

**BİZNESMENLƏR ÜÇÜN**

**İNGİLİS DİLİ**

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**DƏRS VƏSƏİTİ**

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## **BİZNESMENLƏR ÜÇÜN**

### **İNGİLİS DİLİ**

**ANTONOV O.İ.**

**Dərs vəsaiti işgüzar ingilis dili ilə məşğul olan geniş oxucü kütləsi üçün nəzərdə tutulmuşdur. Həcmcə kiçik məzmunca zəngin olan mətnlər sizə ingilis dilini öyrənməkdə kömək edəcəkdir.**

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**Bakı - 2009**

## LESSON 1

### TYPES OF PROPRIETORSHIP

A business may be privately owned in three different forms. These forms are the sole proprietorship, the partnership and the corporation. The sole proprietorship is the most common in many western countries. For example, more than 80 per cent of all businesses in the United States are sole proprietorships.

But it is evident that sole proprietorships do not do the greatest volume of business. They account for only 16 percent of all business receipts, for example, in America. What kind of business is likely to be a sole proprietorship? First of all, service industries such as laundromats, beauty shops, different repair shops, restaurants.

#### Active Vocabulary

business	iş , biznes
to own	sahib olmaq
sole proprietorship	şəxsi mülkiyyət
partnership	şəriklik, ortaqlıq
corporation	korporasiya, təşkilat
volume	həcm, ölçü
receipt	daxil olan pul vəsaiti, mədaxil
service industry	xidmət sahəsi
to account for	hesabat vermək, izahat vermək
repair shop	emalatxana

#### Comprehension Questions

1. What are three different ways that a business can be privately owned?
2. What forms do most European countries have?
3. What forms do the businesses in the USA have?
4. Name some businesses that are likely to be sole proprietorships. Why do you think so?
5. Name some businesses that are not likely to be sole proprietorship? Why do you think so?

## Vocabulary Practice

### Exercise 1. Choose the necessary word and put it in the sentence.

1. Small ... are very often service industries. | 1 receipts
2. The ... industries don't produce material goods. | 2 business
3. More than 80 per cent of all business ... are not from |  
sole proprietorships. | 3 service
4. Less than 20 per cent of European businesses are |  
partnerships or... |4privately
5. Sole proprietorships... only a small part of all |  
business receipts. | 5 account
6. Is this bank owned publicly or...? |6corporation
7. There are three... of business ownership. | 7 forms

### Dialogue

**Jim** Hi, Alice. How are you getting on?

**Alice** Fine, as usual, thanks, Jim. What about you?

**Jim** I'm O.K. It's nice to see you.

**Alice** You too. I'm glad you are not in a hurry and we have time to talk today.

**Jim** Sure.

**Alice** Can you give me a piece of advice?

**Jim** Well, I'll try if I can.

**Alice** You know I've been always good at cooking. It interests me. I am thinking of starting my own business-cafe.

**Jim** It might be a good idea.

**Alice** I guess I must learn about the responsibilities of going into business.

**Jim** Are you going into this business by yourself?

**Alice** Exactly, I'd like to have a cafe with my name on it where I control the profits.

**Jim** You seem to be resolute so I'll try to help you. If you go into business alone, it is called sole proprietorship. In such case you needn't consult a lawyer to form the business. You can start or you can stop your business whenever you like.

**Alice** It sounds encouraging. What else can you tell me?

**Jim** There is no need to consult partners or a board of directors.

- So you can put your policies into effect quickly. You decide on your vocation, hours, salary, hiring and firing.
- Alice** Well, that's not bad.
- Jim** Wait a moment. I believe I have to tell you about the risk involved.
- Alice** What do you mean?
- Jim** First of all, the most important risk is that you have unlimited liability. It means that you are responsible for all your business debts.
- Alice** So if the business fails, I have to declare personal bankruptcy, don't I?
- Jim** That's what I mean. You can lose your personal assets.
- Alice** Well, it's rather disappointing. What other things should I know?
- Jim** You won't get tax benefits which partnerships or corporations can get.
- Alice** I know about it. By the way do you know of a good accountant to do my taxes?
- Jim** Of course. You'll also have to hire a good book-keeper if you can't do your books yourself.
- Alice** I can't say anything definite about that. I have to think it over. What else, Jim?
- Jim** Well I am a bit hungry, why don't we have a snack together and discuss the things in the cafe.
- Alice** You are right as usual. Let's go.

### Active Vocabulary

piece of advice	məsləhət
can you give me a piece of advice	mənə məsləhət verə bilərsinizmi?
I am thinking of starting my own business	öz şəxsi işimi başlamaq haqqında düşünürəm.
responsibility	məsuliyyət
to make decisions	qərar qəbul etmək
to control the profits	gəlirlərə nəzarət etmək
to need a lawyer	hüquqşunasa ehtiyacı olmaq
it sounds encouraging	ruhlandırıcı səslənir
a board of directors	direktorlar şurası

to put policies into effect quickly	tez bir zamanda yaxşı nailiyyətlər əldə etmək
to hire	işə götürmək
to fire	işdən azad etmək
to decide on your vocation, hours, salary, hiring and firing	məzuniyyət, iş saati, əmək haqqı, işə götürmə və işdən qovma məsələlərini həll etmək.
to have unlimited liability	qeyri məhdud səlahiyyətlərə malik olmaq
to be responsible for all business debts	biznes borclarına görə məsuliyyət daşımaq
to fail	müvəffəqiyyətsizliyə uğramaq
to declare personal bankruptcy	bankrot olduğunu elan etmək
personal assets	şəxsi əmlak
tax benefits	vergi güzəştləri
to get tax benefits	vergi güzəştləri əldə etmək
accountant	mühasib, hesabdar
book-keeper	mühasib, hesabdar
to do books	mühasibat uçotu aparmaq

### Vocabulary Exercises

#### Exercise 1. Transform the sentences according to the model.

**Model:** I am thinking of starting my own business open a cafe.

I am thinking of opening a cafe.

1. start a car-repair shop
2. hire a book keeper
3. fire an employee
4. consult a board of directors
5. sell my business
6. do my books myself
7. consult a lawyer
8. find a specialist

## **Exercise 2. Transform the sentences according to the model.**

**M o d e l:** A book keeper will do the books.

I am going to have a book keeper do the books.

1. A partner will finance the business.
2. A salesperson will sell the clothes.
3. A decorator will design the interior.
4. A lawyer will do this work.
5. A secretary will mail to letters.
6. A colleague will give me a piece of advice.
7. A book keeper will prepare the tax report.

## **Exercise 3. Answer the questions.**

Are you thinking of starting your own business?

1. What business do you want to start?
2. How do we call the business if you go into it alone?
3. Who is going to make the decisions and control the profits in your business?
4. Do you need a lawyer if you want to start a sole proprietorship?
5. Why don't you have to consult the partners in a sole proprietorship?
6. How many employees are you going to hire for your business? In what cases will you fire them?
7. What does it mean to have unlimited liability? Are you ready for it?
8. What will you do, if your business fails?
9. What will you do to put policies into effect quickly?
10. What businesses have tax benefits in this country?
11. Can you do your books yourself?
12. Are you going to hire a book-keeper?

## **Exercise 4. Translate into English**

1. Mənə məsləhət verə bilərsinizmi?
2. Müəssisəmin gəlirlərinə mən özüm nəzarət edirəm.
3. Əgər siz şəxsi bizneslə məşğul olmaq istəyirsinizsə, hüquqşunasa müraciət edin.



4. İşə götürmək və işdən azad etmək haqqında qərarları direktor qəbul edir.
5. Mən tam hüquqi məsuliyyət daşımaqdan çəkinirəm.
6. Biznes borclarına görə mən məsuliyyət daşımıram.
7. Kiçik müəssisələr vergi güzəştlərinə malikdir.
8. Yaxşı mühasib işləri sizdən daha yaxşı apara bilər.
9. Mənim mühasibə ehtiyacım var.
10. Mən hüquqşunasla məsləhətləşməliyəm.

### **Exercise 5. Make up the dialogue.**

You are going to start your own business. Ask a lawyer or an experienced person how to do it.

## **Grammar Exercises**

### **Exercise 1. Make the sentences negative.**

1. I want to start my own business.
2. You need a lawyer in this case.
3. Sole proprietorship brings much profit.
4. Sole proprietorship gets tax benefits from the government.

### **Exercise 2. Put up four questions of different types (general, special, disjunctive, alternative) to each sentence.**

**Model:** The partners are responsible for business debts.

- a) Are the partners responsible for business debts?
- b) Why are the partners responsible for business debts?
- c) The partners are responsible for the business debts, aren't they?
- d) Are the partners responsible for business debts or fulfillment of the arrangement?

1. I want to go into business with my friend.
2. You can lose personal assets.
3. He is difficult to get tax benefits from the state.
4. I do my books myself.
5. We both have unlimited liability.
6. The board of directors decided on vacation, salary, hiring and firing.
7. The partners want to consult a board of directors.

## LESSON 2

### Partnerships

A partnership is an association of two or more persons to carry on a business for profit. When the owners of the partnership have unlimited liability they are called general partners. If partners have unlimited liability they are «limited partners». There may be a silent partner as well – a person who is known to the public as a member of the firm but without authority in management. The reverse of the silent partner is the secret partner – a person who takes part in management but who is not known to the public.

Any business may have the form of the partnership, for example, in such professional fields as medicine, law, accounting, insurance and stockbrokerage. Limited partnerships are a common form of ownership in real estate, oil prospecting, quarrying industries, etc.

Partnerships have more advantages than sole proprietorships if one needs a big capital or diversified management. Like sole proprietorship they are easy to form and often get tax benefits from the government.

Partnerships have certain disadvantages too. One is unlimited liability. It means that each partner is responsible for all debts and is legally responsible for the whole business. Another disadvantage is that partners may disagree with each other.

### Active Vocabulary

partnership	şəriklik, ortaqlıq
to carry on a business	iş aparmaq
profit	qazanc, mənfəət
general partners	əsas partnyor, tam hüquqi məsuliyyət daşıyan ortaqlar
limited partner	məhdud məsuliyyətli partnyor (ortaqlar)
silent partner	səs hüququ olmayan ortaqlar
secret partner	gizli tərəfdaş (səs hüququ olan, lakin cəmiyyətdə partnyor kimi tanınmayan)
law	hüquqşünaslıq, hüquq elmləri
insurance	sığorta
stockbrokerage	birja brokerliyi
real estate	daşınmaz əmlak
oil prospecting	neft hasilatı

quarrying industries	hasilat sənayesi
advantage	üstünlük
disadvantage	çatışmamazlıq
to be legally responsible	hüquqi məsuliyyət daşımaq

### Comprehension Questions

1. What is the difference between a general partnership and a limited partnership?
2. Is there any difference between a silent partner and a secret partner? What is this difference?
3. In what professional fields are the partnerships found?
4. In what businesses is the partnership a common form?
5. What are the advantages of a partnership?
6. Discuss the disadvantages of a partnership. Would you prefer partnership or sole proprietorship for business? Give you reasons.

### Vocabulary Practice

#### Exercise 1. Select the necessary word in the sentence.

- |  |  |                            |
|--|--|----------------------------|
| 1. Partnership very often receives...<br>from the government                                 |  | 1 secret partner           |
| 2. Limited partnerships is a common form of<br>ownership in...                               |  | 2 unlimited<br>  liability |
| 3. Partnerships have many ..., one is that they<br>receive tax benefits from the government. |  | 3 real estate              |
| 4. ... are the partners with unlimited liability.  |  | 4 general partner          |
| 5. ... has the authority in management but he is<br>not known to public.                     |  | 5 advantage                |
| 6. A secret partner takes part in ...  |  | 6 profit                   |
| 7. General partners have ...   |  | 7 capital                  |
| 8. One advantage of a partnership is that it offers  |  |                            |
| 9. a multiple source of ...  |  | 8 management               |
| 10.A partnership can bring much ... to the partners.   |  | 9 tax benefits             |

## Dialogue

(Two friends Susan and Maurice are having supper in a restaurant)

**Maurice** Haven't seen you for a long time. What have you been busy with?

**Susan** I've been pretty busy. Do you know my friend Nora? I went into business with her.

**Maurice** Really? How is it going on?

**Susan** Fine, thanks. We get along very well, and shop is attracting more and more customers.

**Maurice** It sounds well. How many partners are there in your business?

**Susan** There are two of us and I am very pleased about it. I've made a right choice. Nora's background is in accounting. She is very good at keeping the books.

**Maurice** And you?

**Susan** You know I always liked talking. I guess I am rather good with customers. I enjoy selling things.

**Maurice** Well, it sounds interesting. I believe you don't run a risk in your business.

**Susan** We haven't had many problems, although I suppose all business can be risky. As partners we are both liable.

**Maurice** Did you both put the same amount of money into your business? Do you mind my asking?

**Susan** No, we didn't invest the same amount of capital. But I think we've combined our resources very well. I think it's good for both of us.

**Maurice** It seems really so. That is one advantage of general partnership. You can invest less capital than your partner—even no money at all. But you as a partner can contribute important services or skills, sometimes just a name or a reputation.

**Susan** Indeed.

**Maurice** How did you arrange to distribute profits and losses?

**Susan** We share them equally. We hope to be in business for a long time.

**Maurice** Nice for you. Now you seem to know a lot about business.

**Susan** Not everything yet but the subject becomes quite technical.  
**Maurice** I am glad to hear it. It's time to go now. See you later. Bye.

### Active Vocabulary

to be busy with	nə ilə işə məşğul olmaq
to go into business	bizneslə məşğul olmaq
to get along well	yola getmək
to attract customers	alıcıları (müşətiləri) cəlb etmək
to make a right choice	düzgün seçim etmək
background	bu mətdə: iş təcrübəsi
accounting	mühasibat uçotu
to run a risk	risk etmək
to be liable	hüquqi məsuliyyət daşımaq
amount of money	pulun məbləği
to put an amount of money into business	biznesə pul (kapital) qoymaq
to combine resources	resursları birləşdirmək
advantage	üstünlük
to contribute services, skills	öz bilik və bacarığı ilə kömək etmək
to distribute profits and losses	mənfəəti və itkiləri bölüşdürmək
to share	bölmək
the subject becomes quite textechnical	bu tamamilə texniki məsələdir
deal	sövdə, saziş

### Vocabulary Practice

#### Exercise 1. Transform the sentences according to the model.

**Model:** Susan is a woman. She does the books.

Susan is a woman who does the books.

1. Partners are people. They have unlimited liability.
2. This is my partner. He often runs a risk.
3. He is a shop-assistant. He gets along with all the customers.
4. Susan is a partner. She puts a big amount of money into business.
5. Jean is my friend. She has the background of accounting.
6. Barbara is my partner. She knows how to attract customers.

7. Tom is a partner. He is good at selling.
8. Jack is my friend. He is a secret partner of my business.
9. Helen is my friend. She had supper with Jack in the restaurant.

### **Exercise 2. Answer the questions.**

1. What do you want to be busy with?
2. Do you want to go into business alone or with a partner?
3. With what partner do you get along well?
4. Imagine you run a shop. What will you do to attract customers?
5. Do you need to consult a lawyer, to make a right choice when starting the business
6. What is your background?
7. Are you a careful person, or do you like to run a risk?
8. How can you combine the resources with your partner?
9. What services and skills can you contribute in your business?
10. How will you distribute profits and losses in your partnership?
11. What kind of partner would you like to be a general partner or a limited partner? Why so?

