

EKONOMICKÁ ANGLIČTINA

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1. Economic Systems

Each society throughout history has had to solve the fundamental problem of scarce resources and unlimited human wants. This can be expressed in the following questions:

1. What (and how much) to produce?
2. How to produce it?
3. For whom to produce?

Depending on the way a society uses as the basis for its economy, four economic systems can be identified:

1. traditional economy;
2. trade economy;
3. command (centrally planned) economy;
4. mixed economy.

A **traditional economy** is a historical system used in Neolithic Civilisation based on agriculture. The exchange of goods, if any, was on the basis of bartering, i.e. mutual exchange of goods. It was, and is, an underdeveloped economic system which, when change occurs, develops into one of the following currently used systems.

A **market economy** is based on free enterprises which produce goods for customers and attempt to make as much profit as possible. They rely on two forces which dominate the free market, supply and demand and competition. The law of supply and demand balances the amount and prices of consumer goods whilst competition makes businesses and individuals stretch their abilities to their fullest extent and create a successful economy.

A **command economy** in contrast is a centrally controlled system where the economy aims to fulfil plans prepared by governments. More attention is paid to industrial goods than consumer ones. This system was actively utilised in socialist countries in Central and East Europe during 20th century.

A **mixed economy** is widely used in most developed countries where the scale of government activities can significantly differ. Governments often prepare a legal framework for a market economy, provide systems of social security, redistribute income in the form of various allowances and benefits, eliminate some negative effects through regulation or taxation and provide public goods and services such as schools, hospitals, roads, etc.

All the economic systems work to fulfill unlimited people's wants on one side and to use scarce resources on the other side. From this aspect, economics is defined as a study of choice and scarcity.

Human needs are defined as material items which people need to survive (food, clothing, shelter) while wants are the items people would like to have (special clothes, jewellery, entertainment). All the economic activities aim to fulfil these wants so they are said to be the driving force behind the demand for goods and services.

Human needs and wants can be divided in different ways. The simplest division is basic (food and clothing), cultural (books, theatres, education, etc.) and luxury (car, jewellery, luxury

house, etc.).

Other ways of dividing human needs and wants:

- individual and social
- material and immaterial
- essential and non-essential
- biological and cultural
- present and future.

Grammar:

-nouns, adjectives, adverbs

Vocabulary:

- a) need of – potřeba čeho
- b) market economy – tržní hospodářství
- c) profit – zisk
- d) demand – poptávka
- e) supply – nabídka
- f) competition – konkurence, soutěž
- g) consumer goods – spotřební zboží
- h) command economy – plánované hospodářství
- i) industrial goods – průmyslové zboží
- j) driving force – hybná síla

1. Fill in prepositions into the following expressions.

Impactthe environment
Interest economic issues
Dependence export
Success home trade
Attentiondetails
Advicehow to prepare meetings

2. Translate the collocations into English.

Ekonomické informace -
Dobré znalosti -
Odborné zkušenosti -
Úspěšná hospodářství -
Základní lidské potřeby -
Rozvojové země -
Nejnovější zprávy -

3. Complete the sentences with the correct form of adjective in the brackets.

Japan ranks among the(developed) countries in the world.

The(high) education you have the(good) position you can start at.

People are much(aware) of the environmental issues than they used to be.

Our sales are not as(high) as we expected them to be.

It is(hard) and(hard) to penetrate into foreign markets.

4. Form the correct adverbs from the adjectives in the brackets and complete the sentences.

This textbook belongs to recommended ones. (high)

His business appears to bebankruptcy. (near)

Car industry issupported by the government. (strong)

He always explains things(complicated)

Czech textile factories cancompete with Chinese manufacturers. (hard)

The following article was written by Sarah Wang and is taken from the BBC website www.bbc.co.uk/news

The article is relevant to Semester III, Section 1, Economic Systems and Theory of Needs

The question that is asked is:

What does China's new five-year plan address?

China's latest five-year plan for 2011 to 2015 seeks to achieve a more balanced approach to growth and development, focusing attention on the environment, livelihoods and what officials call "administrative reforms".

The FYP is a key element in central planning. Copied originally from the Soviet system, it is an overarching strategy that shapes the nation's economic and social development.

It determines the allocation of resources among different sectors and industries, and sets rules for redistribution.

The Chinese policy-makers decided to replace the word "plan" with "guideline" in the previous five-year plan (2006 to 2010), to "reflect the transition from a centrally planned economy to a socialist market economy".

Replacing the word "plan", however, did not change the fact that it is still a model based on the political system of one-party rule.

It is still a state development programme initiated, formulated, implemented and managed by the government.

The latest FYP identifies environmental protection and energy conservation as major investment priorities backed up by specific targets for non-fossil fuel consumption.

The Environment Minister said that the pursuit of rapid growth led to severe pollution and excessive demand for resources, two factors which in turn have become obstacles to further economic and social development.

The 12th FYP also seeks ways to expand domestic consumption as a key part of the structural economic adjustment required to achieve more balanced growth.

Observers are saying that all this points towards a more mature market economy and a more

clearly defined, significantly reduced role of the state in the economy.

Questions:

1. What does FYP stand for?
2. From what system was central planning copied?
3. China's economy is in a transitional period. To what type of economy is it moving?
4. Which two areas are stated as major investment priorities?
5. Rapid growth has led to two factors creating obstacles to economic and social development. Which two factors are they?
6. What is the key to China's structural economic adjustment?

Answers:

1. Five-Year Plan
2. The Soviet system
3. Socialist market economy
4. Environmental protection/energy conservation
5. Severe pollution/excessive demand for resources
6. Expanding domestic consumption

2. National Economy

National economy (NE) is characterised as all the activities related to the production, distribution and consumption of goods and services within a country. The activities highly depend on natural resources (occurrence, stage of development, renewability, ...), national wealth (factories, railways, roads,...), structure of the population (age, health, employment,...) and political and economical systems. All companies, citizens as well as the state are engaged in these activities.

The structure of NE can be depicted by sectors, economic decision-makers, factors that affect performance of national economies and economic indicators.

Various ways are used for dividing a national economy into **sectors**. The division into four sectors based on the phases in the production chain is commonly used.

The primary sector includes production of raw materials and basic food – agriculture, forestry, grazing, farming, hunting, fishing and mining.

The secondary sector produces goods – manufacturing, processing and construction.

The tertiary sector deals with services to the general population and businesses – retail and wholesale, transportation, distribution, restaurants, media, tourism, insurance, banks, healthcare and law.

The quaternary sector involves intellectual activities – scientific research, education and IT.

Some even suggest a quinary sector as a sector of the highest decision-makers.

From the aspect of ownership, sectors can be divided into public sector, owned and managed by government agencies, e.g. national defence, public transportation and social security services, private sector concerned with profit-making activities, and voluntary sector.

Based on profitability, sectors are profit-making and non-profit.

Each economy is vitally dependent on **economic decision-makers** / agents / economic actors:

Households which demand goods and services and supply land, labour and capital;

Companies / enterprises / firms which provide goods and services;

Government / state establishes the rules, produces public goods, distributes income;

Foreign countries.

Land, labour and capital are referred to as **factors of production** in national economies.

Land, or natural resources, is used for farming and building. It also covers energy resources, non-energy resources such as copper, iron, etc., and the physical environment – air, sun, water.

Labour represents all human time spent in production. It is the most significant input in developed economies.

Capital can be in the form of material goods, means of production, money or equities used for producing a higher amount of capital.

Sometimes know-how is addressed as the fourth factor of production.

Time is a specific phenomenon which should be considered as a specific factor of production. It affects all human activities and therefore the whole national economy.

Economic measures:

GDP (gross domestic product) is the total market value of all final goods and services within a country during one year.

NI (national income) which represents all income in the country (wages, profits, interest, rents and pensions) expressed as the total net value of goods and services produced there.

Grammar:

-irregular verbs, verb tenses-present, past, present perfect.

Vocabulary:

- a) production, manufacturing – výroba
- b) distribution – rozdělování
- c) consumption – spotřeba
- d) decision-maker – ten, kdo činí rozhodnutí (představenstvo, valná hromada, výkonný ředitel, manažer ...)
- e) performance – výkon
- f) ownership – vlastnictví
- g) profitability – ziskovost
- h) household – domácnost
- i) labour – pracovní síla
- j) income – příjem, důchod
- k) GDP – HDP

1. Complete the table with the correct verb forms.

| Czech equivalent | Infinitive | Past simple | Past participle |
|------------------|------------|-------------|-----------------|
| | | | |
| | know | | |
| | | understood | |
| | | | read |
| | | wrote | |
| | buy | | |
| | | drew | |
| | | | felt |
| | | spoke | |
| | | | seen |
| | bring | | |

2. Ask questions about the underlined words. Use the verb tense of the statement.

There are several sectors in national economy.

