or “robot librarian.”
- LAN** Local Area Network: A network that takes advantage of the proximity of computers to offer relatively efficient, higher speed communications rather than long-haul or wide-area networks.
- LINK** The connection between two information objects, or, two Web sites.

- LISTSERV** One of the three main list server programs that automate mailing lists on the Net (others are listproc and majordomo). Listservs are used for distributing email to groups of people concurrently.
- MODEM** A piece of equipment that connects a computer to a data transmission line (typically a telephone line).
- PPP** Point-to-Point Protocol: provides a method for transmitting datagrams over serial point-to-point links.
- PAGE** A single page or series of pages containing information, a/k/a “homepage” or “webpage”
- PLUG-IN** A helper application which enables your browser to view more sophisticated web pages (e.g., Shockwave, Java) including animation, audio and video
- POINTCASTING** A term used to describe the unique ability of online marketing to address an “audience of one,” yet on a mass scale. Refers to the ability to custom-market products and services on an individualized basis.
- POST** To place or publish a message or file to a newsgroup or Web site.
- PROTOCOL** A formal description of message formats and the rules two computers must follow to exchange those messages.
- REGISTRATION** The act of requiring people visiting a site or page to fill out an interactive form and disclose their identity and some background about themselves, which may then be tracked to learn of their interests, habits and demographics.
- SEARCH ENGINE** Since the Internet is so big and grows so rapidly, maintaining a directory is impossible. Search engines are databases of Web addresses and page contents, which allow you to search for information on a specific topic, nearly always at no charge.
- SERVER** A computer that shares its resources, such as printers and files, with other computers on the network. An example of this is a Network Files System (NFS) Server, which shares its disk space with a workstation that does not have a disk drive of its own.
- SERVICE PROVIDER** A commercial vendor that sells connections to the Internet, and usually, related services, to organizations seeking a Net presence.
- SLIP** Serial Line Internet Protocol: SLIP is currently a de facto standard, commonly used for point-to-point serial connections running TCP/IP.
- SPAM** A verb; to “spam” is to post unwanted advertising notices or messages in any area of the Web or newsgroup where they are unwelcome. This is a sure way to get flamed.
- SPONSOR** As in traditional advertising, a business that pays for space and/or time or access, in consideration for some intangible communications benefit. Most Web advertising today is sponsor-style, obviating the need to levy “subscription” charges for most content. This model may change soon.
- SMTP** Simple Mail Transfer Protocol: The Internet standard protocol for transferring electronic mail messages from one computer to another.
- TCP/IP** Transmission Control Protocol/Internet Protocol: This is a common shorthand which refers to the suite of application and transport protocols which run over IP. These include FTP, Telnet, SMTP, and UDP (a transport layer protocol).

- TELNET** The Internet standard protocol for remote terminal connection service. Telnet allows a user at one site to interact with a remote timesharing system at another site as if the user's terminal was connected directly to the remote computer.
- UNIX** An operating system developed by Bell Laboratories that supports multi-user and multitasking operations.
- URL** Uniform Resource Locator: a Web address
- WAIS** Wide Area Information Server: An Internet service for looking up specific information in Internet databases.
- WAN** Wide Area Network.
- WEBMASTER** The principal author, publisher and/or developer at a given Web site.
- WEB PAGE** A page or series of pages of information stored on the Web.
- WEBSERVER** A server (computer) configured to provide information on the Web. May also be used to refer to the software applications running on the server, making this an ambiguous term.
- WEBSITE** Any address on the Web where information is stored. Multiple Websites may co-exist on a single Webserver.
- WINSOCK** A communications software program running TCP/IP, allowing you to connect to the Web. A winsock connection must be established and maintained in order for your browser to work.
- WWW** World Wide Web: a subset of the Internet, where information is coded into HTML, allowing you to view it "all dressed up" through a browser, permitting colors, graphics, animation, audio, video, and point-and-click ease of use.

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