### **Exercise 3. Translate into English**

1. İdarə heyyyətinin üzvləri tam hüquqi məsuliyyət daşıyırlar.
2. Məhdud məsuliyyətli partnyor real səlahiyyətə malik deyil.
3. Gizli partnyor idarəetmədə iştirak edir, lakin cəmiyyətdə tanınmır.
4. Mən daşınmaz əmlaka sərmayə qoymaq istəyirəm.
5. Partnyorluğun bir neçə üstünlükləri var.
6. Partnyorluq dövlətdən vergi güzəştləri ala bilər.
7. Biz partnyorumuzla yaxşı yola gedirik.
8. Bizim kafe çoxlu müştəri cəlb edir.
9. Mən düzgün seçim etmişəm. Bu iş çoxlu gəlir gətirir.
10. Mənim iş təcrübəm menecmentlə bağlıdır.
11. O, mühasibat işini yaxşı bilir.
12. Biz işə eyni miqdarda kapital qoyuruq.

### **Exercise 4. Discuss the following problem: A Joint Venture Pro and Con.**

### **Exercise 5. Make up the dialogue.**

Consult the lawyer how to form a partnership. Use your active vocabulary.

## **Grammar Exercises**

### **Exercise 1. Make the sentences negative.**

**Model:** I am going into business

I am not going into business

1. Your business is receiving the tax benefits.
2. Your partnership is running the great risk.
3. We are getting along quite well with my partner.
4. They are going to be general partners.
5. The partners are sharing profits and losses with each other.
6. Their partnership is losing their profit every month.

### **Exercise 2. Put up four questions of different types (general, special, disjunctive, alternative) to each sentence.**

**Model:** The partners are getting along quite well.

Are the partners getting along quite well?

Why are the partners getting along quite well?

The partners are getting along well, aren't they?

Are the partners getting along well or badly?

1. Jane is doing the books in our firm.
2. We are putting the same amount of money into business.
3. My brother is investing his money in the private cafe.
4. They are distributing the losses unequally.
5. We are combining resources very well.

## LESSON 3

### CORPORATIONS

A business corporation is an institution established for the purpose of making profit. It is operated by individuals. Their shares of ownership are represented by stock certificates. A person who owns a stock certificate is called a stockholder.

There are several advantages of the corporate form of ownership. The first is the ability to attract financial resources. The next advantage is the corporation attracts a large amount of capital it can invest it in plants, equipment and research. And the third advantage is that a corporation can offer higher salaries and thus attract talented managers and specialists.

The privately owned business corporation is one type of corporation. There are some other types too. Educational, religious, charitable institutions can also incorporate. Usually such corporation does not issue stock and is nonprofit. If there is a profit it is reinvested in the institution rather than distributed to private stockholders.

In some western countries, cities, states, federal government and special agencies can establish governmental corporations. A few examples of these governmental corporations are state universities, state hospital and city owned utilities. Governmental corporations are non-profit as a rule and usually they do not issue stock certificates.

#### Active Vocabulary

corporation	korporasiya, təşkilat
to establish	yaratmaq
stock certificate	səhm
stockholder (shareholder)	səhmdar, səhm sahibi
to attract financial resources	maliyyə resurslarını cəlb etmək
to offer higher salaries	yüksək maaş təklif etmək
to attract a large amount of capital	böyük məbləğdə kapital cəlb etmək
educational, religious, charitable institutions	təhsil, dini, xeyriyyə institutları
to issue stock	səhm buraxmaq
nonprofit	gəlirsiz
to reinvest	yenidən sərmayə qoymaq



## Comprehension Questions

1. Who can own a corporation?
2. Is a corporation necessarily larger than a sole proprietorship?
3. What are the advantages of the corporate form of ownership?
4. What can you say about the disadvantages of the corporate form of ownership?
5. Do the corporations issue stock to stockholder?
6. What kinds of corporations usually don't issue the stock?
7. What world-known corporations do you know?
8. What types of business usually take the corporate form of ownership?

## Vocabulary Practice

### Exercise 1. Choose the necessary word and put it in the sentence.

- |   |                |
|---|----------------|
| 1. What kind of ... is better: buying stock or buying real estate?              | 1 charitable   |
|   |                |
| 2. To attract greater financial ... the company issues the stock.               |                |
|   | 2 stock        |
| 3. A university can be ... corporation.   | 3 resources    |
| 4. The partners didn't put the same ... into business.                          |                |
|   | 4 institution  |
| 5. The group of people from different countries are going to ... a corporation. |                |
|   | 5 investment   |
| 6. The Red Cross is an international ... organization.                          |                |
|   | 6 nonprofit    |
| 7. I want to buy some ... in IBM and General Motors                             | 7 amount of    |
|   | capital        |
| 8. An educational ... usually reinvests all its money.                          |                |
|   | 8 to establish |

## Dialogue

- Secretary** Good afternoon.
- Steve** Good afternoon. I'd like to see Mr. Jackson. We have an arrangement with him. My name is Mr. Watson.
- Secretary** Just a minute, please. I'll let him know you are here.
- Steve** Thanks.
- Secretary** Mr. Jackson is waiting for you. Do you know where

his office is?

**Steve** Oh sure, thank you.

**Jackson** Hello, Steve, it's so nice to see you. Sit down, please.

**Steve** Thanks, Nick. How are you getting on?

**Jackson** Quite all right, thanks. And what about you?

**Steve** Everything is all right too. In fact I want to talk to you about my business.

**Jackson** Oh, I'll be glad to do something for you.

**Steve** Well, Nick. I need some legal advice. John and I are thinking of incorporating.

**Jackson** You are going to expand, aren't you? It seems that your partnership has been doing very well.

**Steve** Oh, yes. We have a success. Now some businessmen are interested in investing with us. So could you explain me what sort of legal procedure I have to follow to form a corporation?

**Jackson** At first you have to apply for a corporate charter.

**Steve** Well?

**Jackson** Let me get this straight. You want to issue and sell stock in exchange for investment capital, don't you?

**Steve** Exactly.

**Jackson** After you obtain the charter the stockholders, as owners, holds a meeting to organize the corporation.

**Steve** Does that mean we elect our Board of Directors, adopt bylaws and choose the company's officers?

**Jackson** That's what I mean. Though the officers of the company supervise daily management, the stockholders always have final authority. They vote at annual meetings.

**Steve** Yes, I see it. By the way, does a corporation have limited liability?

**Jackson** It does. It also has the right to own property, to buy and sell and right to sue and be sued.

**Steve** I see. The corporation acts like a person. It has the right of an individual.

**Jackson** You are right.

**Steve** O.K. Why don't we get together for a game of golf one day next week?

## Active Vocabulary

bylaws	müəssisənin hüquqi nizamnaməsi
I need some legal advice	mənim hüquqi məsləhətə ehtiyacım var
to incorporate	birləşmək
to invest	sərmayə qoymaq
to expand	genişlənmək (müəssisə haqqında)
to follow a legal procedure	hüquqi proseduraya riayət etmək
to apply for a corporate charter	korporativ patent almaq üçün ərizə vermək
to issue and sell stock in exchange for investment capital	səhmin buraxılması və satışı qoyulmuş kapitalın mübadiləsi
stockholder, shareholder	səhmdar
to hold a meeting	iclas keçirmək
to elect a board of directors	direktorlar şurasını seçmək
to choose the company's officers	şirkətin rəhbər işçilərini seçmək
to have a final authority	həlledici səlahiyyətə malik olmaq
to supervise daily management	gündəlik rəhbərlik həyata keçirmək
to vote	səs vermək
annual meeting	illik iclas
to have limited liability	məhdud hüquqi məsuliyyət daşımaq
to own property	mülkiyyətə sahib olmaq
to sue	məhkəməyə vermək, cinayət işi qaldırmaq
to be sued	istintaqa cəlb edilmək

## Vocabulary Exercises

### Exercise 1. Transform the sentences according to the model.

**Model:** We are the company officers.

We supervise daily management.

We, as the company officers, supervise daily management.

1. My friends are the stockholders of IBM corporation. They hold annual meetings.
2. These businessmen are the organizers of this corporation. To

- issue and sell stock in exchange for investment capital.
3. A corporation is the owner of the property. It has limited liability.
  4. Dick is a manager. He wants to form a corporation.
  5. A corporate charter is a certificate of incorporation. A charter is granted by a state officer.
  6. The stockholders are the owner of the corporation. They have final authority in management of the company.
  7. The owner of the corporation is the stockholders. The owners of the corporation must vote.

**Exercise 2. Transform the sentences according to the model.**

**Model:** We organized our corporation a year ago (to invest much money).

We have been investing much money since we organized our company.

1. They became company officers (to supervise daily management).
2. My friend bought the stock of the company five years ago (to make money).
3. They received the corporate charter a month ago (to plan a meeting).
4. We advertised the application last week (wait for reply).
5. He became a member of the Board of Directors (work hard).
6. We elected a new Board of Directors last month (plan change).

**Exercise 3. Answer the questions.**

1. In what corporation would you invest money?
2. What legal procedure do you have to follow if you want to form a corporation?
3. Who has final authority and supervises the daily management of corporation?
4. How often do the stockholders choose the company officers?
5. The stockholders have unlimited liability, don't they?
6. In what way a can corporations act?
7. What do you think about the possibilities of forming corporations in this country?
8. In what spheres of industry is a corporate form of proprietorship the most beneficial in this country?

#### **Exercise 4. Translate into English**

1. Korporasiya səhmlər buraxa və sata bilər.
2. Korporasiya yüksək əmək haqqı təklif edə bilər.
3. Maliyyə resurslarını cəlb etmək üçün korporasiyanın imkanları partnyorluqdan daha genişdir.
4. Səhmdarlar hər il iclas keçirirlər.
5. Təhsil xeyriyyə, dini cəmiyyətlər korporasiya ola bilərlər. Bir qayda olaraq bu müəssisələr gəlir gətirmirlər.
6. Bu korporasiya gəlirlə işləyir, o genişlənəcək.
7. Hər şeydən əvvəl siz korporativ patent almaq üçün ərizə verməlisiniz.
8. Səhmdarlar korporasiyanın idarə edilməsində həlledici səlahiyyətə malikdirlər.
9. Şirkətin inzibati işçiləri ona rəhbərlik edirlər.
10. Səhmdarlar illik iclas keçirir və direktorlar şurasını seçirlər.
11. Korporasiyanın cinayət işi qaldırmağa ixtiyarı var.

#### **Exercise 5. Make up dialogue.**

1. Ask a lawyer how to form a corporation.
2. Discuss with your friend advantages and disadvantages of a corporate form of proprietorship.
3. Advertise a corporate form of proprietorship.

### **Grammar Exercises**

#### **Exercise 1. Make the sentences negative.**

**M o d e l:** They have held a meeting.

They haven't held a meeting.

1. The stockholders have elected the Board of Directors.
2. This corporation has issued the stock.
3. The Board of Directors has chosen the company officers.
4. This company has greatly expanded.
5. We have already applied for a corporate charter.

#### **Exercise 2. Put up 4 questions of 4 types (general, special, disjunctive, alternative) to each sentence.**

**M o d e l:** The stockholders have held the annual meeting?

Have the stockholders have held the annual meeting,  
haven't they?

What have the stockholders done?

The stockholders have held the annual meeting, haven't  
they?

Have the stockholders held a meeting or a conference?

1. The partners have applied for a corporate charter.
2. The stockholders have voted at the annual meeting.
3. The company has issued the additional stock.
4. They have invested all their money in this company.

## LESSON 4

### THE FUNCTIONS OF AN EXECUTIVE

#### Dialogue

Anna is having lunch with her sister Barbara. Anna has just accepted a position as an Administrative Assistant. Her boss is an executive with a firm that manufactures heavy machinery used in construction.

**Barbara** You've got a new job, Anna. My congratulations.

**Anna** Thanks, Barbara.

**Barbara** Tell me a few words about your boss. What does he do?

**Anna** Well, he is one of the vice presidents of the company, so he's rather important. He is an executive.

**Barbara** Do you know the difference between an executive, a manager and an administrator?

**Anna** I am afraid I can hardly tell you the difference. I think these words are interchangeable and they really aren't different in many companies.

**Barbara** What about your company?

**Anna** In our company the top officers are called administrators. The next highest group-the vice presidents, the heads of major departments and branch plant managers-are executives like my boss.

**Barbara** Is that all?

**Anna** The group below consists of managers, they are general managers and foremen.

**Barbara** So I see that an organization has a number of positions and some people have more authority than others.

**Anna** You are right.

**Barbara** But it would be interesting to know more about the functions of an executive like your boss.

**Anna** I'd say he makes a lot of important decisions. He sets objectives, coordinates work, delegates authority, makes hiring, firing, evaluating and just general leading.

**Barbara** It seems to be important.

**Anna** It is important. It's evident that making careful

- decisions is the basis of good management.
- Barbara** But do you work under much pressure?
- Anna** Barbara, you know I am quite used to working under pressure from my last job. I am also accustomed to lots of paper work and red tape.
- Barbara** Good for you.
- Anna** And what's more important I feel that I can learn a lot because my boss is very competent.
- Barbara** Good, I think we'd be in a hurry not to get late for the work.

### Active Vocabulary

an executive manager	rəhbər, administrator, icraçı
an administrator	menecer, administrator
vice president	idarə edən, administrator
head of department	vitse prezident
foreman	şöbə müdirü
position	iş icraçısı, usta
to set objectives	vəzifə
to delegate authority	məqsəd qoymaq
to work under pressure	səlahiyyətləri bölüşdürmək
red-tape	təzyiq altında işləmək
to be competent	burada: dəftərxana işi
	səriştəli olmaq (bacarıqlı)

### Vocabulary Exercises

#### Exercise 1. Transform the sentences according to the model.

**Model:** I'm accustomed to setting objectives.

I'm used to setting objectives.

1. We are accustomed to having unlimited liability.
2. He is accustomed to delegating authority.
3. They are accustomed to firing and hiring people.
4. She is accustomed to working as a head of the department.
5. You are accustomed to working under pressure.
6. The executive is accustomed to making decisions.



## **Exercise 2. Change the modal verb according to the model.**

**Model:** We ought to set objectives this month.

We should set objectives this month.

1. They ought to talk about the functions of an executive.
2. A manager ought to make careful decisions.
3. An executive ought to be very competent.
4. A wise president ought to decide on hiring, firing, vacation, hours.
5. The board of directors ought to plan objectives and changes.
6. They ought to have a meeting with a head of the department.

## **Exercise 3. Your executive is a very tough man. What should his staff do to please him?**

For ideas:

to be creative	işə yaradıcı yanaşmaq
to be well-organized	yaxşı təşkil olunmuş
to keep fit	özünü formada saxlamaq, formada olmaq
to be punctual	punktual olmaq
to be enthusiastic	təşəbbüskar olmaq
to obey the rules	qaydalara riayət etmək

## **Exercise 4. Answer the questions.**

1. What working position is the best for you?
2. Are you accustomed to working under pressure?
3. Are you accustomed to a red-tape job?
4. Do you want to be an executive or an administrator of the big company? What should you do for it?
5. What qualities do you need to be an executive of the company?
6. What does it mean to be a competent manager?

### **Text**

#### **WHERE AND HOW TO HIRE AN EMPLOYEE?**

An employer has several options to consider when he wants to hire a new employee. First of all, he may look within his own company. But if he can't find anybody suitable for the position he will

have to look outside the company. If there is a personnel office in the company, he can ask them to help him to find a qualified applicant. The employer can also use another valuable source, for example, employment agencies, consulting firms, placement offices and professional societies. He can also advertise in a newspaper or in a magazine and request candidates to send in resumes.