.....
Companies provide people with goods.

.....
Our firm did not make any profit last year.

.....
I have always thought of being a sole trader.

.....
They are installing posters in the exhibition hall.
.....

3. Complete the sentences with the correct verb form, past simple or present perfect.

The share of primary sector in GDP since 1980s. (fall)

The company many applications for that position up to now.
(not, receive)

The costs per square meter significantly last year. (rise)

Jones, Ltd. salaries to rescue this year profit. (cut)

He equipment from producers at special price in December. (buy)

4. Use present simple or progressive in the sentences.

Ithe situation very well now. (understand)

The bosshis subordinates every Monday morning. (meet)

Theycosts of the new product these days. (calculate)

I don't like him: healwaysof everything. (complain)

At this moment the CEOa speech at the meeting. (make)

The following article was written by Rebecca Marston for the BBC and is taken from their website
www.bbc.co.uk/news

The article is relevant to Semester III, Section 2, Economic cycle/National economic subjects/Industrial Sectors

Japan earthquake: The impact on industrial sectors so far

Japanese manufacturing company shares were down sharply as many plants were closed.

The Japanese earthquake and tsunami have led to sharp reactions in both leading share and commodity prices on world markets as companies and investors attempt to position themselves to avoid major losses and gain a share in the proceeds of businesses that might benefit from changes in demand.

The country supplies up to a fifth of the world's electronics components and has significant motor and steel industries, production of which has been interrupted.

Japan, the world's third biggest economy and third biggest importer of oil, is likely to want

less in the short term as factories are shut and economic output declines. However, with 11 of the country's 54 nuclear power stations out of action, Japan is expected to import more liquefied natural gas (LNG) which in turn will benefit manufacturers of self-contained gas and diesel generators.

Within the metals industry those producing copper and zinc will be the principal beneficiaries of a large-scale reconstruction programme. The steel industry is unlikely to see much of a change. Japan remains a steel exporter although production and shipping have been temporarily disrupted.

One of the hardest hit sectors is the insurance industry. Shares in major companies have fallen sharply as estimates of the cost of claims have emerged. However, the Japanese are traditionally less well covered by insurance policies and the cost to the insurance industry will be dwarfed by the total economic cost. The industry is therefore expected to rebound.

Even Japan's world-renowned car and electronics companies are suffering as production is halted or disrupted. Production at Toyota fell 7.9%, Honda 6.5%, Nissan 9.5%, Mitsubishi 11.8% and Isuzu 9.2% either because of power shortages or difficulties in contacting suppliers.

Questions:

1. The prices of what two things have reacted sharply on world markets?
2. What was the trigger for the sharp reaction?
3. The Japanese electronics components industry supplies how much of the world's needs?
4. The steel industry will be the principal beneficiary of a large-scale reconstruction programme. True or False?
5. For what reason has the insurance industry been hit one of the hardest?
6. What two reasons are given for the halt of or disruption to manufacturing production?

Answers:

1. Shares and commodities
2. Earthquake and tsunami
3. One fifth
4. False
5. Estimated cost of claims
6. Power shortages/difficulties in contacting suppliers

3. Economic Cycle, Unemployment

The economic cycle, or business cycle, is a combination of recessions and expansions, the decrease and increase in economic activities. With globalisation, the same periods of the cycle are often shared by more countries.

Each of the economic cycles are unique, they differ in their length, depth of the decline or strength of prosperity. In spite of this fact, there are two basic phases common to all business cycles, expansion and recession, with the peak as the upper turning point and the trough as the lower turning point of the model. In general, the cycle tends to follow the sine curve where the amplitude is the range between the peak and trough values.

Each phase of the cycle can be characterised by changing employment, industrial productivity and interest rates. The cycle usually lasts 2 – 10 years but sporadically, longer periods of the cycle are recorded.

The **peak** (or **boom**) of the business cycle can be depicted by

- low unemployment;
- high production – economy works at its maximum, all capital and labour resources are fully engaged in production;
- high interest rates;
- rising wages.

A period of **recession** follows with typical features such as

- output reduction;
- rising unemployment;
- falling interest rates
- corporate profits turn down
- business activity slows down

The recession continues until it reaches the **trough**, the bottom of the business cycle where:

- production is low;
- unemployment is high;
- interest rates are low.

After a short period in the trough, the economy starts growing again in a period of **expansion** (or recovery):

- corporate profits are positive;
- production grows;
- utilization of resources grows;
- interest rates are still low.

The above represents a simplified view of the economic cycle because an economy never really grows smoothly and often experiences temporary declines and troughs. Moreover,

business cycles are always associated with economic policies that have a significant effect on the economy.

Unemployment

Unemployment is one of the most significant factors connected to business cycles and its rate closely depends on the phase of the business cycle. The unemployment rate is usually expressed as the number of unemployed people compared to the total labour force.

Economic theory identifies three kinds of unemployment:

-frictional; results from permanent movement of people who move from one place to another, who want to change their jobs or who finish schools and search for their first jobs.

-structural; results from the imbalance between the supply and demand of labour force due to changes in the economy

-cyclical; depends on the phase of the economic cycle.

Unemployment affects people in two basic ways, economically as incomes decrease while output is lost and socially as it reduces the self-esteem of the unemployed and leads to the deterioration of both their psychological and physical health (alcohol intake, heart disease, suicide attempts).

Grammar:

-future, passive voice

Vocabulary:

- a) unemployment – nezaměstnanost
- b) wages – platy
- c) peak, boom – vysoká konjunktura
- d) recession, slowdown – pokles konjunktury
- e) trough, bottom – dno, nejnižší úroveň konjunkturálního cyklu
- f) expansion, recovery – vzestup, rozmach
- g) impact – vliv
- h) self-esteem – sebedůvěra
- i) deterioration – zhoršení
- j) unemployment rate – nezaměstnanost (v procentech)
- k) interest rate - úroková míra
- l) frictional unemployment – dočasná nezaměstnanost

1. Connect the sentences from part A to their descriptions in part B.

A.

- a) I am meeting my business partner tomorrow. (present progressive)
- b) His flight departs at 14.45. (present simple)
- c) They are going to discuss the new project. (going to)
- d) He will probably get stuck in the traffic congestion. (will)
- e) They will be trying to overcome all difficulties in the next few days. (future progressive)
- f) We will have finished working on the deal by the end of June. (future perfect simple)

g) In December he will have been working for our company for ten years. (future perfect progressive)

h) I am to go nowhere in the evening. (be + infinitive)

i) They are just about to launch their new product. (be about)

B.

a) prediction in the future

b) fixed future arrangement

c) duration before a precise point in the future

d) activities in progress in the future

e) action in the nearest future

f) official instruction

g) future plans and intentions

h) completed action before a precise point in the future

i) scheduled event

2. Complete the table with the forms of passive voice.

| | Present simple | Present progressive | Past simple | Present perfect s. | Future (will) |
|----------------|-----------------|---------------------|-------------|--------------------|---------------|
| Build (houses) | Houses are..... | | | | |
| Play (game) | | | | | |

3. Put the verbs into the correct form of passive.

More countries by the last crisis. (affect, past simple)

Each phase of the crisisby typical features. (characterise, present simple)

The consequences of the crisis with by national governments. (deal, present progressive)

National economiesby the crisis. (affect, future)

4. Write two passive sentences for each of the statements.

They gave their manager a small present.

.....
.....

They have handed me a form.

.....
.....

The following article was written by Sarah Rainsford and is taken from the BBC website www.bbc.co.uk/news
The article is relevant to Semester III/IV, Section 3, Business cycles and their phases/Unemployment

Spain's unemployed rush to fill jobs in Germany?

The telephones to the European employment service Eures have been jammed this week.

The calls are from unemployed Spaniards urgently seeking jobs - in Germany.

Eures' German branch has requested applications from Spanish engineers, medics, teachers and tourism professionals. Other skilled workers, who speak German, can also apply. The interest is huge.

Spain's economy is still struggling to emerge from recession. The collapse of the construction sector wiped out more than 2 million jobs and there is still little sign of recovery.

This week, unemployment touched a 13-year high with new figures showing 20.33% of the workforce unemployed.

In stark contrast with Spain, the German economy grew by 3.6% last year. Its unemployment rate ranks among the lowest in the EU. Germany now needs skilled workers to maintain that momentum, and Spaniards need work. So the two countries' employment agencies have teamed up.