The employer has two sets of qualifications to consider if he wants to choose from among the applicants. He must consider both professional qualifications and personal characteristics. A candidate's education, experience and skills are included in his professional qualifications. These can be listed on a resume. Personal characteristics or personality traits must be evaluated through interviews.

### Active Vocabulary

an option	seçim
an employer	işə götürən, iş verən
an employee	işçi, muzzdla işləyən fəhlə
to consider	nəzərə almaq, hesab etmək
to be suitable for the position	vəzifəyə uyğun olmaq
personnel office	kadrlar şöbəsi
an applicant	hər hansı vəzifəyə namizəd
valuable source	qiymətli mənbə
employment agency	məşğulluq idarəsi
consulting firm	konsultasiya firması
to advertise	reklam etmək
resume	rezume, xülasə, nəticə
two sets of qualifications	iki cür xarakteristika
experience	iş təcrübəsi
to evaluate through interviews	müsahibə
	vasitəsilə qiymətləndirmək

### Comprehension Questions

1. Which options should an employer first consider when he wants to hire an employee?
2. What service does personnel departments provide?
3. In what way can the new employees be found outside one's company?

4. What qualifications does the employer consider in choosing an employee?
5. What is meant by «professional qualification» for a job?
6. What personal characteristics does the administrator consider when choosing an employee?

### Vocabulary Practice

#### Exercise 1. Choose the necessary word and put in the sentence.

- |  |  |                 |
|--|--|-----------------|
| 1. We are going to interview three...<br>or the position.  |  |                 |
| 2. If you need applicants for this position,<br>... in a special section of the local newspaper. |  | 1 to advertise  |
| 3. Personnel office will help you to find a new ...  |  | 2 resume        |
| 4. All the information about the staff of the<br>firm can be found in ...                        |  | 3 employee      |
| 5. She has a good ... for the position:<br>a college degree, good work experience.<br>office     |  | 4 applicant     |
| 6. I want to find a new secretary,<br>so I'll call an employment ...                             |  | 5 personnel     |
| 7. If you are an applicant for the position,<br>you have to write your ...                       |  | 6 qualification |
| 8. Don't ask him ... questions, it will<br>be impolite.  |  | 7 agency        |
|  |  | 8 personal      |

#### Exercise 2. Translate into English.

1. Onun şirkətdəki vəzifəsi çox vacibdir.
2. Administrator işə götürür və işdən azad edir.
3. O, təzyiq altında işləməyi xoşlamır.
4. Mən dəftərxana işinə öyrəşmişəm.
5. Menecer səriştəli olmalıdır.
6. Bu qrupun rəhbəri çox istedadlı mütəxəssisdir.
7. Biz yeni işçi götürməliyik.
8. Bu elanı qəzətdə yerləşdirin.
9. Bu menecerin böyük iş təcrübəsi var.
10. Biz iki cür xarakteristikani nəzərdən keçirməliyik.
11. Bu vəzifəni tutmaq istəyən namizədlər rezume göndərməlidirlər.

12. Siz bütün məlumatı kadrlar şöbəsində əldə edə bilərsiniz.
13. Məşğulluq idarəsinə müraciət edin.
14. İşə götürən konsultasiya firmasına müraciət etməlidir.

### Grammar Exercises

#### Exercise 1. Put the verbs in brackets into the proper present tense (Present Indefinite, Present Continuous or Present Perfect)

1. The vice president usually (to set) objectives for the staff.
2. Don't disturb me, please, I (to work) with annual report.
3. This form often (to advertise) in different newspapers and magazines.
4. We advertised in the special section of the newspaper but we (not to receive) the resumes yet.
5. We (to evaluate) already the candidates through the interview.
6. We (to look for) a specialist suitable for the position at the present moment.
7. He (to send) just his resume and the letter of interest.
8. They (to fire) the manager. He was not suitable for the position.
9. You have to wait a little. He (to consult) with the executive.

#### Additional Exercise

If you decide to apply for a job in the western countries, you will probably need to form two documents: a letter of interest and a resume. This is the way how to do it. Read the letter of interest and a resume and try to write your own documents of the same kind.

##### *a) a letter of interest*

**Dear sir or madam,**

I graduate from Tver state university in 1985. Now I am finishing my post-graduate studies to defend my candidate thesis this winter. My major is called the theory of literature, which includes the study of the history of Russian and foreign literature.

I am interested in working in the Russian department of your university as a teacher of Russian and Russian literature for the school year 1991-1992. In high school I gained experiences teaching Russian to foreign students. In your department I could assist in the teaching of

grammar, conduct a class in Russian conversation or give lectures on Russian literature.

If you are interested please write me at the above address. I will look forward to hearing from you.

Sincerely, Ivanov I.I.

*b) a resume*

**EDUCATION** Tver State University, Faculty of Modern Languages, English Department (1983). Tver State University. Post-graduate studentship (1990).

**EXPERIENCE** Tver State University. The Department of Foreign Literature. I deliver lectures on European Literature of the 17-18<sup>th</sup> centuries (Fall 1988-present). Tver State University. The Department of Russian Literature. Lecturer on Russian Literature of the 19-20 centuries at the Preparatory Department (Fall 1988-summer 1990). Tver State University. Summer Courses of Russian Language for Foreign Students. Teacher of Russian Language (Summer 1989, 1990). Tver State University. The Department of Foreign Languages for Humanities. Teacher of English (1986-1988). Tver secondary school teacher of English, German, Literature (1983-1986).

**ACTIVITIES** Intercontact Cooperative Firm. Courses of intensive studies of foreign languages. Teacher of English (Fall 1989-present). Tver State University Exchange Program bw. Tver Eastern Washington Universities. Tutor of american post-graduates in Russian conversational skills (Fall 1989-winter 1990) Private English lessons (Fall 1989-present).

**PUBLICATIONS** I am the author of 6 articles published in different editions of collections of articles. The

topic of these publications is connected with folk and romantic British balladry. This is the subject of my candidate thesis which I am going to defend this winter.

**LANGUAGES** Russian (native language), English, German.

## LESSON 5

### LINE AND STAFF POSITIONS

In business, organization structure means the relationship between positions and people who hold the positions. Organization structures are very important because it provides an efficient work system as well as a system of communication.

Historically, line structure is the oldest type of organization structure. The main idea of it is direct vertical relationships between the positions and tasks of each level, and the positions and tasks above and below each level. For example, a sales manager may be in a line position between a vice-president of marketing and a salesman. Thus a vice president of marketing has direct authority over a sales manager. A sales manager in his turn has direct authority over a salesman. This chain of command simplifies the problems of giving and taking orders.

When business grows in size and becomes more complex, there is a need for specialists. In such case administrators may organize staff departments and add staff specialists to do specific work. These people are usually busy with services; they are not tied in with the company product. The activities of the staff departments include an accounting, personnel, credit and advertising. Generally they do not give orders to other departments.

#### Active Vocabulary

relationship	qarşılıqlı münasibət
hold the positions	vəzifə tutmaq
organization structure	təşkilatın strukturu
level	səviyyə, dərəcə, pillə
sales manager	satış şöbəsinin müdiri, kommersiya direktoru
salesman	satıcı, ticarət agenti
to have direct authority over smb.	kiməsə rəhbərlik etmək
staff	ştat, işçi heyəti
to give orders	əmrələr vermək
to take orders	əmrələr almaq
a line department	hazır məhsul şöbəsi
staff department	idarəetmə heyəti üçün kadrlar

to be tied in with the company	şöbəsi
product	son məhsul buraxılışı ilə
complex	məşğul olmaq
	mürəkkəb

### Comprehension Questions

1. What does the organization structure mean?
2. What does the organization structure provide?
3. What is historically the oldest type of organization structure?
4. In what position is a sales manager in attitude to a vice-president of marketing and a salesman?
5. What is the difference between line and staff departments?
6. Why is an advertising department or a credit department considered staff structure rather than line structure?

### Vocabulary Practice

**Choose the necessary word and put it in the sentence.**

1. Organization structure shows... between each position and positions above and below. | 1 relationships
2. A sales manager has direct... over a salesman. | 2 to hold a position
3. As a rule a ... usually does not give orders to other departments. | 3 authority
4. When the business gets more ... there is a need for staff departments. | 4 complex
5. My friend ... of sales manager. | 5 task
6. The ... of staff departments is to do different services. | 6 a line department
7. My friend works in a ... ..., he is responsible for the company product. | 7 a staff department

### Dialogue

Peggy Forman is talking with Jaff Downing, another administrative assistant in her company.

**Jaff** How are you today, Peggy?



**Peggy** Oh, fine, thanks.

**Jaff** Glad to hear that. By the way, are you familiar with the organizational chart for the company?

**Peggy** No, I am not. What is it like actually?

**Jaff** Well, the chart shows how the employees are divided into groups. It gives one an overview of the chain of command in the company.

**Peggy** I see. The positions can be line and staff ones.

**Jaff** Yes. The subject is not new to you. What else do you know about it?

**Peggy** As far as I know a worker in a line position receives orders from his immediate subordinate.

**Jaff** Exactly, that's the line chain of command.

**Peggy** A worker in a staff position reports directly to a line worker but he neither gives nor receives orders for line workers. Am I right?

**Jaff** Yes, you are. But someone may have line authority over people in his department and not be considered a line administrator.

**Peggy** How can it be?

**Jaff** That's possible when a whole department is a staff department. For example, in our company the head of the credit department or the personnel department can hardly ever be president of the company.

**Peggy** And what do the people in staff departments do, how is their work different?

**Jaff** Well, they are usually busy with services and they could do the same service for any company. So they are not in the line.

**Peggy** It seems to be rather complicated.

**Jaff** It only seems so. I think the chart should help.

**Peggy** Oh, sure. But, Jaff, would you explain me what span of control is?

**Jaff** Oh, span of control refers to the number of people whom one managers directly.

**Peggy** Can you give me an example?

**Jaff** Well. The President of our company directly manages the Vice President of Production, the Vice President

of Marketing and the Comptroller. Thus, his span of control includes three people.

**Peggy** Yes, now I see. Thank you for your help.

**Jaff** Not at all. Why don't we go to the coffee stall and have a snack together?

### Active Vocabulary

organizational chart	təşkilat strukturu
line position	istehsaldə tutduğu vəzifə
staff position	ştat vəzifəsi (funksional)
immediate superior	əsas müdir
immediate subordinate	bilavasitə tabeçilik
line chain of command	tabeçilik strukturu
to report	məlumat vermək, hesabat vermək
credit department	kredit şöbəsi
span of control	bir başa nəzarət sahəsi
vice-president of production	istehsal üzrə vitse prezident
vice-president of marketing	marketinq üzrə vitse prezident
comptroller	baş maliyyəçi

### Vocabulary Exercises

#### Exercise 1. Give affirmative and negative answers to questions.

**Model:** Have you examined the organizational structure of the company yet?

Yes, I have already examined it. No, I haven't examined it yet.

1. Have you reported to the comptroller yet?
2. Have you settled this problem with the manager yet?
3. Have you learned line and staff positions off the company yet?
4. Have you got acquainted with your immediate superior yet?
5. Have you heard about his span of control yet?
6. Have you met your immediate subordinates yet?
7. Have you passed your report to the credit department yet?

## **Exercise 2. Change the sentences according to the model.**

**Model:** A staff employee doesn't give orders.

A staff employee doesn't receive orders.

A staff employee neither gives, nor receives orders.

1. He isn't a Comptroller. He isn't sales manager.
2. The head of the credit department doesn't advise the President.  
The head of the credit department doesn't report to comptroller.
3. He doesn't want to hold a position of vice-president of marketing. He doesn't want to hold a position of general manager.
4. A credit department doesn't have direct authority over a line department. A personnel department doesn't have direct authority over a line department.
5. I don't want to talk with the Boss. I don't want to talk with the Controller.
6. She doesn't like to give orders. She doesn't like to receive orders.
7. Jecky doesn't want to attend annual meeting of shareholders.  
Susan doesn't want to attend annual meeting of shareholders too.

## **Exercise 3. Answer the questions.**

1. What is your relationship with your immediate superior?
2. What position in your company do you want to hold?
3. Do you want to be a sales-manager or a vice president of marketing? Give your reasons.
4. Over what positions do you have direct authority in your company?
5. What do you like more: to give orders or to receive orders?
6. Do you want to work in a staff department or in a line department? Give your reasons.

## **Exercise 4. Translate into English**

1. Mənim müdirlə münasibətim çox yaxşıdır.
2. Dostum baş maliyyəçi vəzifəsini tutur.
3. Mən müəssisəmizin təşkilat strukturu ilə tanış deyiləm.
4. O, əmr verməyi onları qəbul etməkdən üstün tutur.
5. Mən istehsalat şöbəsində işləməyə üstünlük verirəm.

6. İnzibati şöbələrə son məhsulla birbaşa əlaqəsi yoxdur.
7. Bizim müəssisənin quruluşu çox mürəkkəbdir.
8. Mən istehsalat şöbəsindən çox inzibati şöbəyə uyğun gəlirəm.
9. Mənim müdirim işdə çox dəqiqdir.
10. Üç qrup rəhbəri bilavasitə mənim rəhbərliyim altında işləyir.
11. Baş maliyyəçi çox məsuliyyətlidir.
12. Bilavasitə mənə tabe olan işçini işdən qovuram. O, tənbəldir.

## Grammar Exercises

### Exercise 1. Transfer the sentences from Active into Passive.

**Model:** The manager examines organizational structure of the firm.  
Organizational structure of the firm is examined by the manager.

1. Vice-president gives orders to his employees.
2. I receive orders from the sales-manager.
3. My friend holds a position of general manager.
4. Personnel office receives resumes from prospective candidates.
5. Staff departments do different services to line departments.
6. He takes the orders and fulfils the task very quickly usually.

**Model:** My friend is examining the organizational chart.  
The organizational chart is being examined by my friend.

1. I am sending my annual report to my immediate superior.
2. The foreman is firing his immediate subordinate.
3. Comptroller is giving the orders to his employees.
4. We are changing the organizational structure of our company.
5. The board of directors is enlarging the staff of the company.

**Model:** I have invested my money in real estate.

My money has been invested in real estate.

1. We have considered advantages and disadvantages of partnership.
2. I have bought the shares of IBM company.
3. This business has involved big financial resources.
4. We have elected the board of directors.
5. The board of directors have chosen the company officers.

## LESSON 6

### ACCOUNTING

Accounting shows a financial picture of the firm. An accounting department records and measures the activity of a business. It reports on the effects of the transactions on the firm's financial condition. Accounting records give a very important data. It is used by management, stockholders, creditors, independent analysts, and government.

Most businesses prepare regularly the two types of records. That is the income statement and balance sheet. These statements show how money was received and spent by the company.

One major tool for analysis of accounting records is ratio analysis. A ratio analysis is the relationship of two figures. In finance we operate with three main categories of ratios. One ratio deals with profitability, for example, the Return on Investment Ratio. It is used as a measure of a firm operating efficiency.

The second set of ratios deals with assets and liabilities. It helps a company to evaluate its current financial position. The third set of ratios deals with the overall financial structure of the company. It analyses the value of the ownership of the firm.

#### Active Vocabulary

accounting	mühasibat uçotu
record	sənəd, protokol, qeyd
to record	qeyd etmək, qeydiyyatata almaq
to measure	ölçmək
transaction	sövdə, bank əməliyyatı
firm's financial condition	firmanın maliyyə vəziyyəti
to provide data	məlumatla təmin etmək
creditor	kreditor
independent	müstəqil
income statement	gəlirlər haqqında hesabat
balance sheet	balans hesabatı
to receive	qəbul etmək, almaq
to spend	xərcləmək
ratio analysis	əmsalların təhlili
profitability	mənfəətlilik

Return on Investment Ratio	investisiyanın qaytarılma əmsali
efficiency	effektivlik, məhsuldarlıq, səmərəlilik
to evaluate	qiymətləndirmək
value	qiymət, dəyər
ownership	xüsusi mülkiyyət
overall financial structure	maliyyə strukturu

### Comprehension Questions

1. What is the purpose of accounting?
2. Who uses the data provided by accounting firms?
3. What are the two types of records which most businesses prepare?
4. What can you know analyzing the income statement and balance sheet of a company?
5. What is the purpose of the ratio analysis?
6. What categories of ratios in finance do you know?

### Vocabulary Practice

#### Exercise 1. Choose the necessary word and put it in the sentence.

- |  |  |               |
|--|--|---------------|
| 1. An accounting helps ... the activity of a business.                             |  | 1 to profit   |
| 2. Do you know the effect of your last ... on financial condition of the firm?     |  | 2 profit      |
| 3. Accounting records provide ... for stock-holders, independent analysts.         |  | 3 efficiency  |
| 4. The second type of ratio helps the company ... its current financial position.  |  | 4 ownership   |
| 5. ... is one the two main records which most of the businesses prepare regularly. |  | 5 to evaluate |
| 6. The ... of the company includes real estate on California.                      |  | 6 transaction |
| 7. I am sure of the ... of this transaction.                                       |  | 7 data        |
| 8. Our company's current ... is very high.   |  | 8 income      |
| 9. They ... from the association with that corporation.                            |  | 9 to measure  |

## Dialogue

(Peter and Karen work in a large company. They are having dinner in the company cafe).

**Peter** Hi, Karen. Glad to meet you. You looked very busy this morning. There were so many statements on your table.

**Karen** Oh, Peter. This is the end of the year. The accounting department is very busy.

**Peter** I know. We are all very busy, totaling accounts. But I've already turned in the report on my department.

**Karen** Good.

**Peter** So, how's business.

**Karen** I don't know everything. I am busy with some records and statements. I don't have the whole picture. But I think the company is doing very well.

**Peter** I am sure of it. We have to keep our creditors and investors happy.

**Karen** Well, the balance sheet and profile and loss statement are ready. It is the end of the fiscal year. So everybody can check out the assets and liabilities, net worth and profit position of the company in the financial statements.

**Peter** Do you work with the pay checks?

**Karen** Why are you asking?

**Peter** I thought you could explain me the big difference between my gross pay and my net take-home pay.

**Karen** The explanation takes only one word-taxes. Actually the salaries are done through the computer.

**Peter** Really?

**Karen** Sure. We can't handle any volume in a large company without computers.

**Peter** You are right. Thank you for very interesting information.

**Karen** Oh, its my pleasure. Let's go to get some dessert.

## Active Vocabulary

accounting department

mühasibat şöbəsi

to total accounts

hesablamaq

to turn in the report

hesabatı təhvil vermək

creditor

kreditor, kredit verən

investor

investor, sərmaye qoyan

profit and loss statement	gəlir və itkilər haqqında hesabat
assets and liabilities	aktiv və passiv
net worth	a) əmlakın xalis dəyəri b) müəssisənin xüsusi kapitalı
a financial statement	maliyyə hesabatı
a pay check	ödəmə qəbzi
gross	ümumi
net pay	ümumi ödəmə (tutulan pul nəzərə alınmadan)
tax	vergi
salary	maaş, aylıq məvacib
fiscal year	büdcə ili

### Vocabulary Exercises

#### Exercise 1. Have a look at the structure.

Can you turn in the report in time?

No, I can't turn in the report but I could when I worked in the other department.

1. Can they check the assets and liabilities?
2. Can you keep the investors and creditors happy?
3. Can you explain the difference between gross pay and net take-home pay?
4. Can he compute the taxes?
5. Can we prepare profit and loss statement?
6. Can the company pay the salaries in time?
7. Can I operate the computer?

#### Exercise 2. Imagine that you work as accountant in a big enterprise. Answer the following questions.

1. Do you total the accounts at the end of the fiscal year?
2. What are your usual activities at the end of the fiscal year?
3. When do you prepare a financial statement?
4. Why should you have more assets than liabilities?
5. Does the accounting department work on taxes?
6. What is the difference between your gross salary and net salary?
7. Is the difference between gross salary and net salary big in this country? What does this difference depend on?



### **Exercise 3. Make up the dialogue about accounting.**

a) between an experienced accountant and a university graduate who has just begun to work as an accountant;

b) you are an employer and you want to hire an accountant, find out if he (she) is experienced enough in accounting.

### **Exercise 4. Translate into English**

1. Mühasibat uçotu investorlar və kreditorları məlumatla təmin edir.
2. Onlar maliyyə ilinin sonunda balans və gəlirlər haqqında hesabı hazırlayırlar.
3. Biz istehsalın effektivliyini əmsalların təhlili vasitəsi ilə müəyyən edirik.
4. Daşınmaz əmlak korporasiyanın xüsusi mülkiyyəti hesab olunur.
5. Biz aktiv və passivi yoxlayıb əmlakın xalis dəyərini müəyyən edə bilərik.
6. Biz böyük həcmdə vergi ödəyirik.
7. Sən çıxılmamış nə qədər maaş alırsan?

### **Grammar Exercises**

#### **Exercise 1. Make up sentences negative.**

**Model:** I worked as an accountant in a big corporation.

I didn't work as an accountant in a big corporation.

1. An accounting department reported on the effects of the transactions.
2. They studied carefully income statement and balance sheet.
3. We used ratio analysis to determine the firms operating efficiency.
4. The accountants checked the sets and liabilities.
5. The accounting department provided data for the management.

**Exercise 2. Put up for questions of different types to each sentence (general, special, disjunctive, alternative).**

**M o d e l:** The accounting department regularly prepared the income statement and balance sheet.

1. Did the accounting department regularly prepare the income statement and balance sheet?
2. What did the accounting department regularly prepare?
3. The accounting department regularly prepared the income statement and balance sheet, didn't it?
4. Did the accounting department prepare the income statement or a financial statement?

- 1.The board of directors checked out assets liabilities and net worth.
- 2.He worked as a Comptroller of the company for two years.
- 3.The applicants sent their resumes and letters of interest.
- 4.She used to do books in a big company.
- 5.Some government corporations issued stock certificate.

## LESSON 7

### CORPORATE FINANCE

Corporations need financing for the purchase of assets and the payment of expenses. The corporations can issue shares in exchange for money or property.

Sometimes it is called as equity funding. The holders of the shares form the ownership of the company. Each share is represented by a stock certificate, which is negotiable. It means that one can buy and sell it. The value of a share is determined by the net assets divided by the total number of shares out standing. The value of the share also depends on the success of the company. The greater the success, the more value the shares have.

A corporation can also get capital by borrowing. It is called debt funding. If a corporation borrows money, they give notes or bonds. They are also negotiable. But the interest has to be paid out whether business is profitable or not.

When running the corporation, management must consider both the outflow and inflow of capital. The outflow is formed by the purchase of inventory and supplies, payment of salaries. The inflow is formed by the sale of goods and services. In the long run the inflow must be greater than the outflow. It results in a profit. In addition, a company must deduct its costs, expenses, losses on bad debts, interest on borrowed capital and other items. It helps to determine if the financial management has been profitable. The amount of risk involved is also an important factor. It determines the fund raising and it shows if a particular corporation is a good investment.

#### Active Vocabulary

purchase	alış, alqı
payment of expenses	xərclərin ödənilməsi
property	mülkiyyət, əmlak
equity funding	müəssisənin pul fondunun səhm vasitəsi ilə yaradılması
debt funding	müəssisənin pul fondunun borc vasitəsi ilə yaradılması
holders of the shares	səhm sahibləri, səhmdarlar
stock certificate	səhm şəhadətnaməsi

negotiable	razılığa gəlinə bilən, verilə bilən, satıla və alınə bilən
net assets	əmlakın xalis dəyəri
bond	istiqraz vərəqəsi, bərc öhdəliyi
note	bərc haqqında qəbz
interest	pay, bərc faizi
to pay out	ödəmək
to run a corporation	korporasiyanı idarə etmək
inflow	mədaxil
outflow	məxaric
inventory	maddi istehsalat ehtiyatları
supplies	resurslar
debt	bərc
goods	mal, əmtəə

### Comprehension Questions

1. Why do all corporations need financing?
2. What does equity funding mean?
3. What does debt funding mean?
4. How is the value of a share determined?
5. What activities produce an inflow and outflow of capital?
6. What can happen if an enterprise has a greater outflow of capital than an inflow?
7. Why is the risk involved an important factor in determining fund raising?

### Vocabulary Practice

**Choose the necessary word and put it in the sentence.**

1. ... funding is a financing formed by borrowing. | 1 equity
2. They have borrowed much money and they have |  
to pay a big ... . | 2 negotiable
3. Financing by shares is called ... funding. | 3 interest
4. That is a very profitable deal, for that purpose |  
we need extra ... . | 4 inventory
5. You can sell your shares and ... . | 5 funding
6. They are ... . | 6 inflow
7. The current assets of a company usually include |  
cash and ... . | 7 bond

8. As a result of this deal we'll have greater ... |  
than outflow. | 8 debt

### Dialogue

- Mary** It s so nice to see you, Frank, Sorry, I couldn't come to your office today.
- Frank** Never mind. Have a seat. Let's start by having some coffee. Later.
- Mary** So Frank. I guess it might be right time for me to invest in that computer company. As my stockbroker, what can you suggest?
- Frank** I am sure they are doing extremely well and they would welcome your investment.
- Mary** But why do they need my investment if they are doing so well?
- Frank** O.K. I think I should explain you a little about a corporate finance.
- Mary** Go ahead. If it concerns my money I am always interested.
- Frank** If a corporate enterprise wants to expand it needs financing.
- Mary** You are right.
- Frank** So there are two basic types of financing: equity and debt.
- Mary** What's the difference between them?
- Frank** If the money is supplied by the owners of a business it is called equity funding. And the use of money supplied by loans is called debt funding.
- Mary** So as investor, what am I?
- Frank** Well, as an investor you become a partial owner of a business and receive equity. You get shares or certificates of common stock which represent your portion of ownership.
- Mary** You did right buying the stock for me. By the way, are there any documents which show the financial state of the company?
- Frank** Oh yes. You've just reminded me. I've brought a copy of the company's Annual Report for you to look over. You should read it very carefully. And if you have something to ask do it, please.

- Mary** Thanks a lot, Frank. I will. Does this company pay dividends on its stock?
- Frank** Yes. In fact, I studied their Annual Report and I can tell that they have good management. Their business is doing very well, the value of their stock has been rising. It can be an excellent long-term investment, I am sure.
- Mary** But if I want to sell my shares very soon?
- Frank** No problem. Undoubtedly you can make a profit on the sale. But it seems to me you'll want to keep this company in your portfolio.
- Mary** Thank you for your advice. You are wise as usual.
- Frank** Well, my advice now is to study the company's Annual Report. You need several days for that. Then we'll meet and talk again.

### Active Vocabulary

a stockbroker	birja dəllalı, birja brokeri
if it concerns smth	söhbət nədənsə gedirsə
loan	istiqraz, borc, kredit
partial owner	şərik
Annual Report	illik hesabat
To pay dividends	dividentlər ödəmək
Long-term investment	uzun müddətli investisiya
To make a profit on the sale	satışdan gəlir əldə etmək

### Vocabulary Exercises

#### Exercise 1. Make up a sentence according to the model.

**Model:** How should the company pay the expenses? (borrow from the government).

The company should pay the expenses by borrowing from the government.

1. How can we form an equity funding? (issue shares ).
2. How can a business sell more shares of stock? (offer a dividend).
3. How should we know about the financial state of the company? (look over the Annual Report).

4. How should he invest his savings? (buy common stock).
5. How should they make people buy their bonds? (increase the interest).
6. How can this company make a profit? (raise investment capital).

**Exercise 2. Notice the sentence from the dialogue. You need several days for that. Use this structure to respond the following sentences.**

**Model:** It takes a month to sell the bonds.

You need a month to sell the bonds.

1. It will take a half of the year to pay off the debts.
2. It takes her several days to count up net assets.
3. It won't take the company much time to repay the loan.
4. It will take him the rest of his life to learn how to run the corporation.
5. It takes them two days to sell the goods.
6. It will take them much time to decrease the outflow.
7. It will take him a month to raise the capital.

**Exercise 3. Answer the questions.**

1. What kind of funding is preferable: equity or debt?
2. What shares of what enterprises of your town would you buy? Explain why.
3. Imagine that your business is going to get capital funds by borrowing. What bond interest would you charge? Explain why.
4. What should you do to produce more inflow of capital?
5. How can you calculate the net assets of your enterprise?
6. What traits of character does a stockbroker need?

**Exercise 4. Translate from Russian into English.**

1. Bizim müəssisənin avadanlıq almaq üçün pul fondlarına ehtiyacı var.
2. Mən müəssisənin pul fondunun səhm vasitəsi ilə yaradılmasına üstünlük verirəm. O böyük miqdarda kapital cəlb edə bilər.
3. Səhm və istiqrazlar alına və satıla bilər.
4. Mən on faizli istiqraz vərəqələri almaq istəyirəm.

5. Biz maliyyə ilinin başlanğıcına qədər bütün borcları ödəmək fikrindəyik.
6. Sən bu malları satmaqla yaxşı gəlir əldə edə bilərsən.
7. O Sony şirkətinin şərikidir.
8. Bu şirkətin səhmlərinin alınması uzun müddətli investisiyadır.
9. Əgər söhbət mənim pullarımdan gedirsə, mən kampaniyanın illik hesabatını öyrənərəm.

### **Grammar Exercises.**

#### **Exercise 1. Make the sentences negative.**

**Model:** This bank was making loans to corporations during two months last year.

This bank wasn't making loans to corporations during two months last year.

1. They were discussing the possibility of the purchase of inventory from 5 till 6 p.m. yesterday.
2. He was running the corporation during two months.
3. During our last classes the lecturer was speaking about equity funding.
4. Our accountant was calculating assets liabilities and net worth two days before yesterday.
5. They were electing the new Board of Directors for two hours at their annual meeting.

#### **Exercise 2. Put up four questions of different types (general, special, disjunctive, alternative) to each sentence.**

**Model:** The company was doing extremely well when he was the manager.

1. Was the company doing extremely well when he was the manager?
2. When was the company doing extremely well?
3. The company was doing extremely well when he was the manager, wasn't it?
4. Was the company doing well or badly when he was the manager of the company?



1. I was examining the Annual Report when Mr. Stevenson called on me.
2. She was making a profit on the sale of the goods till she could get them.
3. He was holding a position of a stockbroker when I met him last year.
4. The shop was attracting many customers, when it was supplied by famous companies.
5. They were investing money in this business for two years.

## LESSON 8

### BANKS AND BUSINESS

Banks are different in different countries. Let's speak about the banks in the United States of America. There, commercial banks are classified into two main groups. First, there are national banks. They are chartered and supervised by the Federal Government. Secondly, there are state banks. They are chartered and supervised by the state in which they are operated. All commercial banks can make loans to borrowers.