Eures staff insist they have no concrete quotas yet, but they confirm this is the first mass recruitment of Spanish workers for Germany of its kind. Eures received 3,000 email applications for the scheme in three days: an early indication of the scale of the demand - and frustration - here.

The situation has sparked comparisons with the waves of mass emigration of the 1960s. Then, entire families from poorer, rural Spain left to staff the factories of northern Europe.

In 1965, 80,000 people emigrated and in 1969, 100,000 emigrated, mostly to Europe.

Since the economic crisis, the number of Spaniards seeking work abroad has surged. According to the recruitment agency Adecco, 110,000 people left the country in the two years from April 2008. Most were skilled males under 35.

During that period, the European employment agency Eures has seen a fourfold increase in calls. Most are from qualified, but unemployed workers hoping for better luck overseas, although such a move remains a last resort for many.

Questions:

7. What caused more than 2 million people in Spain to lose their jobs?
8. What is significant about the unemployment rate of 20.33%?
9. At what rate did the Germany economy grow?
10. In what terms is the scale of demand for the recruitment scheme indicated?
11. The majority of Spanish emigrants in the 1960s moved to where? And why?
12. The recruitment agency Adecco states that 110,000 people left the country in the two years from April 2008. Who made up the majority of those people?

Answers:

7. The collapse of the construction sector
8. 13-year high

9. 3.6%

10. 3,000 emails in three days

11. Northern Europe to staff factories

12. Skilled males

under

35

4. Legal Forms of Business in the Czech Republic

Business is a broad term that covers any commercial activities such as manufacturing, buying or selling. All companies running a business are required to have one of the legal forms as set out in the Commercial Code:

Capital companies can take on the form of either a Limited Liability Company or a Joint-Stock Company, while personal companies exist as a General Partnership, Limited Partnership, or Silent Partnership. In addition, there are some other forms such as Sole Proprietor or Cooperatives.

Sole Proprietor is the simplest form of organisation. One person owns and runs their business. They can employ other people but only the proprietor is responsible for all the debts should the business be unsuccessful, that is they have unlimited liability. To start their business, they need to possess a valid trade licence or other permission but no capital is required by the law.

Limited Liability Company is an organisation of 1 to 50 people with a minimum registered capital of CZK 200,000 where each member is required to contribute CZK 20,000. It is a legal entity in which all rights and obligations are stated in the Memorandum of Association. The company has to be registered with the Commercial Register. The company bodies are as follows: shareholders' meeting, the Supervisory Board, and Executives are the statutory body.

Joint-Stock Company can be established by an individual or a legal entity with a minimum capital of CZK 2 million. All rights and obligations are stated in the Memorandum and the Articles of Association. The company is required to be registered with the Commercial Register. The main bodies are: the General Meeting of shareholders, the Supervisory Board and the Board of Directors as the statutory body.

General Partnership (Unlimited Partnership) is a legal entity with unlimited liability. Two or more individuals or legal entities can set up the company. The company is required to be registered with the Commercial Register. Each partner is a statutory body of this company.

Limited partnership is a company consisting of at least one general partner with unlimited liability and one or more limited partners with limited liability. The minimum contribution of limited partners is CZK 5,000. The company is required to be registered with the Commercial Register.

Silent Partnership is established by written contract. It can be an individual or legal entity with limited liability.

Cooperatives are companies consisting of 5 individuals or 2 legal entities with a registered capital of at least CZK 5,000. It is a legal entity registered with the Commercial Register. Cooperatives are mostly established as production or consumers' ones.

Grammar:

-modal verbs

Vocabulary:

- a) legal forms of business – právní formy podnikání
- b) capital company – kapitálová společnost
- c) personal company - osobní společnost
- d) sole proprietor – podnikatel (fyzická osoba, OSVČ)
- e) unlimited liability – neomezené ručení
- f) trade licence – živnostenský list
- g) permission – povolení
- h) contribution – vklad
- i) statutory body – zákonodárný orgán
- j) supervisory board – dozorčí rada
- k) shareholders' meeting – valná hromada
- l) board of directors – představenstvo

1. Rewrite the sentences in the past and future tenses.

The profit and loss account must be finished immediately.

.....
.....

You mustn't smoke at the workplace.

.....
.....

Banks needn't send the account statements every month.

.....
.....

Sole traders can employ other people.

.....
.....

2. Put the sentences into the passive form.

I can pay him after he finishes his work.

We should meet the client's requirements.

Somebody might have shown them the new survey.

They must clean the offices after working hours.

3. Translate the following statements into English using modal verbs must, can't, may.

Určitě je v podnikání úspěšný.

Možná pojedu příští týden na služební cestu.

.....

Letos nemůžeme skončit v červených číslech.

.....

4. Use modals to ask people politely (not) to do things. Use three different forms.

Prepare a monthly statement for me.

Do not smoke here.

I want you to stay at work overtime.

The author of the following article is unknown. The text is taken from the website www.investopedia.com
The article is relevant to Semester III, Section 4, Legal corporate structures

The Basics Of Corporate Structure

Chief Executive Officers, Chief Finance Officers, Chief Operations Officers, presidents and vice presidents: what's the difference? With the changing corporate horizon, it has become increasingly difficult to keep track of what people do and where they stand on the corporate ladder. Should we be paying more attention to news relating to the CFO or the vice president? What exactly do they do?

Corporate governance is one of the main reasons that these terms exist. The evolution of public ownership has created a separation between ownership and management. Before the 20th century, many companies were small, family owned and family run. Today, many are large international conglomerates that trade publicly on one or many global exchanges.

In an attempt to create a corporation where stockholders' interests are looked after, many firms have implemented a two-tier corporate hierarchy. On the first tier is the board of governors or directors: these individuals are elected by the shareholders of the corporation. On the second tier is the upper management: these individuals are hired by the board of directors.

Elected by the shareholders, the board of directors is made up of two types of representatives. The first type involves individuals chosen from within the company. This can be a CEO, CFO, manager or any other person who works for the company on a daily basis. The other type of representative is chosen externally and is considered to be independent from the company. The role of the board is to monitor the managers of a corporation, acting as an advocate for stockholders. In essence, the board of directors tries to make sure that shareholders' interests are well served.

As the other tier of the company, the management team is directly responsible for the day-to-day operations (and profitability) of the company.

Together, management and the board of governors have the ultimate goal of maximizing

shareholder value.

Questions:

13. What does CFO stand for?
14. What is one of the main reasons for the existence of terms such as CEO, CFO and COO?
15. What do you understand under the term “public ownership”?
16. Which is the highest tier within a corporate hierarchy?
17. The Board of Directors is elected by whom?
18. The upper management are responsible for what?
19. What is the ultimate goal of both tiers within a corporate hierarchy?

Answers:

13. Chief Finance Officer
14. Corporate governance
15. Companies/corporations trade publicly on one or many global exchanges
16. Board of Directors
17. shareholders
18. The day-to-day operations
19. Maximising shareholder value

5. Banking Sector in the Czech Republic

The banking sector has changed much during the last twenty years both in the number of banks and the system as a whole. All banks operating in the Czech Republic form a two-tier banking system basically divided into a central bank and numerous commercial banks. While the central bank called the Czech National Bank is not intended to earn profit the other banks are mostly private companies established to make profit.

The Czech National Bank (CNB) with its headquarters in Prague serves both the government and the other banks. It ensures macroeconomic stability within the country through carrying out monetary policy, i.e. policy which affects the cost and availability of money and credit. This bank works as a “bank of banks” so it offers the same services for the other banks as those offer to the general public, e.g. it accepts deposits and makes loans. In addition, it issues currency and manages the circulation of currency.

Being a fiscal agent, the CNB provides financial services for the government and so enables it to deal with the amounts of money connected with taxation or selling bonds.

Within its monetary policy, the CNB safeguards the value of the national currency, that is it changes money supply in the country depending on the rate of inflation.

The CNB also supervises the capital market and deals with foreign exchange activities.

Commercial banks provide a wide range of services for individuals and companies. Unlike the CNB, their activities are aimed at making profit. They are responsible to the central bank. Commercial banks can be divided into two main groups, universal and specialised commercial banks.

Universal commercial banks offer most of the services banks are required to in general. They accept deposits and grant loans, they run customers’ accounts, ensure all payment and clearing operations, transfer money, offer services connected with exchanging foreign currency. The list of their activities usually contains some other services such as custody of valuables and important documents or collecting business information.