Major commercial banks in such cities as Tokyo, Paris, Rio cooperate with each other. In this way finance imports and exports between countries.

An importer buys merchandise from another country using the currency of that country. For that purpose he buys this currency from the foreign exchange department of his bank. And in the same way if an exporter receives foreign money from sales to other countries, he sells this currency to his bank. By this method the currency of any country can usually be exchanged.

#### Active Vocabulary

commercial bank	kommersiya bankı
national bank	milli bank
to charter	yaratmaq
to supervise	rəhbərlik etmək, nəzarət etmək
state bank	dövlət bankı
merchandise	mal, əmtə
currency	pul, valyuta
foreign exchange department	xarici valyuta mübadilə şöbəsi
to exchange currency	valyuta mübadiləsi

#### Comprehension Questions

1. What do all commercial banks do?
2. What kinds of commercial banks in the USA do you know?  
What are they called?
3. Who supervises the operations of national bank?

4. What kind of currency does an importer generally use when he buys goods from another country?
5. What do you know about the “international exchange”?
6. What is the currency of this country called?
7. What is the exchange rate between your currency and the currency of the USA and Germany? How can you find it out if you don't know it?

### Vocabulary Practice

#### Exercise 1. Choose the necessary word and put it in the sentence.

Federal government .... and .... all national banks.	1 merchandise
	2 currency
International cooperation between banks makes it possible ... imports and exports.	
It is possible to convert American dollars to Swiss francs in ... department.	3 commercial
The ... of Germany is the mark.	4 foreign exchange
All ... banks make loans to borrowers.	5 to finance
If the importer buys ... from another country he will pay for it in the currency of this country.	6 to supervise
	7 to charter

### Dialogue

( A banker's office in New York City. Mr. Smith, a Vice President, is speaking to Bill Wilson).

**Smith** O.K. Bill. As a secretary you ought to know certain things about banking.

**Bill** That's what I want. I hope to make my career in banking

**Smith** And what bank services are you familiar with?

**Bill** Oh, let me see. I am familiar with checking and savings accounts, Safety deposit boxes, insurance and things like that.

**Smith** It is something.

**Bill** But I don't have a clear idea of the services which banks offer to business.

**Smith** O.R. Let's discuss it then. In fact it is more directly concerned with what passes over my desk.

**Bill** I think businesses come to the banks for loans.

**Smith** You are right. Banks make loans to corporations, to organizations individuals and to small companies. For this service, we always charge interest.

**Bill** But how can a bank decide whether a business should receive a loan.

**Smith** First of all we request a financial statement. It shows what the company has in inventory, accounts receivable and other assets and liabilities. Profit and loss statement shows the company's income and expenses.

**Bill** In other words you look over the financial situation of a business.

**Smith** Exactly. If the company is eligible for a loan, it may choose a long-term loan or a short-term loan.

**Bill** I see. And how much interest does the bank charge on these loans?

**Smith** It can be different. We have so-called prime-rate, that is the lowest Interest rate available at the particular time. Only preferred customers can have it.

**Bill** Who decides on prime-rate then?

**Smith** Major lending banks do.

**Bill** Oh, I must know that. And very often I hear the term "a line of credit". I have a vague idea what it is.

**Smith** A line of credit is the maximum amount of money that a company can borrow from a bank. This top amount of customer's credit is based on the profits and earnings of a business.

**Bill** Well. Then it is very important to have a good line of credit, isn't it

**Smith** Sure. A bank also issues letters of credit. Such letter says that its holder can borrow up a certain sum of money. Or a bank can also issue a letter of credit for a person who goes to the other country where another bank is involved. Then there is the credit reference letter which recommends a company to its suppliers, and well. I could go on all morning.

**Bill** Thank you. It's very useful information.

**Smith** O.K. We can pass on to a more complicated subject. That is tax service.

## Active Vocabulary

banking	bank işi
to make a career in smth.	hansısa bir sahədə karyera qurmaq
bank services	bank xidmətləri
checking account	qəbz hesabı
savings account	əmanət hesabı (təyin olunmuş faizlə əmanət hesabı)
safety deposit box	depozitlərin saxlanılması üçün seyf
insurance	sığorta
to make a loan to smb.	kimə isə borc (kredit) vermək
to be eligible for a loan	kredit verilməsi üçün uyğun sayılan (yəni ödəmə qabiliyyəti olan)
long-term loan	uzun müddətli kredit (borc)
short-term loan	qısa müddətli kredit (borc)
prime-rate	müəyyən vaxtda və müəyyən yerdə təyin olunmuş. ən aşağı borc faizi
preferred customer	imtiyazlı müştəri
to be available	nəğd, sərəncamında olan
line of credit	kredit limiti
to borrow	borc götürmək
letter of credit	akkreditiv, kredit məktubu
credit reference letter	kredit üçün zəmanət məktubu

## Vocabulary Exercises

### Exercise 1. Change the sentences according to the model.

**Model:** We use the safety deposit boxes (sometimes).

We sometimes use the safety deposit boxes.

1. All the banks provide credit services (usually).
2. Banks give investment advice (sometimes).
3. Banks charge interest (always).
4. You can borrow money quickly (realer).
5. Businesses want to borrow money (frequently).
6. The amount of interest depends on the prime-rate (generally).
7. Companies need a line of credit (seldom).
8. A line of credit is available (occasionally).

**Exercise 2. Change the sentences from active into passive according to the model.**

**Model:** They use the safety deposit boxes very often.

Safety deposit boxes are used very often by them.

1. Federal government supervises and charters national banks.
2. This bank is asking ten percent interest.
3. The bank requests a financial statement of the company.
4. Their company takes a long-term loan from the Federal Bank.
5. The executive shows the company's expenses.
6. The manager is instructing the secretary.

**Exercise 3. Answer the questions.**

1. Is there a difference between banking systems in the USSR and western countries? What is the difference?
2. What bank services are you familiar with?
3. Do the banks in this country have safety deposit boxes?
4. Whom do the banks make loans to in this country?
5. What kind of loan would you prefer, long-term loan or short-term loan?
6. What prime-rates are available in this country?
7. What does the line of credit of the enterprise depend on?
8. What is a credit letter written for?
9. What can one do with credit reference letter?

**Exercise 4.**

1. Speak about banking system in the USSR.
2. Make up a dialogue between a bankman and a customer, who wants to take a long-term (short-term) loan.

**Exercise 5. Translate into English.**

1. Kommersiya banklarını dövlət yaradır.
2. Əgər sən xaricdən mal almaq istəyirsənsə, onda pulları valyuta mübadiləsi şöbəsində dəyişməlisən.
3. Mən bank işi sahəsində müvəffəqiyyət əldə etmək istərdim.
4. Bütün banklar borca faiz təyin edir.
5. Bizim bank bu müəssisəyə qısa müddətli kredit vermək niyyətindədir.
6. Borcdan ən aşağı faiz imtiyazlı müştərilərə verilir.
7. Banklar akkreditivlər və əmanət məktubları buraxa bilər.

8. Mən böyük məbləğdə borc götürmək fikrindəyəm.
9. Bank kredit verilməsi üçün bu müəssisəni münasib hesab edir.

### **Grammar Exercises**

#### **Exercise 1. Make the sentences negative.**

**Model:** This commercial bank had already stopped to exist when the war started.

This commercial bank hadn't stopped to exist yet when the war started.

1. He had already changed currency when I rang him up yesterday.
2. They had already chartered the commercial bank when I organized my private café.
3. He had looked over the financial statement by five o'clock yesterday.
4. My brother had made a career in banking when he was 26.
5. He had put all his money on his savings account before the money reform was introduced.
6. reform was introduced.

#### **Exercise 2. Put up four questions of different types (general, special, disjunctive, alternative) to each sentence.**

**Model:** They had written a credit reference letter before he left abroad.

1. Had they written a credit reference letter before he left abroad?

2. What had they written before he left abroad?

3. They had written a credit reference letter before he left abroad, hadn't they?

4. Had they written a credit reference letter or a credit letter before he left abroad?

1. He had been a preferred customer for this bank till his business was successful.
2. My parents have settled everything connected with insurance before they retired on pension.
3. He had borrowed the money before I managed to find him.
4. The lawyer had given me investment advice before I asked him about it.
5. He had arrived to the conclusion to take a long-term loan when I met him yesterday.

## LESSON 9

### PRODUCT DEVELOPMENT AND PLANNING

The number of new products coming into the market of western countries every year is overwhelming. The major part of these products is not new, but adaptations. It means that these products are not new; they are existing items to which a modification has been made. Only few products are really original or innovations. For instance a clock - television is an adaptation, but TV - set itself, the refrigerator - each was an innovation. A great number of innovations and adaptations are designed, produced and marketed by small businesses. Very often a new product is formed on the basis of the new business. Sometimes there is a patent to make the business more successful. But it happens very often that market research hasn't been done carefully.

Even in case larger scale producers do more research and testing there is no sure success. A promising new product may be also robbed of success by unreasonable prices, inadequate promotion and poor selling methods. Generally less than one fifth of all new products turn out to be profitable.

#### Active Vocabulary

product development	istehsalın inkişafı
adaptation	uyğunlaşdırılmış, dəyişdirilmiş, yenidən düzəldilmiş
modification	modifikasiya, dəyişiklik
innovation	yenilik
patent	patent
large scale producer	iri istehsalçı
promising product	perspektivli məhsul
unreasonable price	şişirdilmiş qiymət
inadequate	tələblərə cavab verməyən, müvafiq olmayan, (kifayət etməyən)

#### Comprehension Questions

1. How can you explain the term adaptation?
2. What is an innovation?



3. Give your own examples of innovations and adaptations.
4. Why are many innovations and adaptations manufactured and marketed by small businesses?
5. Why is it so important to obtain a patent?
6. Why does the failure of a new product take place?

### Vocabulary Practice

#### Exercise 1. Choose the necessary word and put it in the sentence.

- |  |                   |
|--|-------------------|
| 1. Though market research tries to predict the trends, there is no sure ...  | 1. adaptation<br> |
| 2. This product isn't original, it is a ...                                  | 2. innovation<br> |
| 3. ... office receives applications from many young inventors.               | 3. inadequate<br> |
| 4. If the price is ..., the product won't be sold out.                       | 4. patent<br>     |
| 5. A clock - television is an adaptation but the television itself is an ... | 5. failure<br>    |
| 6. If a sure ... is stopped, money and time can be saved.                    | 6. success<br>    |
| 7. They failed because of ... promotion campaign.                            | 7. unreasonable   |

### Dialogue

(Dick and Jack are having lunch. Dick is Vice President in charge of product Development. And Jack is Vice President in charge of the Legal Department).

**Dick** How are the things?

**Jack** Great. We are busy with a new line of clock-television.

**Dick** Sounds interesting. Are you going to apply for a patent soon?

**Jack** Yes, we are. We are preparing the necessary papers now.

**Dick** And what did the Market Research say by the way?

**Jack** They think there is fair market for the product at the moment but it will take a few years to catch on.

**Dick** I see. We'll have to turn a good promotional campaign.

**Jack** Without doubt.

- Dick** Well, it will be our advantage to have the patent on it as well. You have decided on the size, haven't you?
- Jack** We'll start with a small screen model. It will have a wake-up button and go-to-sleep button with timers. Market Research says that the automatic go-to-sleep button may be the bigger selling point.
- Dick** Yes. The idea of a set that turns itself off is great. To tell you the truth I'm always falling asleep in the middle of the show. Now it can be done.
- Jack** Well. In future we'll probably expand the line to include different size screens and colour.
- Dick** That's good.
- Jack** I think we are close to a big success.
- Dick** That is why we must be very careful. Before we begin to market television we must fulfill the most complete testing.
- Jack** You are right.
- Dick** What about the pricing? Has it been worked out?
- Jack** Not completely. Market Research Department says we can't have too high price on this kind of item.
- Dick** It's evident we must be very careful. Maybe this time consumers will really surprise us.
- Jack** Let's hope for the best.

### Active Vocabulary

to apply for a patent -	patent üçün müraciət etmək (ərizə vermək)
fair market	bazar üçün əlverişli şərait
to catch on	dəbdə olmaq
to be a big selling point	alıcılar üçün cəlbedici olmaq
to fulfill the testing	sınağı başa çatdırmaq
to market	satmaq

### Vocabulary Practice

#### Exercise 1. Change the sentences according to the model.

**M o d e l:** We must fulfill complete testing.

Complete testing must be fulfilled.

1. They must expand the line.

2. You could apply for a patent.
3. They should work out the details.
4. I must develop a new trend.
5. We should design a line of clock-television.
6. You should start market research.

**Exercise 2. Answer the questions.**

1. Why is it so important for a producer to apply for a patent?
2. How much time does it usually take for a new product to catch on?
3. What is a big selling point of the items which you produce?
4. In what way can a consumer surprise the producer?
5. Would you like to produce something original or an adaptation? Explain why.
6. What are the conditions of successful product development?
7. What product are the market conditions fair for in this country?

**Exercise 3. Translate into English.**

1. Bu məhsul – köhnənin modifikasiya olunmuş variantıdır.
2. Xırda istehsalçılar çoxlu miqdarda mal satışa buraxır.
3. Siz bu malın istehsalı üçün patent almalısınız.
4. Müvəffəqiyyət qazanmaq üçün bazarın diqqətlə öyrənilməsi vacibdir.
5. Sizin məhsulun tanınması üçün beş il vaxt tələb olunur.
6. Məhsulu satışa çıxartmadan əvvəl bütün tədqiqatları başa çatdırmaq lazımdır.
7. Biz əlaqələrimizi daha da genişləndirməliyik.

**Exercise 4. Speak about product development of your business. Ask your colleague how would plan product development.**

**Grammar Exercises**

**Exercise 1. Make the sentences negative.**

**Model:** I will the drawings prepared very soon.

I won't have the drawings prepared very soon.

1. It will take much time to catch on.

2. I am sure this thing will be the biggest selling point.
3. They will run a good advertising company.
4. They will make a new modification of electronic watch.
5. This price will be inadequate.

**Exercise 2. Put four questions of different types to each sentence (general, special, alternative, disjunctive)**

M o d e l: They will influence the consumer to buy their automobiles.

1. Will they influence the consumer to buy their automobiles?
  2. Who will influence the consumer to buy their automobiles?
  3. They will influence the consumer to buy their automobiles, won't they?
  4. Will they influence the consumer to buy their automobiles or other goods?
1. Their products will be available in every shop.
  2. The company will start their promotion campaign very soon.
  3. Our bank will make a loan to this corporation.
  4. They will need a lawyer to form their business.
  5. I will consult my partner.

## LESSON 10

### MARKETING

Marketing includes all the business activities connected with the movement of goods and services from producers to consumers. Sometimes it is called distribution. On the one hand, marketing is made up of such activities as transporting, storing and selling goods and, on the other hand, series of decisions you make during the process of moving goods from producer to user. Marketing operations include product planning, buying, storage, pricing, promotion, selling, credit, traffic and marketing research.

The ability to recognize early trends is very important. Producers must know why, where, for what purpose the consumers buy. Market research helps the producer to predict what the people will want. And through advertising he attempts to influence the customer to buy. Marketing operations are very expensive. They take up more than half of the consumer's dollar. The trend in the USA has been to high mass consumption. The construction of good shopping centers has made goods available to consumers. It provided a wide range of merchandise and plenty of parking facilities.