Specialised commercial banks are focused on specific activities such as savings, mortgages and others. Some of these banks are:

- Czech Export Bank which aims to support Czech exporters;
- Czech- Moravian Guarantee and Development Bank provides assistance to small and medium-sized enterprises;
- European Bank for Reconstruction and Development was founded to assist the transition of our economy in the 1990s.

The major activities of the banks for the general public consist of services connected with clients’ **deposits**. There are different deposits depending on how accessible they are for the clients.

Demand (sight) deposits range among the most common ones. Their advantage lies in their accessibility. They can be withdrawn without any notice or penalty.

Term (time) deposits have a fixed term, the money can only be withdrawn after the term while withdrawing before its maturity you pay a penalty.

Savings deposits belong to specific ones which are kept in a bank for a stated period of time so they cannot be used directly as money.

Currency are coins and banknotes used within a particular country (a medium of exchange).

Convertibility is the ease of exchanging one currency to gold or another currency.

Bank profit depends on its activities. In general, it is a surplus resulting from the difference between interests from deposits and loans and from selling bonds, and charging customers for bank services.

Grammar:

-numbers; relative clauses

Vocabulary:

- a) commercial bank – obchodní banka
- b) two-tier – dvoustupňový
- c) headquarters – hlavní sídlo
- d) be responsible to – být podřízený (komu)
- e) accept deposits – přijímat vklady
- f) grant loans – půjčovat
- g) custody – úschova
- h) savings – úspory
- i) mortgage – hypotéka
- j) penalty – pokuta
- k) maturity – splatnost
- l) currency – měna

1. Read the numbers and write them in words:

17.559 -

17,559 -

1990s -

8 Aug 2011-

3m x 4.5m -

\$ 5.45 -

0.5% -

2. Match the left and right columns.

An even number $8 \times 4 = 32$

A fraction 12

A multiplication $5x = 15$

An equation $15/4$

A five figure sum 25,482

3. Write the abbreviations in words.

30mph -
50kph -
70%pa -
60rpm -
10kg/sq cm -
6ft 5ins -

4. Insert *who*, *whom* or *which*.

The man I know very well
The situationyou could avoid
The manageris responsible for the financial department
The businessman aboutwe spoke yesterday
The businessyou can run

5. Decide if *who*, *which* or *whose* can be omitted in the sentences.

I can never forget about the holiday which we spent in Italy.
This morning we were speaking about her new job, which she likes very much.
I don't know which of them is the boss.
I saw Linda who teaches you English.
I cannot remember whose presentation was the best.

The following article was written by Robert Peston and is taken from the BBC website www.bbc.co.uk/news
The article is relevant to Semester IV, Section 5, Banking Sector

The hole in Ireland's banks is £21bn

The bank Anglo Irish has just announced losses of £16bn (18bn euros), equivalent to well over a third of all revenues received by the Irish government.

At the same time as this announcement the Central Bank of Ireland announced that total losses of four other banks - Allied Irish, Bank of Ireland, Irish Life and Permanent, and EBS - are expected to be £18bn (20bn euros) over the coming three years. If the Irish economy performs worse than expected, then these losses could rise to £25bn (28bn euros).

The banks are now being forced to shrink to a size that poses less risk to the Irish economy. They've been instructed to reduce the net loans on their balance sheets by £63bn (71bn euros) by the end of 2013 - or by an amount equivalent to half the value of the Irish economy.

This process, known as deleveraging, is expected to generate another £11bn (12bn euros) of losses for the quartet of Irish banks as certain loans and assets are bound to be sold or unwound for less than their face value.

The cause of these losses is the continued weakness of the Irish economy. When it comes to the housing market, latest figures, for the end of 2010, showed that 5.7% of all mortgage accounts were in arrears by more than 90 days, which represents a rise since 2009 of 56% in the number of borrowers finding it impossible to keep up the payments.

No surprise really. Unemployment in Ireland has been rising and stands at 14.7%. Wages have been under pressure, and the price of houses has been falling for four years.

If anything, the surprise is that regulators have not until now forced Irish banks to recognise their potential losses on lending to home-buyers.

Questions:

20. What does the abbreviation “bn” stand for?
21. To what are the losses of £16bn announced by Anglo Irish compared?
22. What is the implied value of half the Irish economy?
23. What do you understand under the term “deleveraging”?
24. What alternative word is used to refer to the “four banks”?
25. What percentage of mortgage accounts are in arrears?
26. What is the current level of unemployment in Ireland?

Answers:

20. Billion
21. To a third of all revenues received by the Irish government.
22. £63bn
23. The reduction of net loans on the balance sheets of banks
24. Quartet
25. 5.7%
26. 14.7%

6. Money

Money is a special kind of good. It does not meet any human needs and wants and therefore has no value itself. It gains its value when it is exchanged for goods which can satisfy people's needs. Historically, different things were used as money. This form of payment was difficult to carry out and so commodity money was replaced by money as we know it today. Each country has its own monetary system and currency. Historical trends in payments have resulted in the development of different forms of money (cash and cashless) including the Euro as a single European currency.

Throughout history money had different **forms**. Originally, when barter trade was common, so called commodity money was used. Different things served this function, e.g. cattle, metal, salt, shells, etc. These were replaced by cash money in the form of coins and banknotes. Current developments show an increasing tendency to use cashless money in the form of bank accounts or different cheques or cards.

Money has different **functions**.

It serves as a medium of exchange, that is all goods and services can be exchanged for money.

As a measure of value, money expresses the value of all goods and services and so the relative values can be compared.

Money serves as a standard of deferred payments so the goods or services can be bought now and paid later (debt).

Being a store of value means, that products can be sold in the future without losing their value. This function, however, can be performed by other assets, e.g. buildings, land, artwork.

Money plays an important role in the economies of countries. It is an important **tool** of financial stability within countries and the worldwide economy as well. It is closely connected to the quantity of goods in the economy and the inflation rate.

The Czech currency is the Czech Crown (**CZK**). For accounting purposes the currency is divided into 100 hellers, however these are not used anymore for cash payments.

The European currency is the **Euro** which is divided into 100 cents.

Grammar:

-word order; questions

Vocabulary:

- a) goods – zboží
- b) inherent value – vlastní hodnota

- c) cash – hotovost(ní)
- d) cashless – bezhotovostní
- e) tool – nástroj
- f) policy – politika
- g) deferred – odložený
- h) inflation rate – míra inflace
- i) currency – měna
- j) coin – mince
- k) (bank)note – bankovka
- l) accounting – účetní, účetnictví

1. Insert *always* into each of the sentences.

I am angry with him being late.

.....

This bank offers the best interest rate.

.....

Customers can bring the goods back if there is something wrong.

.....

Our boss didn't support us but now it is much better.

.....

2. Place the words in the correct word order.

Important / economies / plays / an / of / countries / role / all / in / money.

.....

Cash / can / made / all / cashless / in / payments / or / be.

.....

Range / services / usually / a / banks / of / offer / wide.

.....

Currencies / is / ease / exchanging / an / convertibility / of.

.....

3. Form yes/no questions. Add an auxiliary verb if necessary.

Joint-stock company can be established by an individual or legal entity.

.....

Each economic cycle is unique.

.....

This commercial bank provides customers with current accounts.

.....

The next few years will bring a lot of economic changes.

.....

The company has opened a new subsidiary in our town.

.....

The car industry recovered from red numbers last year.

.....

4. Formulate questions starting with the words given.

The unemployment rate is quite high in our country.

What (subject)

The car exhibition will be held in October.

When

You can get these goods at any supermarket.

Where

Market research represents an essential market activity.

What (object)

The CEO offered him a senior position.

Who (object).....

Who (subject).....

5. Translate the following questions into Czech. What's the difference between negative questions in Czech and English?

Are you not going to open a student account?

.....

Wasn't the last meeting long enough to discuss all stuff?

.....

Didn't you hear the telephone?

.....

The following article was written by Joseph Schuman and is taken from the AOL news website www.aolnews.com

The article is relevant to Semester IV, Section 6, Money

US Wants to Take Your Dollars and Replace Them With Coins

In the past 20 years, the General Accountability Office has issued four recommendations for the \$1 note to be removed from circulation and replaced by metal dollars. The switch would save all the money spent on replacing worn-out dollar bills. Dollar bills last longer than they used to and now have a life span of up to 40 months. However, coins have an average life span of 30 years.

The most recent study suggests that if a transition to dollar coins began this year, the annual net benefits derived from the cheaper production costs of coins and their greater durability would exceed the initial startup costs of minting more coins by the fifth year. It would save taxpayers an annual \$ 184 million, the equivalent of \$ 5.5 billion over 30 years.