#### Active Vocabulary

producer	istehsalçı
consumer	istehlakçı
user	istehlakçı
distribution	bölüşdürülmə
marketing	satış, marketinq
transporting	nəqliyyat vasitəsi ilə daşınma
storing	saxlama, anbarda saxlanma
storage	malın saxlanması
product planning	yeni məhsulların planlaşdırılması
pricing	qiymətlərin hesablanması
promotion	malların satışına imkan yaratmaq (məsələn, reklam-təbliğati vasitəsi ilə)
traffic	burada: ticarət
marketing research	bazar tədqiqatı
trend	meyl, ümumi istiqamət
to predict	proqnoz vermək

to influence

təsir etmək

### Comprehension Questions

1. What does marketing mean?
2. What activities do marketing consists of?
3. What do marketing operations include?
4. Why is it so important for the producer to predict the trends?
5. How was mass consumption possible in USA?

### Vocabulary Practice

#### Exercise 1. Choose the necessary word and put it in the sentence.

1. One of the aims of market research is to indicate new | 1 predict  
... among people. |
2. Advertising must ... the consumer and make him buy | 2 influence  
the goods produced |
3. Often marketing is called ... | 3 promote
4. In order to sell a new product, a producer has to  
consider how to ... it. | 4 marketing
5. The goods of this company are not sold very well, | 5 trends  
they must think about ... |
6. Sometimes it is difficult to influence ... through  
advertising. | 6 distribution
7. If you what to produce something new, you should | 7 market  
research start with ... |
8. A producer wants to ... the new trends and then | 8 product  
tries to influence them. | 8 planning
9. ... includes product development and pricing among | 9 consumer  
other things.

### Dialogue

(Sally and Don work in the Marketing Department of a company that makes different meal products.)

**Don** Hey, Sally, look at these figures. The price of sugar is going up 10% during the next year.

**Sally** Oh, that's bad. That means trouble for our jam line.

- Don** I think so too. Sugar is the main ingredient, you know. What's your opinion?
- Sally** Well, we are not the price leaders in the field and jam is a very price sensitive item. According to our marketing research in formation consumers aren't particularly brand loyal about jam.
- Don** I have a brilliant idea. You know, this could be a great marketing opportunity for us.
- Sally** What do you mean?
- Don** Well, because of the price rise in sugar we know that the price of jam will go up too. The increase will pass on the consumer, won't it?
- Sally** Right.
- Don** Imagine, we find the possibility of changing the ingredients in the jam so that we wouldn't have to raise the price.
- Sally** Then we wouldn't trouble about the price rise on sugar because we'll be able to sell the jam at the same price. The idea is that we could market less expensive jam. What a promotional campaign we could have!
- Don** Sure. If we do it right we'll sell more and become the leader in the market.
- Sally** Now the first thing is to talk to Research and Development.
- Don** Right and we'll see when they'll have some samples of new formulars ready.
- Sally** What about marketing research? I think we should schedule some tests for responses to the R&D samples.
- Don** Well, there is a lot to do. I think we should also change packaging. Now, Sally that would be great.
- Sally** Oh, Don, let's hope for the best. If we don't lose the chance, the competitors products will stay on the supermarket shelves.
- Don** Oh, it's time for lunch. Let's discuss our business in cafeteria.
- Sally** Oh, sure, we've got a lot to discuss - distribution, advertising...

### **Active vocabulary**

- |                    |                            |
|--------------------|----------------------------|
| to go up           | qalxmaq ( qiymət haqqında) |
| to raise the price | qiyməti qaldırmaq          |

price leader	müəyyən bir mala ən aşağı qiyməti təyin edən istehsalçı
price sensitive item	satış səviyyəsi qiymətdən asılı olan əmtəə
to be brand loyal	üstünlük vermək
promotional campaign	reklam kampaniyası
to market	satmaq
to schedule	qrafik tərtib etmək, planlaşdırmaq
packaging	qablaşdırma
competitor	rəqib, rəqabət apararı

### Vocabulary Practice

#### Exercise 1. Choose the necessary word and put it in the sentence

1. If the price on this product ..., nobody will buy it. | 1 go up
2. They should ... some tests and pass the results to R.D. | 2 schedule
3. This company is the ... in this field, they can sell this | 3 packaging
4. product at the lowest price. |
5. Customers do care about the price on this product it is a very ... | 4 competitor
6. ... influences the desire of a customer to buy. | 5 price leader
7. Our ... has become the price leader in selling computer programmes. | 6 price sensitive item

#### Exercise 2. Answer the questions.

1. Who is the price leader in your business?
2. How can you become a price leader? What should you do for this?
3. How should one start a promotional campaign?
4. Why is it dangerous to produce price sensitive goods?
5. Why is it important to have competitors in business?
6. What should you do to leave your competitors behind?
7. What knowledge must you have to be good at marketing?



### **Exercise 3. Translate into English.**

1. Marketing malların istehsalçıdan istehlakçıya çatdırılması ilə bağlı məsələləri öyrənir.
2. Marketing malın saxlanması, reklam, qiymətlərin hesablanması, satış və daşımını özündə cəmləşdirir.
3. Bazarın tədqiqi tələbin ümumi istiqamətini proqnozlaşdırmağa kömək edir.
4. Reklam istehlakçıya güclü təsir göstərir.
5. Biz bu məhsula ən aşağı qiymət təyin edə bilmərik.
6. Biz yeni məhsulların istehsal planını hazırlamalıyıq.
7. Bu malın satışı qiymətlərin dəyişməsinə təsir göstərir.

### **Grammar Exercises**

#### **Exercise 1. Transform the sentences of real condition into the sentences of unreal condition.**

**Model:** If we promote this right, we'll get more sales.

a) If we promoted this right, we would get more sales.

b) If we had promoted this right, we would have got more sales.

1. If we are careful we leave behind our competitors.
2. If we phone R.D., we will get the necessary information.
3. If we change the ingredients, we will be ready for the price rise.  
If the price of jam goes up, the increase will be passed on the consumer.
4. If they work hard, they won't lose any customers.
5. If we schedule the product development in time we will be ready for the change of the demand.
6. If we don't lose the chance, the competitors products will stay on the supermarket shelves.

#### **Exercise 2. Make transformations according to the model.**

**Model:** Consumers wish prices would go down.

Consumers hope that prices will go down.

I wish I could work harder.

I hope I can work harder.

1. The head of the department wishes that competition would lessen.

2. The Market Research Department wishes the test results would be ready soon.
3. The Manager wishes that sales would improve.
4. We wish all the departments could fulfill their tasks.
5. Sally wishes that the Packaging Department could hurry up.

## LESSON 11

### WHOLESALING

Wholesaling is a part of the marketing system. It provides channels of distribution which help to bring goods to the market. Generally indirect channels are used to market manufactured consumer goods. It could be from the manufacturer to the wholesaler, from the retailer to the consumer or through more complicated channels. A direct channel moves goods from the manufacturer or producer to the consumer.

Wholesaling is often a field of small business, but there is a growing chain movement in the western countries. About a quarter of wholesaling units account for one - third of total sales.

Two – third of the wholesaling middleman are merchant wholesalers who take title to the goods they deal in. There are also agent middlemen who negotiate purchases or sales or both. They don't take title to the goods they deal in. Sometimes they take possession though. These agents don't earn salaries. They receive commissions. This is a percentage of the value of the goods they sell.

Wholesalers simplify the process of distribution. For example, the average supermarket stocks 5.000 items in groceries alone, a retail druggist can have more than 6.000 items. As a wholesaler handles a large assortment of items from numerous manufacturers he reduces the problem of both manufacturer and retailer. The store-keeper does not have to deal directly with thousands of different people. He usually has a well-stocked store and deals with only a few wholesalers.

#### Active Vocabulary

wholesaling	topdan satış
to provide channels	satış sistemlə təmin etmək
indirect channels	vasitəli satış
complicated channels	mürəkkəb satış kanalları
retailer	pərakəndə ticarətlə məşğul olan
chain movement	birləşməyə can atma
wholesale unit	topdan satış məntəqəsi
total sales	ümumi satış
middleman	1) vasitəçi 2) dəllal
merchant wholesaler	topdan alıcı

wholesaling middleman	topdan satışla məşğul olan
to take title to the goods	malı əldə etmək
agent middleman	istehsalçı və istehlakçı arasında vasitəçi
to negotiate purchases or sales	alqı və satqı haqqında danışıqlar aparmaq
to earn salary	maaş almaq
to receive commissions	komission haqqı almaq, satışdan faiz almaq
grocery	ərzaq mağazası
to handle	1) idarə etmək 2) ticarətlə məşğul olmaq
assortment	çəşid, assortment

### Comprehension Questions

1. What is the aim of the wholesaling?
2. How can you describe a direct channel of distribution?
3. What is an indirect channel of distribution?
4. What channel of distribution is preferable?
5. Is there any difference between a merchant wholesaler and an agent middleman? What is this difference?
6. How does a wholesaler simplify the process of distribution?
7. What would a retailer have to do without wholesaler?

### Vocabulary practice

#### Exercise 1. Choose the necessary word and put it in the sentence.

1. They use both direct and indirect ... of distribution. | 1 wholesalers
2. Agent middlemen do not ... to the goods they deal in. | 2 take title
3. Usually wholesaling ... stands between the producer and retailer. | 3 retailer
4. A supermarket may ... thousands of commissions items. | 4 stock
5. Usually a wholesaler handles a large ... of items of numerous manufacturers. | 5 channels
6. Agent middlemen don't earn salaries, they ... | 6 assortment

7. A wholesaler doesn't deal with the customers,  
... does. | 7 to receive
8. ... simplify the problems of manufacturers. | 8 middleman

### Dialogue

John is explaining his new job to his wife, Susan. He is a sales trainee for a company.

**John** It's a great job, you know. The salesmen are paid salaries instead of being on commission.

**Susan** Why do you find it great? You can earn less money.

**John** Well, it's a regular weekly salary. And besides we get reimbursed for everything lunches and dinners even the football tickets, the car, gasoline, tolls.

**Susan** That's really great.

**John** And I'm going to get a raise in three months.

**Susan** And what are you going to see?

**John** Foam rubber.

**Susan** What is it used for?

**John** It is used to make couches and beds, generally ideal with furniture manufacturers.

**Susan** So you will travel much, won't you?

**John** No. Delivery is a part of our wholesaling operation. Foam is sold and delivered by the truckloads. It is rather bulky and it is expensive to have it shipped a big distance. We are going to deal with buyers who are in this region.

**Susan** That's fine. I don't want you to travel too much. By the way I want to know more about sales procedure.

**John** At first I go to see a buyer. We discuss what he needs. After that I send him a written quote. If our prices suit him, he'll call us and send an order.

**Susan** Do you take orders over the phone?

**John** Yes. The buyers are always in a hurry and a letter would take too much time to come. If it's a verbal agreement we call it gentlemen's agreement.

**Susan** And what happens after the verbal agreement?

**John** We receive a written purchase order. It is called p.o. - and it has a number that we use for all future correspondence

on that order. The office then retypes the order form and the p.o and order form are stapled together and filed.

**Susan** It sounds organized. Whom do you usually deal with in a company?

**John** Well, I'll deal with purchasing agents. But I could deal with any administrator from the president on down, in some cases.

**Susan** Good. Soon you'll get your raise.

**John** Yes. Selling is usually a stepping stone to higher positions in management.

**Susan** Don't worry, dear. If it doesn't work out, we still have my job.

### Active Vocabulary

sales trainee	satış üzrə təcrübə keçən
to be on commission	satışdan komission haqqı almaq
to reimburse	əvəzini vermək, zərərin yerini doldurmaq
to get a raise	qaldırmaq (qiyməti)
toll	rüsum, xidmətlərə görə əlavə haqq
quote	qiymət təyin etmək
delivery	çatdırılma
gentlemen's agreement	centlmen sayacağı razılaşma
verbal agreement	şifahi razılaşma
purchase order (p.o)	alış üçün sifariş
to deliver	çatdırmaq
to staple	yoxlamaq
to file	sənədləri qoruyub saxlamaq, tikmək
stepping stone	məqsədə çatmaq üçün vasitə

### Vocabulary Practice

#### Exercise 1. Change the sentences according to the model.

**Model:** When did they want to reimburse for our expenses? (I don't remember)

I don't remember when they wanted to reimburse for our expenses.

1. How will you get a raise? (They don't care)
2. When did they send you the purchase order? (I don't know)
3. Who are the purchasing agents? (I can't recall)
4. Why didn't they get verbal agreement? (I'll try to find out)

5. Did they staple and file the p.o.? (I don't know)
6. How large is the sales region? (They don't care)
7. How much is the toll? (It doesn't matter)
8. When will she get commission? (She doesn't know)

### **Exercise 2. Make up conditional sentences.**

**M o d e l:** consult the middleman / he - smart

If he were smart, he would consult the middleman.

- 1) be a wholesaling middleman / he - interested
- 2) work for themselves / men - independent
- 3) earn a good salary / he - happy
- 4) use direct channels / business - successful
- 5) have the secretary do it / she - there
- 6) handle it well / he fail
- 7) order it next month / I - rich

### **Exercise 3. Answer questions.**

1. Would you like to be on commission?
2. What expenses do you get reimbursed for at your job?
3. What factors do you need to get a raise?
4. Why isn't a verbal agreement always sufficient?
5. What would you prefer to be: a wholesaler or a retailer?
6. What is a stepping stone to higher positions in your business?

### **Exercise 4. Translate into English.**

1. Topdan satış bazar sisteminin vacib elementidir.
2. Mallar topdan satışdan, pərakəndə ticarətçi vasitəsi ilə istehlakçıya çatdırılır.
3. Satış vasitəçilərin iştirakı ilə daha uğurlu olur.
4. Topdan satışla məşğul olan alıcılar malları əldə edirlər.
5. Vasitəçi satışdan faiz əldə edir.
6. Adətən vasitəçi alqı-satqı haqqında danışıqlar aparır.
7. Bu dükanda geniş çeşiddə mallar vardır.
8. Marketing üzrə menecerin vəzifəsi tezliklə qalxacaq.
9. Biz malların daşınmasına daha çox pul ödəməyə məcburuq.
10. Firmamız bizə nahar və gediş-gəliş haqqını ödəyir.
11. Bu centlmənsayağı razılaşmadır.

## LESSON 12

### RETAILING

Retailing is selling goods and services to the ultimate consumer. Thus, the retailer is the most expensive link in the chain of distribution. Being middlemen, they make their profit by charging the customer 25 to 100 per cent more than the price they paid for the item.

The retailers operate through stores, mail - order houses, vending machine operators. There are different types of retail stores: department stores, discount houses, cooperatives, single line retailers. The major part (over 95 per cent) of retail establishments concentrate on a single line of merchandise for example, food, hardware, etc. But nowadays there is a trend for many single line stores to take on a greater variety of supplies.

The retailer performs many necessary functions. First, he may provide a convenient location. Second, he often guarantees and services the merchandise he sells. Third, the retailer helps to promote the product through displays, advertising or sales people. Fourth, the retailer can finance the customer by extending credit. Also the retailer stores the goods in his outlet by having goods available.