Several surveys commissioned by the GAO suggest that the public is wary of giving up its George Washingtons, simply because it's what they know and because they are reluctant to carry around more coins.

In the most recent survey, a Gallup poll conducted in 2006, 79 percent of respondents opposed eliminating the \$1 note and replacing it with \$1 coins. Even when respondents were told the replacement would eventually save taxpayers a lot of money each year, the opposition was still at 64 percent.

The European Union, Australia, Japan and Russia, among others, have already dispensed with paper notes for their lowest denominations, and all have benefited financially.

In a report, the GAO told Congress that they "would have to lead rather than follow public opinion for a transition from the \$1 note to the \$1 coin to succeed."

This point has been reiterated by Canadian and U.K. officials who said that the only way to transition from note to coin is to stop producing the note. In the absence of an alternative to the note the public's resistance and dissatisfaction dissipate within a few years.

Questions:

27. What does GAO stand for?
28. What alternative word is used in the text for "note"?
29. What is the average life span of a coin?
30. What alternative word is used in the text for "switch"?
31. What annual savings could be achieved from the switch from notes to coins?
32. What is the alternative name for \$1 notes?
33. What is a poll?
34. What percentage of respondents is opposed to the switch to \$1 coins when they are made aware of how much it could save taxpayers?

Answers:

27. General Accountability Office
28. Bill
29. 30 years
30. Transition
31. \$ 184 million
32. George Washingtons
33. A survey
34. 64 percent

7. Payment System

Banks and other financial institutions provide a payment system to enable cash and cashless payments between economic subjects, individuals or entities within one country and/or related to foreign countries.

All payments can be made either in cash using banknotes and/or coins or cashless as a bank transfer.

Paying in **cash** means using a currency (notes and coins) or using bank and financial institution services. The payments there can be carried out by cheques, postal money orders or you can just credit or debit your bank account and get a cash deposit receipt or cash withdrawal receipt.

Cashless payments are mostly realised as bank transfers between accounts. The payment can be settled on the basis of

-**single payment order** - a customer instructs the bank to pay an amount of money to a beneficiary at the bank counter (personally) or through phone banking, GSM banking, internet banking or home banking;

-**standing order** – a customer instructs the bank to pay a set amount of money to a named beneficiary at regular time intervals;

-**bank direct debit** – a customer authorises money recipient / beneficiary to claim payments from their account and at the same time instructs the bank to allow the payment to be taken.

Payment cards represent a special form of payments as they can be used for cash transactions (ATM withdrawal) and/or cashless payments (bank transfer). There are various types of cards:

-**credit cards** which allow the holder to spend money and pay back later; it is a form of loan which is subject to interest;

-**debit cards** issued mostly against current accounts; the holder can spend the amount of money available on the account; in case of sound balance the holder is granted an overdraft;

-**pre-paid cards** are usually limited to a specific merchant, e.g. telecommunication company;

-**smart cards** contain various data and enable a wide range of operations in banking, healthcare, entertainment, and transportation.

Grammar:

-would, could, should, might; if-clauses

Vocabulary:

- a) payment system – platební styk
- b) payment – platba

- c) provide – poskytovat
- d) enable – umožnit
- e) (legal) entity – právnická osoba
- f) postal money order – poštovní poukázka
- g) credit an account – vložit/připsat peníze na účet
- h) debit an account – vybrat/převést peníze z účtu, připsat na vrub účtu
- i) deposit – vklad
- j) withdrawal – výběr
- k) receipt – doklad (o zaplacení, výběru, ...)
- l) beneficiary, recipient – příjemce peněz
- m) claim – vyžadovat
- n) standing order – trvalý příkaz
- o) direct debit – bezhotovostní platba (z účtu)
- p) payment order – příkaz k úhradě

1. Translate the sentences into Czech.

We should open an account with the Bank of England.

We should have opened an account with the Bank of England.

.....
.....

His company could succeed in the competition.

His company could have succeeded in the competition.

.....
.....

The new business park might open soon.

The new business park might have opened.

.....
.....

2. Complete the sentences using the future tense.

If the bank lowers the interest rates, more peoplemoney. (borrow)

I will save more money if I a higher salary. (have)

The bank will send monthly statements if peoplethem. (require)

If the selection criteria are transparent nobody the winner. (doubt)

3. Fill in *if* or *when* into the sentences.

The bank opens at 9 o'clock.it opens I will withdraw money from my account.

All colleagues know I have a day off tomorrow.anybody looks for me ask them to call again on Friday.

It's difficult to explain.you had practical knowledge you would understand it.

The offer should be sent today.nobody disturbs me I will prepare it within an hour.

4. Underline the correct words.

If the inflation *will go / goes / would go* up, there *is / will be / would be* pressure on salaries.

I wish I *will know / knew / know* him better.

If you listen / had listened / listened to the news, you *would know / will have known / knew* about it.

If nothing unexpected *happened / happens / will happen*, we will make / made / would make high profit this year.

The following article was written by Dan Whitworth for the BBC and is taken from their website www.bbc.co.uk/news

The article is relevant to Semester IV, Section 7, Payment methods

Near Field Technology is trialled for payment in shops ASSOCIATION

Thousands of shops across the UK are getting ready for a roll-out of a new technology which could allow shoppers to use their mobiles to buy things.

It's called Near Field Communication (NFC) technology and some of the biggest retailers on the high street think the idea could take off this summer.

One estimate suggests 40,000 businesses could be using it by the end of 2011.

Orange and MasterCard are jointly launching a NFC-ready handset between April and June while competitors Visa and O2 are doing the same later this summer.

During that time period shoppers can expect to see an increase in contactless pay points in many shops.

As NFC-enabled handsets become more common and more shops are able to accept payment using the system, the companies behind it hope it will become more mainstream.

Mobile phone operators and manufacturers, banks and retailers are all investing millions of pounds to make the technology a success.

As far as the operators are concerned the system will make shopping easier, quicker and more hassle free. However, critics of the scheme say they're worried that small businesses and shops in particular might lose out.

Trials of this system are already under way on a smaller scale with businesses like Pret A Manger, Boots, Tesco, McDonald's, Little Chef and National Trust.

Ultimately though shoppers will decide if the idea is going to be a success or not depending on whether they like the idea.

Questions:

1. What does NFC allow shoppers to do?
2. How many businesses are estimated to be using the NFC system by the end of 2011?
3. Which two mobile phone operators and credit card companies are launching NFC handsets in the summer?
4. Who do critics fear will lose out under the scheme?
5. What is underway at businesses like Pret A Manger, Boots, Tesco, McDonald's, Little Chef and National Trust?
6. Who will ultimately decide whether the scheme is a success or not?

Answers:

1. To buy things using their mobile phones
2. 40,000
3. Orange and Mastercard/O2 and Visa
4. Small businesses and shops
5. Small scale trials
6. shoppers

8. Labour and Wages

Labour can be defined from many different points of view as:

- one of the factors of production;
- a human activity carried out to earn money;
- all manual and intellectual activities used in production;
- a specific kind of good.

Labour can be bought and sold on the **labour market** which is where the demand for labour meets supply. Labour is offered by households – labourers sell their labour as a factor of production and ask wages for it while firms represent labour demand and offer wages.

All contracts of employment are governed by the **Labour Code**, a nationwide set of directions obligatory for both employers and employees. It governs such items as employment start, duration and end, time for work and leisure, wages and sick pay, working conditions and job disputes.

Employees' **pay** as a work reward has different forms. It can be based on payment by result which is called wage(s). A salary is pay dependent on working time, usually agreed as a monthly fixed remuneration. Teachers, doctors and officers are paid under this scheme. A bonus is remuneration for extra work, good results or higher profit share.

Employment **pay system** consists of

- basic rate scheme which is job-based, each job is described from the aspect of education and skills
- incentive scheme which includes bonuses, commissions on sales, profit share, etc.
- additional payments under the non-contributory pension scheme or fringe benefits such as cars, life insurance and/or sick pay.

Gross pay is made up by basic pay, incentive money and additional payments as mentioned above. **Net pay** is gross pay minus health insurance contributions, income tax and payments into the state pension scheme.

Nominal salary or wages is money income regardless of inflation and price changes, in other words, it is the amount of money received as a salary or business profit. **Real salary** or wages is monetary income in relation to inflation and price changes and represents the actual amount of money that can be spent.

All employees shall have a written statement of employment called a **Contract of Employment**. It includes some obligatory parts such as the job title, the place of work, the rate of pay (or reference to other documents, e.g. Collective Agreement), probationary period, working hours or whether the contract is fixed-term or open-ended. The contract can be changed upon agreement between both parties, i.e. employer and employee.

All the parts described above refer to employees and their remuneration while **entrepreneurs** depend on their economic results. Although their profits are not guaranteed the deductions for health and social insurance must be strictly adhered to.

Grammar:

-reported speech

Vocabulary:

- a) wage(s) – mzda
- b) salary – plat
- c) carry out – vykonávat
- d) earn money – vydělávat peníze
- e) labour market – trh práce
- f) labour code – zákoník práce
- g) employer – zaměstnavatel
- h) employee - zaměstnanec
- i) dispute – spor
- j) working hours – pracovní doba
- k) overtime – přesčas
- l) gross/net pay – hrubý/čistý plat
- m) incentive – motivace, motivační
- n) entrepreneur – podnikatel
- o) contract of employment – pracovní smlouva
- p) probationary period – zkušební doba

1. Finish the sentences using reported speech.

She works for a company near here. I don't know

.....

Does she study at university? I'd like to know

Where were they last night? I wonder

Switch on the light, please. I'd like you

Don't drink alcohol before you drive. She is always asking him.....

.....

2. Finish the sentences using reported speech.

I am very busy. He said

We will get home late. They said

I have lost my watch. She said

Was she at home? I asked

Where are they going? I didn't know

3. Rewrite these imperatives in reported speech.

Tell me about it. I asked her

Don't copy. She asked them

Be there on time. They asked him

4. Translate the sentences.

Did he know when his train was leaving?

.....

She told me she would go shopping later.

.....

Řekl, že je nemocný.

.....

Nebyla jsem si jistá, jestli to pochopili.

.....

The following article was written by Sean Coughlan and is taken from the BBC website www.bbc.co.uk/news
The article is relevant to Semester IV, Section 8, Salaries and Wages

The article asks the question:

What is a head teacher worth?

More than £200,000 for a head teacher? Is that shocking? Or is it the market rate?

Why should we assume that someone with such a responsible job should not be paid well?

After all, for £200,000 you could buy a week's worth of a premiership footballer.

What's more valuable? Looking after the well-being and education of hundreds of children?
Or should it be someone who generates big profits that help to pay for the school system?

Mary Bousted, head of the ATL teachers' union, says the key issue is about fairness and warns against importing a "bonus culture" which targets the rewards at the top.

In contrast the free market view on head teachers' pay is that there are not enough bonuses - and that pay could be much higher if that's what was needed to find the right people - it should be left to the laws of supply and demand.

Pay has become a political issue - particularly when public sector spending is under such pressure. It has produced a new unit of currency. The Cameron. The prime minister's pay packet of £142,500 per year has become a benchmark for salaries. In the words of the Education Secretary head teachers' pay in England should not exceed this level.

The "living wage" campaign has been highlighting the vast pay gap between head teachers' pay and those of their schools' contract cleaners.

A cleaner on the minimum wage of £5.80, working 40-hours a week, 52 weeks a year, would have to work more than 33 years to earn the pay of some head teachers.

The living wage campaigners see this as a moral issue, not simply a financial one.

Questions:

1. What is the key issue for Mary Bousted?
2. What do you understand under the term “free market”?
3. For what reason has pay become a political issue ?
4. Which currency has become a benchmark for head teachers’ pay?
5. “The Cameron” represents what level of pay?
6. At what level is the minimum wage set?
7. Do you understand the minimum wage to be per week or per hour?
8. How long would it take a cleaner to earn the pay of some head teachers?

Answers:

1. Fairness
2. Supply and demand
3. Public sector spending being under pressure
4. The Cameron
5. £142,500 per year
6. £5.80
7. per hour
8. 33 years

9. Marketing

Marketing is a series of activities which are aimed at both meeting customers' needs and making an appropriate profit in return. It covers market research, environment analysis, branding, distribution, sale stimulation, pricing and many other activities which are generally divided into inbound and outbound marketing, i.e. activities within a company and out of a company respectively.

Market research represents an essential activity of marketing. Only the firm which succeeds in finding the right customer for its product and offers them the right product at the right price in the right market and in the right way can survive.

As the market is very wide, market research is carried out in just a part, a market segment. A market segment is a homogenous sub-set of customers demanding similar products and services. Segmentation follows either demographics (age, gender, income) or geography (region, cities, countries).

The objective of such market research is to get proper information on products which the company sells as well as the competitive products. With regards to the competition this means mapping out which firms form the competition and what their marketing tools are. With regards to consumers this means finding out who they are, where, when and why they buy the products and why other people do not buy them, and prices of competitors products and their strategy.

Marketing strategy is a decision-making process leading to permanent positioning on the market. It outlines the way in which marketing tools are used to attract and satisfy the target market and achieve a firm's objectives. The basis of marketing strategy is formed by the so called STP, i.e. segmentation which leads to finding specific needs in the market, targeting which sets the needs that should be satisfied prior to the others, and positioning which aims to place an offer in the target market.

Different firms use different strategies, for example growth strategy the goal of which is to gain new markets, competitive strategy consisting of lower prices, higher quality and innovations, or market niche strategy focused on finding a niche in existing markets.

All marketing activities make use of the basic tools known as the **marketing mix**, i.e. product (assortment, quality, design, packaging, trade mark, warranty, service), price (costs, discounts, payment terms, credits), place (distribution channels, logistics) and promotion (ways of presenting a product to customers).

Product is not only the goods or services themselves but one of the basic components of a marketing plan. To form a working marketing strategy, products are categorised into three main groups. Convenience goods represent goods which people need very often and are not willing to invest any effort to get it (food, drinks, toiletries). Shopping goods are bought occasionally and consumers usually spend time choosing and buying them (cars, furniture). Specialty goods are those of specific interest (sewing machine).

Each product in the market goes through its life cycle, consisting of introduction, growth, maturity and decline in sales depending on time.

Price is affected by many factors such as manufacturing costs, quality of products, competition, market environment and distribution channels. Each company prepares its own pricing strategy taking in account the factors mentioned above together with its marketing goals and objectives. From this point of view there are different strategies that can be implemented. Economy strategy is based on low costs and prices to keep the product on a market. Penetration strategy consists of very low prices which help the product get to the market. Premium strategy results from uniqueness of a product which leads to its high price.

Place, or mostly described as distribution, refers to the system of getting a product from manufacturers to consumers. It is distributed in two basic ways, either directly from a manufacturer to a consumer or via intermediaries, e.g. wholesalers, retailers, agents or distributors. The system which uses intermediaries forms a chain generally called a distribution channel. Although there are distinct disadvantages to this system (higher costs and then prices, low control of product marketing), direct distribution is not widespread. Intermediaries provide both manufacturers and customers with benefits: better assortment of goods, improved efficiency, routinisation of transactions, easier to look for goods and customers, etc.

Promotion consists of a wide range of activities such as exhibitions, conferences, direct advertising, providing free gifts, money-off coupons, discount vouchers, competitions and loyalty cards all with the aim to attract demand of target customers. A basic rule used in marketing sales is represented by the acronym AIDA: Attention (to attract customers' attention), Interest (make customers interested in the product), Desire (persuade customers to consider buying the product) and Action (selling the product).

Grammar:

-word formation

Vocabulary:

- a) aim at – zaměřit (se) na
- b) market research – průzkum trhu
- c) market segmentation – členění trhu
- d) decision-making – rozhodovací
- e) positioning – umístění
- f) market niche - “díra” na trhu
- g) warranty – záruka
- h) discount – sleva
- i) promotion – propagace
- j) convenience goods – zboží denní potřeby
- k) costs – náklady
- l) intermediary – prostředník

- m) wholesaler – velkoobchodník
- n) retailer – maloobchodník
- o) advertising - reklama

1. Connect the adjectives below with appropriate negative prefixes.

(believable, mature, responsible, literal, friendly, curable, legal, rational, advantageous, patient, accurate, legible, regular, perfect, honest)

UN-

DIS-

IM-

IR-

IN-

IL-

2. Most of the following words are nouns and verbs (plant – rostlina, pěstovat).

Cross out those which are only a verb or a noun.

Look, cause, attempt, effect, return, open, work, wish, water, need, suggest, offer, answer, accept, emphasis, study, reply.