#### Active Vocabulary

retailing	pərakəndə satış
ultimate consumer	son istehlakçı
link	əlaqə, bənd
mail-order house	alıcıların sifarişlərini poçt vasitəsilə yerinə yetirən müəssisə
vending machine operator	avtomat maşınların operatoru
discount house	malların qiyməti nisbətən ucuz olan dükan
cooperative	kooperativ
single line retailer	eynicsinli mal alan tacir
to perform functions	müxtəlif funksiyaları yerinə yetirmək
extending credit	müddəti uzadılmış kredit
outlet	ticarət müəssisəsi, satış bazarı
discount	güzəşt



## Comprehension Questions

1. What is retailing?
2. What are four different types of retail stores?
3. What are at least two types of retailing that don't include the use of a store?
4. In what way does a retailer serve a customer?
5. In what way does a retailer serve a manufacturer?
6. Which per cent of price of the good sold goes to the retailer?
7. What is the trend with a single line retailer now?

## Vocabulary Practice

### Exercise 1. Put the necessary word in the sentence.

1. ... is one function a retailer may perform. | 1 mail-order
2. You can buy newspapers, cigarettes, cookies from a ... | 2 discount
3. ... is the most expensive link in the chain between a producer and a consumer. | 3 vending-machine
4. The firm ... good quality of the product. | 4 guarantees
5. She doesn't like to go shopping, she prefers to do it by ... | 5 retailer
6. The department store is having a sale and there is a 20 per cent ... on all light dresses. | 6 extending credit
7. Wholesaler is an important ... between a producer and a consumer. | 7 link

## Dialogue

(Jean has just moved into a new house. Her neighbour, Liz, has come over to welcome her.)

**Jean** I am very glad to see you here.

**Liz** How do you like the new place?

**Jean** It's marvelous. I am sure we are going to love living here.

**Liz** Well, have a look, here it's a shopping guide for the neighbourhood and a booklet of discount coupons. New neighbours always receive them. There is one coupon for the every store in shopping guide.

**Jean** Oh, thank you. It's come in time. I have a lot of shopping to do.

**Liz** I can imagine, having just moved in. Not far from here there's a very good shopping center. You can also find a huge supermarket, a drugstore, some department stores in the neighbourhood.

**Jean** Great. Are there any small stores nearby?

**Liz** Oh, yes. The map is right here in the shopping guide. There is a little drugstore a few blocks away, a little grocery store next to it, a little boutique, an ice cream parlor, a pizza place. You can find a plant store not far from here too.

**Jean** Are there any good discount houses nearby? We terribly need a new toaster. Everybody in my family likes toasts for breakfasts very much. I'd like to buy it.

**Liz** Oh, sure. There is a good discount store in the shopping center. If you like, I'll come with you.

**Jean** Oh, you needn't. I don't want to trouble you.

**Liz** No trouble at all. I'd like to do some shopping too. If we go to the discount center I can go to that little cheese shop. I don't want to bother you.

**Jean** It's no bother at all. Make out your shopping list and I'll be your guide. By the way, you can use your discount coupon for the toaster.

**Liz** I am sure you'll buy a good one.

**Jean** Well, it'll take some time to make a shopping list. I'll have to buy a lot at the grocer's.

**Liz** This is a good idea. I should have gone shopping yesterday, so I'll make up my list too.

**Jean** By the way, I like your dress very much. It's a perfect fit. Where did you buy it, if you don't mind my asking?

**Liz** Thank you for compliment. I got it at a very nice little boutique. It's a bit expensive, but there are many interesting and original things. If you are interested we can stop there.

**Jean** I'm afraid I can't. I have to cook dinner.

**Liz** Oh, don't trouble yourself with the dinner. Look over the coupons I've given you. You can go out to dinner at a discount store.

## Active Vocabulary

shopping guide	mağazaların məlumat kitabçası
discount coupon	güzəşt kuponu
store	mağaza
department store	univermaq
supermarket	supermarket
grocery	bakaleya dükanı, ərzaq dükanı
shopping center	ticarət mərkəzi

## Vocabulary Practice

### Exercise 1. Change the sentences according to the model.

**Model:** My wife usually asks the children to do shopping.

My wife usually makes children do shopping.

1. He'll ask single line retailers to take part in the promotion campaign.
2. The chief usually asks his immediate subordinates to perform different functions.
3. It's necessary to ask him to recognize his wholesaling units.
4. It's important to influence ultimate consumer to buy this product.
5. Ask him to buy all these things in the discount house.

### Exercise 2. Make responses to the sentences according to the model.

**Model:** I want to ask your brother to do shopping today.

Let me do shopping today myself.

1. I want my secretary to prepare the financial statement.
2. The board of directors wants the officers to plan product development.
3. He wants to speak with my friend about their possible partnership.
4. I want a lawyer to clarify this matter.
5. The executive wants this manager to start market research.

### Exercise 3. Answer the questions.

1. What kind of shops in this country do you know?

2. What shops are situated not far from your house?
3. What goods can be bought there?
4. What specific features do channels of distribution have in this country?
5. What reforms does this country to reorganize the channels of distribution?

#### **Exercise 4. Translate into English.**

1. Pərakəndə satış məhsulun istehlakçıya çatdırılması deməkdir.
2. Qərbi ölkələrində ticarət müəssisələrinin bir neçə növü mövcuddur: univərmaqlar, supermarketlər, qiymətləri nisbətən ucuz olan dükanlar, alıcıların sifarişlərini poçt vasitəsilə yerinə yetirən müəssisələr.
3. Bu məhsulu 10 % - lik güzəştə almaq olar.
4. Pərakəndə satıcı alıcıya uzun müddətli kredit verə bilər.
5. Bu firmanın ölkə daxilində bir çox ticarət mərkəzləri vardır.
6. Pərakəndə satıcı bir neçə vacib funksiyaları yerinə yetirir.
7. Mən şəhərin mərkəzini yaxşı tanımıram mənə mağazaların məlumat kitabçası lazımdır.
8. Sizə lazım olan malları ticarət mərkəzində tapa bilərsiniz.
9. Bu dükanda ərzaq şöbəsi yoxdur.

#### **Exercise 5.**

- a) **Speak about the differences between the channels of distribution of this country and western countries.**
- b) **Look at this chart and say in what industries different methods of distribution are possible.**

### **Grammar Exercises**

#### **Exercise 1. Change the sentences according to the model.**

**Model:** I should go shopping today.

I should have gone shopping yesterday.

1. The firm should apply for credit very soon.
2. They should see about the new refrigerator today.
3. I should take my wife shopping a bit later.
4. They should get groceries at the supermarket this afternoon.
5. You should order a new car.

6. He should buy a computer today.
7. He should speak with the manager today.

**Exercise 2. Change the sentences according to the model.**

**Model:** If there is a shopping center nearby, we will go there together.  
If there had been a shopping center near by, we would have gone there.

1. If she buys too much, she won't be able to carry it herself.
2. If there is ice cream in this store, we will bring the children some.
3. If she tries the new boutique today, she will come very late.
4. If the shop offers home delivery, he will ask them to deliver.
5. If you shop downtown, you will find the shopping center.

## LESSON 13

### PRICING

All products and all services have prices. The price depends on different things such as credit terms, delivery, trade-in allowance, guarantees, quality and other forms of service, which price can produce the biggest profit during a long period of time. It's hardly possible to determine such a price. The price may be too high to produce a large volume or too low to cover costs. No other area of marketing operations has been a subject to bad practice. Many businesses pursue unsound price policies for long periods of time and are not aware about it.

Prices can be determined in different ways. For example, the prices of meat, cotton and other agricultural products can be decided in large central markets where forces of supply and demand exist. This is pure price competition. The prices on industrial products (iron, steel, etc.) are usually decided by large companies. As a rule the amount and price of goods sold to a large number of buyers is controlled by a few competing sellers. Prices also can be set by the government, usually for different public services—railroads, electricity, manufactured gas, bus services, etc.

As demand increases, prices rise, profits expand and new investment is attracted. But other factors may be involved as well. Prices are related to each other in different ways. Ultimately, everything is related in price, since the consumer can buy and must pay for everything out of a particular, limited amount of money.

#### Active Vocabulary

credit terms	kredit şərtləri
trade - in allowance	yeni mallar hesabına, köhnə əşyalara ödənilmiş məbləğ
cover costs	xərcləri ödəmək
to pursue unsound price policies	düşünülməmiş qiymət qoyma siyasəti aparmaq
supply and demand	tələb və təklif
price competition	qiymətin əmələ gəlməsində rəqabət
to set prices	qiymətləri təyin etmək

## Comprehension Questions

1. Why is it difficult to determine the right price?
2. Why is the seller interested in the price that produces the highest volume of sales at the lowest unit cost?
3. Why do many businesses follow unsound pricing policies?
4. In what way are agricultural prices decided?
5. How industrial products are usually priced?
6. Why does the government usually set the prices for public utility services?
7. Why is it so important to know the levels of supply and demand when dealing with pricing?
8. Why is everything related by price?

## Vocabulary Practice

### Exercise 1. Put the necessary word in the sentence.

- |  |                        |
|--|------------------------|
| 1. It is very difficult ... without sound price policy.  | 1 supply and demand    |
| 2. Of course we are interested in producing the ... with the lowest unit costs.                  | 2 volume of sales      |
| 3. I decided to buy a new car at this company because they offered the best ... on my old model. | 3 trade - in allowance |
| 4. The ... of this store are very beneficial for a customer.                                     | 4 compete              |
| 5. Their business will fail if they pursue unsound...  | 5 price policies       |
| 6. The government usually... for public utility services.  | 6 credit terms         |
| 7. In pure competition the forces of ... operate.  | 7 to set prices        |

## Dialogue

Dick is introducing a new line of products and is talking to his friend Tom, a business consultant, about it.

**Dick** It's the first time when I'm in business for myself.

**Tom** Don't worry. The store has always been doing well. It has a great location and as far as your new line of merchandise ...

**Dick** That's what I wanted to talk to you about. Can you give some ideas how to charge the price?

**Tom** With pleasure. Generally, there are two types of pricing policies. There is price emphasis and price deemphasis.

**Dick** What's the difference?

**Tom** The price emphasis policy emphasizes low prices. This encourages sales. But low price doesn't give extra services.

**Dick** So, a really low price means no credit, home delivery, repair, installation and other services.

**Tom** That's what I mean. But many people are interested only in the low price and not in the extra services.

**Dick** Yes, and vice versa. The price which I set determines the number of sales. I must think thoroughly about it.

**Tom** A good example of price and emphasis is "loss leader" pricing. It means that you choose one item - let's say an electric razor - at a price just above the cost. The customers will come to your shop to buy this loss leader item. But since they are inside they can decide to buy a few other things they need.

**Dick** It sounds interesting. What other things can you tell?

**Tom** There is also off-even pricing. Let's say you sell a tape recorder for \$69.95 instead of \$80.00. Though it is in fact about the same, the low price can produce a favorable psychological effect.

**Dick** What are the other ways to attract the customers?

**Tom** First of all, remember that you are going to compete with well-known products, so you should start with specially low prices. It's important to advertise this. You should use newspaper ads, maybe a radio spot, maybe do a big window and floor display.

**Dick** It makes sense.

**Tom** And you can raise the price after your customers try a new brand get to know it and like it. They will continue to buy it.

**Dick** I see. And what is the price de-emphasis you mentioned before?

**Tom** It concerns high quality expensive items. Price de-emphasis means that you don't call attention to the price all.



- Dick** I know, it concerns our fine jewelry department or designer fashions.
- Tom** Yes. I see you are going to do very well.
- Dick** Your suggestions seem to be very useful. Don't forget you have a discount on any shopping you do in my shop.
- Tom** In such a case I'll be back tomorrow with my wife.

### Active Vocabulary

location	yerləşdiyi yer (müəssisənin )
extra services	əlavə xidmətlər
installation services	quraşdırma xidmətləri
to charge price	qiymətləri təyin etmək
price emphasis	malların aşağı qiymət hesabına satılması
price de-emphasis	malların aşağı qiymət hesabına deyil, başqa faktorlara görə satılması cəhdi
off-even pricing	alıcının almaq istəyini stimullaşdıran qiymət
favorable psychological effect	əlverişli psixoloji effekt
loss leader item	alıcıların diqqətini çəkmək məqsədilə malın aşağı qiymətə satılması
to start with especially low prices	satışa aşağı qiymətlərlə başlamaq
new brand	malın yeni markası
high quality expensive item	yüksək keyfiyyətli bahalı məhsul

### Vocabulary Practice

#### Exercise 1. Change the sentences according to the model.

**Model:** The tape recorder is inexpensive. Your store sells the tape recorder.

The tape recorder that your store sells is inexpensive.

1. The dresses are fashionable. The store introduced the new dresses last week.
2. The store has many refrigerators. Dick owns the store.
3. The stereo is high-priced. My daughter wants the stereo.

4. The price determines the number of sales. A retailer sets the price.
5. Very often the people don't want extra services. Many supermarkets offer extra services.
6. Your shop should have loss-leader item. Loss-leader item will attract the customers.
7. Price de-emphasis works with high quality expensive items. Price de-emphasis means that you don't call attention in the price at all.

### **Exercise 2. Change the sentences according to the model.**

**Model:** We won't introduce a new line of merchandise unless you suggest it.

We will introduce a new line of merchandise if you don't suggest it.

1. Tape recorders are popular unless the price is too high.
2. The consumers will continue to buy unless they don't like the item.
3. The buyer can get installation services unless he wants to pay for it.
4. The salesman will help you unless he is too busy.
5. People won't try a new product unless there is advertising.
6. Customers won't buy the new brand, unless the price is low.
7. They won't raise the price unless it is necessary.

### **Exercise 3. Answer the questions.**

1. In what way were the prices charged in this country?
2. What is your idea of the term market price?
3. What type of pricing policy works with the majority of consumer goods? (price - emphasis, price de-emphasis)
4. What is more preferable for you in pricing: low prices with extra services or high prices with home delivery, repair and other services?
5. Why is it so important to have loss leader item in a shop?
6. What is off-even pricing made for?
7. How can your pricing policy help to compete with well known products?

#### **Exercise 4. Translate into English**

1. Bu dükan istehlakçıya sərfəli kredit şərtləri təklif edir.
2. Bu məhsulun qiyməti ucuzdur. O, xərcləri ödəyəcək.
3. Bu şirkət ağılasığılmaz qiymət siyasəti aparır.
4. Yeni məhsulu satışı çıxartmazdan qabaq tələb və təklifi öyrənmək vacibdir.
5. Bir sıra məhsulların qiymətini dövlət müəyyən edir.
6. Bu dükan çox əlverişli bir yerdə yerləşir.
7. Supermarket alıcıya bir çox əlavə xidmətlər təklif edir: malların evə çatdırılması, kredit, quraşdırma və s.
8. Malın yeni çeşidi şübhəsiz ki, alıcıların diqqətini cəlb edəcək.
9. Aşağı qiymətdən başlayın.
10. Malların aşağı qiymətlə satılması çoxişlənən malların satışına təsir göstərir.

#### **Exercise 5. Set your imagination free.**

You are a journalist and you are to interview the minister of finance about the pricing policy in this country. What questions would you ask him?

### **Grammar Exercises**

#### **Exercise 1. Make sentences interrogative and negative.**

**Model:** They can change your credit terms at once.  
Can they change your credit terms at once?  
They can't change your credit terms.

1. They must research supply and demand before they start to produce the new item.
2. The company has to cover the costs by all means.
3. The middlemen may set the new price.
4. They can pursue unsound price policies.
5. They must choose another location for their shop.

#### **Exercise 2. Choose the necessary modal verb and put it in the sentence.**

1. Off-even pricing ... undoubtedly produce favorable psychological effect on a consumer.
2. I spoke with the chief. Now you ... change the credit terms.

3. They are very talented specialists. I think they ... design the new line very quickly.
4. The situation has changed, so we ... start with especially low prices.
5. We ... choose price emphasis policy for this item.