3. Add the suitable prefix to form a personal noun (science – scientist).

Serve -

Employ -

Address -

Read -

Guard -

Act -

Engine -

Library -

Drama -

Biology -

Fire -

Surgery -

4. Complete the table.

| VERB | ADJECTIVE | NOUN |
|-----------|-------------|-------------|
| analyse | | |
| | | change |
| | intent | |
| | | fascination |
| integrate | | |
| | sustainable | |
| | | tolerance |
| speculate | | |
| speed | | |
| | governing | |

| | | |
|-------|--|--|
| apply | | |
|-------|--|--|

5. Use the word in capitals to form a word which fits the blank space.

Command economy is a centrallysystem. (CONTROL)

National economy is divided into sectors from the aspect of phases inchain. (PRODUCE)

Companiesgoods and services to their customers. (PROVISION)

Silent partnership is established by acontract. (WRITE)

The advantage of demand deposits depends on their (ACCESSIBLE)

Market research represents an essential activity of (MARKET)

The following article was written by Wendy Smith for the Guardian newspaper and is taken from their website www.guardian.co.uk

The article is relevant to Semester V, Section 9, Marketing and its instruments

Junk your old ideas about that pile of mail

Love it or loathe it, bin it or open it, the average British household gets 12.8 items of unsolicited mail through its letter-box every month. There it is, sitting on your doormat winking at you with a tantalising handwritten script. The face cream waiting for you to try, financial services firms after your money, the charity eagerly seeking a donation - all will be carefully worded and temptingly designed to entice you to open up and shell out.

"Junk mail", as the sceptics call it, has its haters. Indeed the media has a field-day when it gets hold of stories about inappropriate items being sent to the wrong people or, even worse, to the deceased. Whatever the punter's opinions are, the advertisers use it because it works.

Response rates are surprising. Christian Aid, which won a Direct Marketing Association award for best campaign for fund raising, managed to raise £6m in pledges from a mailing campaign which cost just £28,700. To Christian Aid "junk mail" is anything but.

Direct marketing is not just about door drops, it takes in television (around 22% of all TV adverts carry telephone numbers), radio, adverts with coupons in the press, mail order, interactive electronic media and, lest we forget, the ever-growing list industry.

Just like their above-the-line counterparts in the advertising industry, there are the creatives, the account handlers and the media buyers. The structure is similar, with data people thrown in.

Direct marketing as an industry has been an impressive performer over the last decade. The amount spent on direct mail has trebled and it comes in a respectable third after press and television as the preferred place to put your promotional spend.

Techniques have quietly been gaining status and recognition for their effectiveness. The industry's strength is in its accountability. When the going gets tough, clients simply want to be able to measure the results.

Questions:

1. How many items of unsolicited mail does a British household receive on average per month?
2. What alternative term is used for unsolicited mail??
3. Which term is used to describe the £6m in pledges Christian Aid received for their campaign which cost just £28,700?
4. Give two other forms of direct marketing that are referred to in the text.
5. By how much has spending on direct mail increased over the last decade?
6. In what lies the industry's strength?

Answers:

1. 12.8
2. Junk mail
3. Response rate
4. television/radio/adverts with coupons in the press/mail order/ interactive electronic media/list industry
5. Trebled/by three times
6. Accountability

Key:



KEY 1.

1. Fill in prepositions into the following expressions.

Impact **on** the environment

Interest **in** economic issues

Dependence **on** export

Success **in** home trade

Attention **to** details

Advice **on** how to prepare meetings

2. Translate the collocations into English.

Ekonomické informace – **economic information**

Dobré znalosti – **good knowledge**

Odborné zkušenosti – **professional experience**

Úspěšná hospodářství – **successful economies**

Základní lidské potřeby – **basic human needs**

Rozvojové země – **developing countries**

Nejnovější zprávy – **latest news**

3. Complete the sentences with the correct form of adjective in brackets.

Japan ranks among the **most developed** countries in the world.

The **higher** education you have the **better** position you can start at.

People are much **more aware** of environmental issues than they used to be.

Our sales are not as **high** as we expected them to be.

It is **harder** and **harder** to penetrate into foreign markets.

4. Form the correct adverbs from the adjectives in the brackets and complete the sentences.

This textbook belongs to **highly** recommended ones.

His business appears to be **near** bankruptcy.

Car industry is **strongly** supported by the government.

He always explains things **in a complicated way**.

Czech textile factories can **hardly** compete with Chinese manufacturers.


KEY 2.
1. Complete the table with the correct verb forms.

| Czech equivalent | Infinitive | Past simple | Past participle |
|------------------|-------------------|----------------|-------------------|
| <u>vědět</u> | know | <u>knew</u> | <u>known</u> |
| <u>rozumět</u> | <u>understand</u> | understood | <u>understood</u> |
| <u>číst</u> | <u>read</u> | <u>read</u> | read |
| <u>psát</u> | <u>write</u> | wrote | <u>written</u> |
| <u>koupit</u> | buy | <u>bought</u> | <u>bought</u> |
| <u>kreslit</u> | <u>draw</u> | drew | <u>drawn</u> |
| <u>cítit</u> | <u>feel</u> | <u>felt</u> | felt |
| <u>mluvit</u> | <u>speak</u> | spoke | <u>spoken</u> |
| <u>vidět</u> | <u>see</u> | <u>saw</u> | seen |
| <u>přinést</u> | bring | <u>brought</u> | <u>brought</u> |

2. Ask questions about the underlined words. Use the verb tense of the statement.

There are several sectors in national economy. **How many sectors are there in national economy?**

Companies provide people with goods. **Who do companies provide with goods?**

Our firm did not make any profit last year. **When did our company not make any profit?**

I have always thought of being a sole trader. **What have you always thought of being?**

They are installing posters in the exhibition hall. **Where are they installing posters?**

Complete the sentences with the correct verb form, past simple or present perfect.

The share of primary sector in GDP **has fallen** since 1980s.

The company **has not received** many applications for that position up to now.

The costs per square meter **rose** significantly last year.

Jones, Ltd. **have cut** salaries to rescue this year profit.

He **bought** equipment from producers at special price in December.

3. Use present simple or progressive in the sentences.

I **understand** the situation very well now.

The boss **meets** his subordinates every Monday morning.

They **are calculating** costs of the new product these days.

I don't like him: he **is** always **complaining** of everything.

At this moment the CEO **is making** a speech at the meeting.


KEY 3.
1. Connect the sentences from A part to their descriptions in B part.

A.

- a) I am meeting my business partner tomorrow. (present progressive)
- b) They are going to discuss the new project. (going to)
- c) His flight departs at 14.45. (present simple)
- d) He will probably get stuck in the traffic congestion. (will)
- e) They will be trying to overcome all difficulties in the next few next days. (future progressive)
- f) We will have finished working on the deal by the end of June. (future perfect simple)
- g) In December he will have been working for our company for ten years. (future perfect progressive)
- h) I am to go nowhere in the evening. (be + infinitive)
- i) They are just about to launch their new product. (be about)

B.

- a) fixed future arrangement
- b) scheduled event
- c) future plans and intention
- d) prediction in the future
- e) activities in progress in the future
- f) completed action before a precise point in the future
- g) duration before a precise point in the future
- h) official instruction
- i) action in the nearest future

2. Complete the table with the passive forms of the verbs .

| | Present simple | Present progressive | Past simple | Present perfect s. | Future (will) |
|----------------|------------------|------------------------|-------------------|------------------------|----------------------|
| Build (houses) | Houses are built | Houses are being built | Houses were built | Houses have been built | Houses will be built |
| Play (game) | Game is played | Game is being played | Game was played | Game has been played | Game will be played |

3. Put the verbs into the correct form of passive.

 The last crisis **was shared** within more countries. (share, past simple)

 Each phase of the crisis **is characterised** by typical features. (characterise, present simple)

 The consequences of the crisis **are being dealt** with by national governments. (deal, present progressive)

 National economies **will be affected** by the crisis. (affect, future)

4. Write two passive sentences for each of the statements.

They gave their manager a small present.

Their manager was given a small present.

A small present was given to their manager.

They have handed me a form.

I have been handed a form.

A form has been handed to me.



KEY 4.

1. Rewrite the sentences in the past and future tenses.

The profit and loss account must be finished immediately.

The profit and loss account had to be finished immediately.

The profit and loss account will have to be finished immediately.

You mustn't smoke at the workplace.

You were not allowed to smoke at the workplace.

You won't be allowed to smoke at the workplace.

Banks needn't send the account statements every month.

Banks didn't have to send account statements to clients every month.

Banks won't have to send account statements to clients every month.

Sole traders can employ other people.

Sole traders could (were able to) employ other people.

Sole traders will be able to employ other people.

2. Put the sentences into the passive form.

I can pay him after he finishes his work. He can be paid after he finishes his work.

We should meet the client's requirements. The client's requirements should be met.

Somebody might show them the new survey. The new survey might be shown to them.

They must clean the offices after working hours. The offices must be cleaned after working hours.

3. Translate the following statements into English using modal verbs must, can't, may.

Určitě je v podnikání úspěšný. He must be successful in his business.

Možná pojedu příští týden na služební cestu. I may go on a business trip next week.

Letos nemůžeme skončit v červených číslech. We can't finish in red numbers this year.

4. Use modals to ask people politely (not) to do things. Put down at least three different forms.

Prepare a monthly statement for me. Can/could/will/would you prepare a monthly statement for me please?

Do not smoke here. Can/could/will/would you stop smoking here please?

I want you to stay at work overtime. Can/could/will/would stay at work overtime please?



KEY 5.

1. Read the numbers and write them in words:

17.559 – **seventeen point five five nine**

17,559 – **seventeen thousand five hundred and fifty-nine**

1990s – **the nineteen nineties**

8 Aug 2011- **the eighth of August two thousand and eleven**

3m x 4.5m – **three metres by four point five metres**

\$ 5.45 – **five dollars forty-five**

75% - **seventy-five per cent**

2. Match the left and right columns.

An even number **12**

A fraction **15/4**

A multiplication **8 x 4 = 32**

An equation **5x = 15**

A five figure sum **25,482**

3. Write the abbreviations in words.

30mph – 30 **miles per hour**

50kph – 50 **kilometres per hour**

70%pa – 70 **percent per annum (= a year)**

60rpm – 60 **revs per minute**

10kg/sq cm – 10 **kilograms per square centimetre**

6ft 5ins – 6 **feet 5 inches**

4. Insert *who*, *whom* or *which*.

The man **who** I know very well

The situation **which** you could avoid

The manager **who** is responsible for the financial department

The businessman about **whom** we spoke yesterday

The business **which** you can run

5. Decide if *who*, *which* or *whose* can be omitted in the sentences.

I can never forget about the holiday **which** we spent in Italy. **can be omitted**

This morning we were speaking about her new job, **which** she likes very much. **cannot be omitted**

I don't know **which** of them is the boss. **cannot be omitted**

I saw Linda **who** teaches you English. **cannot be omitted**

I cannot remember **whose** presentation was the best. **cannot be omitted**



KEY 6.

1. Insert **always** into each of the sentences.

I am **always** angry with him being late.

This bank **always** offers the best interest rate.

Customers can **always** bring the goods back if there is something wrong.

Our boss didn't **always** support us but now it is much better.

2. Place the words in the correct word order.

Money plays an important role in economies of all countries.

All payments can be made in cash or cashless.

Banks usually offer a wide range of services.

Convertibility is an ease of exchanging currencies.

3. Form **yes/no** questions. Add an auxiliary verb if necessary.

Joint-stock company can be established by an individual or legal entity.

Can joint-stock company be established by an individual or legal entity?

Each economic cycle is unique.

Is each economic cycle unique?

This commercial bank provides customers with current accounts.

Does this commercial bank provide customers with current accounts?

The next few years will bring a lot of economic changes.

Will the next few years bring a lot of economic changes?

The company has opened a new subsidiary in our town.

Has the company opened a new subsidiary in our town?

The car industry recovered from red numbers last year.

Did the car industry recover from red numbers last year ?

4. Formulate questions starting with the words given.

The unemployment rate is quite high in our country.

What (subject) **is quite high in our country?**

The car exhibition will be held in October.

When **will the car exhibition be held?**

You can get these goods at any supermarket.

Where **can you get these goods?**

Market research represents an essential market activity.

What (object) **does market research represent?**

The CEO offered him a senior position.

Who (object) **did the CEO offer a senior position to?**

Who (subject) **offered him a senior position?**



KEY 7.

1. Translate the sentences into Czech.

We should open the account with the Bank of England.

We should have opened the account with the Bank of England

Měli bychom si otevřít účet u "Bank of England".

Měli jsme si otevřít účet u "Bank of England". (ale neotevřeli)

His company could succeed in the competition.

His company could have succeeded in the competition.

Jeho společnost by mohla v konkurenci uspět.

Jeho společnost mohla v konkurenci uspět. (ale neuspěla)

The new business park might open soon.

The new business park might have opened.

Nová obchodní zóna se možná už brzy otevře.

Nová obchodní zóna se už možná otevřela.

2. Complete the sentences (the future).

If the bank lowers the interest rates, more people **will borrow** money. (borrow)

I will save more money if I **have** a higher salary. (have)

The bank will send monthly statements if people **require** them. (require)

If the selection criteria are transparent nobody **will doubt** the winner. (doubt)

3. Fill in *if* or *when* into the sentences.

The bank opens at 9 o'clock. **When** it opens I will withdraw money from my account.

All colleagues know I have a day off tomorrow. **If** anybody looks for me ask them to call again on Friday.

It's difficult to explain. **If** you had practical knowledge you would understand it.

The offer should be sent today. **If** nobody disturbs me I will prepare it within an hour.

4. Underline the correct words.

If the inflation *will go* / ***goes*** / *would go* up, there *is* / ***will be*** / *would be* pressure on salaries.

I wish I *will know* / ***knew*** / *know* him better.

If you *listen* / *had listened* / ***listened*** to the news, you ***would know*** / *will have known* / *knew* about it.

If nothing unexpected *happened* / ***happens*** / *will happen*, we ***will make*** / *made* / *would make* high profit this year.



KEY 8.

1. Finish the sentences using reported speech.

She works for a company near here. I don't know **which company she works for.**

Does she study at university? I'd like to know **if she studies at university.**

Where were they last night? I wonder **where they were last night.**

Switch on the light, please. I'd like you **to switch on the light.**

Don't drink alcohol before you drive. She is always asking him **not to drink alcohol before he drives.**

2. Finish the sentences using reported speech.

I am very busy. He said **he was very busy.**

We will get home late. They said **they would get home late.**

I have lost my watch. She said **she had lost her watch.**

Was she at home? I asked **if she had been at home.**

Where are they going? I didn't know **where they were going.**

3. Rewrite these imperatives in reported speech.

Tell me about it. I asked her **to tell me about it.**

Don't copy from each other. She asked them **not to copy from each other.**

Be there on time. They asked him **to be there on time.**

4. Translate the sentences.

Did he know when his train was leaving?

Věděl, kdy mu jede vlak?

She told me she would go shopping later.

Řekla mi, že půjde nakupovat později.

Řekl, že je nemocný.

He said he was ill.

Nebyla jsem si jistá, jestli to pochopili.

I wasn't sure they had understood it.


KEY 9.
1. Connect the adjectives below with appropriate negative prefixes.

(believable, mature, responsible, literal, friendly, curable, legal, rational, advantageous, patient, accurate, legible, regular, perfect, honest)

UN- **believable, friendly**

DIS- **honest, advantageous**

IM- **patient, mature**

IR- **regular, responsible, rational**

IN- **curable, accurate**

IL- **literal, legible, legal**

**2. Most of the following words are nouns and verbs (plant – rostlina, pěstovat).
Cross out those which are only a verb or a noun.**

Look, cause, attempt, **effect**, return, **open**, work, wish, water, need, **suggest**, offer, answer, **accept**, **emphasis**, study, reply.

3. Add the suitable prefix to form a personal noun (science – scientist).

Serve - **servant**

Employ – **employer, employee**

Address - **addressee**

Read - **reader**

Guard - **guardian**

Act – **actor, actress**

Engine - **engineer**

Library - **librarian**

Drama – **dramatist**

Biology - **biologist**

Fire - **fireman**

Surgery – **surgeon**

4. Complete the table.

| VERB | ADJECTIVE | NOUN |
|------------------|--------------------------------|-----------------------|
| analyse | analytic | analyses |
| change | changeable, changing | change |
| intent | intent | intention |
| fascinate | fascinating, fascinated | fascination |
| integrate | integral | integration |
| sustain | sustainable | sustainability |
| tolerate | tolerant | tolerance |
| speculate | speculative | speculation |
| speed | speedy | speed |

| | | |
|--------|-------------------|------------------------|
| govern | governing | government |
| apply | applying, applied | applicant, application |

5. Use the word in capitals to form a word which fits the blank space.

Command economy is a centrally **controlled** system. (CONTROL)

National economy is divided into sectors from the aspect of phases in **production** chain. (PRODUCE)

Companies **provide** goods and service to their customers. (PROVISION)

Silent partnership is established by a **written** contract. (WRITE)

The advantage of demand deposits depends on their **accessibility**. (ACCESSIBLE)

Market research represents an essential activity of **marketing**. (MARKET)

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