## LESSON 14

### COMPUTERS

The computer industry is one of the largest in western countries and especially in the USA. It includes companies that manufacture, sell and lease computers, as well as companies that supply products and services for people working with computers.

A computer cannot think. A human operator puts data into the computer and gives instructions. The operator writes instructions which determine the mathematical operations on information. A computer solves mathematical problems very rapidly. Traditionally, the computer in business is used to process data. This involves different administrative functions such as preparation of pay-rolls, inventory control in manufacturing, warehousing and distribution operations, customer accounting, billing by banks, insurance companies, public utilities and mass circulation magazines. Now the computer takes on new kinds of jobs. It has become more involved in business operations as an essential tool in making decisions at the highest administrative level.

#### Active Vocabulary

to give instructions	göstərişlər (təlimatlar) vermək
to put data	məlumat yerləşdirmək
to solve mathematical problems	riyazi məsələləri həll etmək
to process data	faktiki məlumat hazırlamaq
preparation of payrolls	ödəniş cədvəllərinin hazırlanması
inventory control	inventarlara nəzarət
warehousing	malların anbarda saxlanması
distribution operations	bölüşdürmə əməliyyatları
customer accounting	müştəri ilə hesablaşma

#### Comprehension Questions

1. What does the computer industry include?
2. In what way does a computer operate?
3. How was the computer traditionally used in business?
4. What new kinds of jobs is the computer taking?

## Vocabulary Practice

### Exercise 1. Choose the necessary word and put it in the sentence.

- |   |                          |
|---|--------------------------|
| 1. Distribution operations, preparation of payroll are ... functions that the computer performs for business. | 1. process data          |
| 2. Computer is programmed to ...fast and accurately.  | 2. lease                 |
| 3. If a small company cannot afford to buy a computer, they can...the services of computer.                   | 3. inventory control     |
| 4. A programmer feeds the ... into the computer.  | 4. processing            |
| 5. Many companies use the computers for their ...   | 5. administrative        |
| 6. A computer solves problems by ... information.   | 6. data and instructions |

## Dialogue

(Simona and Berg work in a large supermarket. Berg is the Manager and Simona is the Head Buyer.)

**Berg** I'm so glad you had this business trip. I also would have liked to go but it's a problem for me to get away. Tell me everything about your business trip.

**Simona** It was really great, Berg. It was worth looking over the operations of the store. It's very well organized and I believe we should consider adopting some of the methods.

**Berg** Is it really so?

**Simona** Absolutely. Berg, their computer system is remarkable.

**Berg** Can you tell me more about it?

**Simona** Oh, sure. First, they've replaced their cash registers with special terminals.

**Berg** What for?

**Simona** They record on tape the department number, classification of items, amount of sale and name of salesclerk for each sale.

**Berg** Do you think we really need all information on tape?

**Simona** We put on the same information on our sales checks

- Berg** Yes, but in cases of exchanges we need to know all that.
- Simona** And for other things too.
- Berg** Well?
- Simona** For inventory control, for example. During the night, the tapes containing the information are fed into the computer.
- Berg** And then what?
- Simona** Every morning the computer prepares reports on the sales of the day before, classified by department and buyer.
- Berg** So, it is possible to have almost instant records.
- Simona** You are right. The inventory is kept up to date automatically. Imagine, how efficient we could be.
- Berg** It is great. But I think with the help of a computer we could offer more personal services to our customers.
- Simona** What do you mean?
- Berg** Having such up-to-date records and complete inventory we could keep records of birthdays and anniversaries and have gift suggestions based on customer records, and a million of other things.
- Simona** Don't hurry. Let's get going on first things first.

### Active Vocabulary

Head Buyer	mağazanın təchizat şöbəsinin müdiri
to adopt methods	metodları tətbiq etmək
terminal	terminal, son məntəqə
to feed the information in the computer	kompyuterə məlumat daxil etmək
to date	hesablamaq, tarixi müəyyən etmək

### Vocabulary Practice

#### Exercise 1. Change the sentences according to the model.

**Model:** I was worth looking over the operations of the supermarket.  
I was worth looking them over.

1. They picked out the new merchandise.
2. They talked over the new software.
3. The manager tried out new sales checks.
4. She filled out the payroll form.
5. They took down the statistical data.

6. She put off her work.
7. He had to look over the new program.

## **Exercise 2. Change the sentence according to the model.**

Model: The sales are numerous. I can't mention them all.  
They are too numerous for me to mention.

1. This software is very expensive. The company can't buy it.
2. The results are numerous. They can't remember them all.
3. The computers are complicated. I can't use them.
4. Processing this data is difficult. John can't learn it.
5. I am tired. I can't do the billing right now.
6. I am busy. I can't go on a business trip right now.
7. The data is complicated. I can't explain it.
8. The situation is difficult. We can't overcome it at once.

## **Exercise 3. Read the text and put 10 questions to it.**

Lorraine Weller from «Modern English International" warns us. However hard the manufacturers and advertisers of personal computers try to convince us of friendliness of their product, it is still a fact that if you want to programme your own computer, you have to learn its language. It doesn't understand yours. This simple fact is the reason why so many home computers are underused. It also prevents lots of people from buying their own computer. Rather than licking your hand the computer quite often bites.

Imagine yourself having a conversation with an English person. You make one small grammar mistake, maybe you say have instead of has. It doesn't matter. The person understands your meaning and the conversation continues. This doesn't happen with a computer. If you make even the smallest mistake in its language, the conversation breaks down completely and you have to go back to the beginning. It can be very frustrating.

In the United States, in Japan, in Britain, computer specialists are all trying to develop a computer that will understand human language.

to convince - inandırmaq

to underuse – tam gücü ilə istifadə etməmək

to prevent - burada: dayandırmaq



#### **Exercise 4. Translate into English.**

1. Bəzi şirkətlər kompyuterləri nə istehsal edir, nə də satır, onları yalnız prokata verirlər.
2. Proqramist kompyuterə məlumat daxil edir (yerləşdirir).
3. Biznesdə kompyuter məlumatların hazırlanmasında istifadə olunur.
4. Proqram təminatı çox bahadır.
5. Kompyuter yüksək inzibati səviyyədə qərar qəbul etməyə kömək edir.
6. Kompyuter bir çox inzibati funksiyaların həyata keçirilməsi, cədvəllərin hazırlanması və inventarizasiya işində istifadə olunur.

#### **Exercise 5.**

a) Make a speech in favour of modern electronic equipment (personal computers, electronic printing aids). Why can't a modern enterprise do without them?

b) You are the Head of a firm producing computers. Advertise your product.

#### **Grammar Exercise. Transform the sentences from Future Indefinite into Future-in-the-Past.**

**Model:** The accountant says that she will prepare the financial statement very soon.

The accountant said that she would prepare the financial statement very soon.

1. He confesses that their business will fail.
2. The government says that they will increase the taxes.
3. The secretary says that she will get credit reference letter in two days.
4. The lawyer states that the company won't be eligible for a loan.
5. He is sure that he will get a credit.
6. They suppose that the new product will be not so expensive.
7. He thinks he will buy the stove in the discount house.
8. He is happy that he will go on this business trip.

## LESSON 15

### INTERNATIONAL BUSINESS

The International Corporation or global company has its origin. Usually it is the outgrowth of the great trading companies of the 17th and 18th centuries. In 1811 a New York statute said corporations could be created by the filling of documents. After that it became a matter of bureaucratic operations to become a corporation. By 1850 it was a very common thing in the United States and was under general statute in European countries as well. Since that time the corporate movement began. As the jet plane, satellite communications and computers began; it became possible for a company to control business in all the world.

The growth of international corporate operations is faster than the economic growth of the industrialized nations. There are some projects which predict that within generations almost a half of the free world's production will be internationalized.

This trend for internationalism presupposes some benefits such as new jobs, higher living standards and the closing of the gaps between people-economic, educational and technological. At the same time serious questions can be asked. Is it the most efficient way to use world resources? Can the international corporation be the best force for a better world? Is it politically stronger than government? Can it take care of the self interest and competitiveness on behalf of the greatest good? And in what way can the global company work toward easing the world's crises - monetary, political, energy and food?

#### Active Vocabulary

multinational corporation	beynəlxalq təşkilat
global company	ümumdünya şirkəti
outgrowth	məhsul, nəticə
statute	qanunvericilik aktı
satellite communication	peyk vasitəsilə əlaqə, rabitə
closing of the gaps	sərhədlərin yaxınlaşması
jet plane	reaktiv təyyarə
bureaucratic	bürokratik

## Comprehension Questions

1. What is the origin of the multinational company?
2. When did the corporate movement begin?
3. Why did it become possible for a company to control enterprises on the other side of the globe?
4. How quickly is internationalism growing?
5. What can internationalism bring?
6. What problems can arise with internationalism?
7. What are your own answers and explanations to this problem?

## Vocabulary Practice

**Exercise 1. Choose the necessary word and put it in the sentence.**

- |  |                                |
|--|--------------------------------|
| 1. All countries must prepare for possible energy ... in the future and save fuel.                               | 1 internationalized            |
| 2. If you want to form a corporation today you must fulfill ... operations                                       | 2 statute                      |
| 1. When one deals with the currency of another country, it is necessary to know the current ... exchange rate.   | 3 bureaucratic                 |
| 4. ... is one factor to influence the growth of international business.  | 4 monetary                     |
| 5. Some analysts state that most of the free worlds production will be... internationalized within a generation. | 5 crisis                       |
| 6. In 1985 the ... said that corporative could be created.   | 6 satellite<br>  communication |
| 7. International corporation is very often an ... of old trading companies.                                      | 7 outgrowth                    |

## Dialogue

Nick and Ann are having lunch. Nick is an executive in the international computer company.

**Nick** Do you like the idea of taking a month's trip to the Europe and the Far East?

**Ann** What? You are kidding.

**Nick** No. First of all I must say that it's business trip. The company wants me to visit some of our operations. I

should have meetings about the new computer I am developing. They think if we combine expertise we'll advance more quickly.

**Ann** Oh, Nick. It's great. Where are we going to?

**Nick** To nine countries. We have nine development laboratories. In fact, only now I realize how large the company is, a real global company.

**Ann** But the company started here in America.

**Nick** Yes, in this sense, we're American. Each company has to be incorporated somewhere here or in Japan or Canada or India. But our corporation is a real multinational one.

**Ann** What does it mean?

**Nick** Well, we're in 126 countries and we have there 125000 employees. We do our business in 28 languages and more than 32 currencies. Our plants are situated in 13 countries and we have eight development labs.

**Ann** Now I see. You are multinational. But such industries as shipbuilding, aircraft, automobiles can't survive without selling abroad.

**Nick** Right. By the way, do you know that for the last seven years more than half of the corporation's net income has come from overseas business. We are the part of the world community.

**Ann** It's exciting, isn't it?

**Nick** Yes, now we really can feel that nations are tied to each other through business operations. This internationalism is our hope for a better world.

**Ann** Well it's time to pack.

**Nick** Later

**Ann** Nick, can you explain me why do you sell a computer to a company in Canada when the company has a plant in Canada?

**Nick** Well, Ann. For example, it's not unusual for a automobile company from Britain to manufacture in France for sale in Britain with Canadian-made engine, Swiss transmission and German axles. It's international business.

**Ann** But it's so complicated to sell the goods to a foreign company with different currencies and all that.

**Nick** I can tell you how we do.

**Ann** It's very interesting.

**Nick** When we deliver the machine to the shipping company, we receive a bill of lading. It's a receipt from the shipping company and it's also the foreign company's claim to the computer when it gets to England.

**Ann** And what's then?

**Nick** Then we write draft or check which direct the British company to pay a sum in British pounds to a third party in, let's say, 90 days. We call it a "bill of exchange", which includes the rate of exchange at the time and, in addition, the interest. It must be paid in the 90 day extension of credit.

**Ann** That is hard time getting the money, isn't it?

**Nick** No. We take the draft, the bill of lading and other necessary papers to our New York Bank. The draft is sold at discount, it means without interest charge, for the face value and get dollars. That is the way.

**Ann** Well, but you get your money from the bank. How does the British company pay? Who do they pay?

**Nick** It's quite simple, New York bank sends the documents and the draft to its branch in London or to the British bank. The transactions finished usually by accepting British pounds into a checking account in a London bank.

**Ann** It seems rather complicating.

**Nick** It only seems so. The US supplied a computer, exported the Merchandise And go back checking account deposit in a London bank, importing claim on British goods and services.

**Ann** Could you have dollars instead.

**Nick** Sure, but in this case we would have reduced the exciting British claim on American goods and services.

**Ann** So what?

**Nick** If some nations pile up continuing capital surpluses and other continuing deficits the problem can arise in international economics.

**Ann** I see that I must study the subject thoroughly before we can continue.

**Nick** Yes, may be.

## Active Vocabulary

expertise	xüsusi biliklər
to advance	irəliləmək
to sell abroad	xaricə satmaq
net income	təmiz gəlir
internationalism	beynəlmilləşmə
transmission	göndərilmə, yollanma
engine	motor
axle	val
bill of lading	gəmiyə malın yüklənməsi haqqında qəbz
receipt	qəbz
claim	tələb
draft	çək
party	hüquqi tərəf
extension of credit	kredit müddətinin artırılması
face value	təmiz dəyər
branch	filial, şöbə
to pile up	toplamaq, artırmaq
capital surpluses	artıq kapital

## Vocabulary practice

**Exercise 1. Use the structure of the model to respond the following sentences.**

**Model:** Is it basically a Japanese corporation? (Yes)

It's basically a Japanese corporation, isn't it?

Is the overseas branch open? (No)

The overseas branch isn't open, is it?

3. Are many businessmen piling up capital surpluses? (Yes)
4. Is USSR the part of the Common Market? (No)
5. Is the New York bank accepting Russian roubles? (No)
6. Is Britain one of the Common Market countries? (No)
7. Is the company starting a branch in China? (Yes)
8. Is internationalism a modern trend? (Yes)
9. Is the subject clear? (No)

## **Exercise 2. Change the sentences according to the model.**

**Model:** Why would you sell automobiles to a company in Japan?

(Tell me, please)

Tell me, please, why you would sell automobiles to a company in Japan.

1. How does this bank deal with different currencies? (Explain)
2. Where will you deliver the computer? (Let me know)
3. When did they order the merchandise? (I don't know)
4. How did they sell the draft at discount? (It's hard to say)
5. How did they get the extension of credit? (Explain)

## **Exercise 3. Answer the questions.**

1. Do you have plans for international cooperation for your business?
2. What obstacles are there on the way of development of international cooperation in this country?
3. What branches of business will help to solve many social problems?
4. Do you think that internationalism will help to solve many social problems?
5. What place do you think this country will take in international economy?

## **Exercise 4. Translate into English.**

1. Əksər beynəlxalq təşkilatlar tanınmış şirkətlərin birləşməsi nəticəsində yaranmışdır.
2. Peyk vasitəsi ilə əlaqə beynəlxalq təşkilatların inkişafına kömək edir.
3. Bank qəbzləri tələb edir.
4. Şirkət kredit müddətinin uzadılmasını xahiş edir.
5. Kredit üçün bizim bankın britaniya filialına müraciət edin.
6. Bu malın satışından gələn təmiz gəlir çox yüksək olacaq.
7. İstehsalın yenidənqurulması üçün siz kapital toplamalısınız.
8. Britaniya tərəfi malların göndərilməsinə cavabdehdir.

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