

## In this unit

## 11.1 UPS AND DOWNS

## Grammar

- alternatives to *if*
- phrasal verbs

## Vocabulary

- business and economic terms
- confusing words
- suffixes (nouns 2)

## Scenario

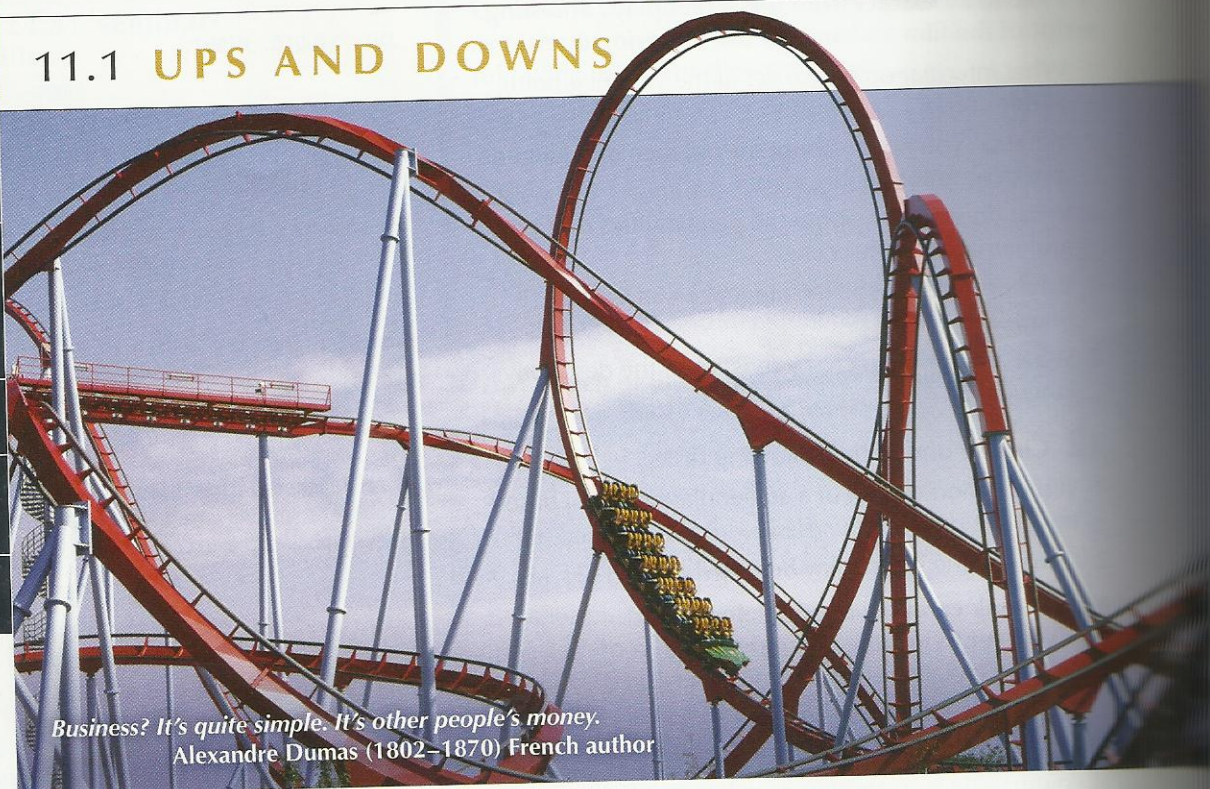
- Ariel capital

## Study skills

- making a business presentation

## Writing skills

- a tactful business email



*Business? It's quite simple. It's other people's money.*  
Alexandre Dumas (1802–1870) French author

## SPEAKING

**1a** List three successful businesses. Why do you think the businesses are successful? Compare your ideas with a partner.

**1b** Tick the practices below that you think apply to the businesses you mentioned.

A successful business:

- 1 constantly innovates, diversifies and takes risks.
- 2 pays fixed salaries without bonuses or other fringe benefits.
- 3 makes redundancies to cut costs.
- 4 keeps overheads down by manufacturing/outsourcing abroad.
- 5 makes as much money for shareholders as possible.
- 6 invests heavily in PR and advertising to create brand awareness.
- 7 eliminates the competition to gain market share.
- 8 uses creative accounting to pay less tax.
- 9 gets customers to pay in advance but pays suppliers as late as possible.

**1c** Which of the practices do you think are common in business?

**1d** Which are the least acceptable to you? Why?

## VOCABULARY: business and economic terms

**2a** Choose a word from each column below which when joined with *and* and *to* make common business and economic terms.

*imports and exports*

A

supply  
boom  
imports  
profit  
takeovers  
income  
mortgages  
creditors  
assets

B

loss  
exports  
liabilities  
mergers  
loans  
debtors  
expenditure  
demand  
slump

**2b** Match the words from Exercise 2a to the definitions below.

- 1 the relationship between the goods and services available and what consumers want to buy
- 2 periods when an economy or business is doing well or badly
- 3 things owned by a business and things owed by a business
- 4 the money earned and spent by a government or business
- 5 changes in the ownership and running of businesses
- 6 financial products on which interest is charged
- 7 people or organisations owed money by others or owing money to others



## READING

3 What sort of information do you expect to find in the business pages of a newspaper / news website?

4a Read the stories on this page. Which are 'Business Bites' and which are 'Economic Bites'?

A \_\_\_\_\_  
Paradise Place, the struggling luxury travel group is seeking a substantial cash injection to avoid almost certain bankruptcy, after recording further plunging profits this year. Any potential investor would be taking on \$56 million of debt. According to a spokesperson, the company could go into administration within weeks unless a buyer is found.

B \_\_\_\_\_  
Trade in counterfeit goods in the UK has escalated. New figures show that the trade in pirate DVDs, fake designer goods and other aspects of the underground economy, may have cost the government up to £1.5 billion in lost tax revenue in the past year. With tax revenues falling due to the economic slump, there is a real threat to future public spending, a spokesperson announced.

C \_\_\_\_\_  
'Rabbit', the mobile phone giant, continues to go from strength to strength in a fiercely competitive market. Turnover and profits are well up on this time last year. It has just announced a further expansion of its workforce with the creation of 2000 new jobs and the opening of 350 new retail outlets across Europe over the next two years.

D \_\_\_\_\_  
The Japanese stock market remains volatile. Yesterday was another day of heavy trading with share prices falling again. Although there was a slight recovery towards the end of the day, the forecast is bleak as market confidence remains low due to the effects of the global recession.

E \_\_\_\_\_  
Business is booming for leading engineering company Phoenix Industries and its subsidiaries in Australia and South East Asia. Pre-tax profits rose by 23% according to interim results released this week and sustained growth is forecast for the rest of the year, which will please shareholders. The reported acquisition of the ailing Medusa Group could be completed by the end of next month.

F \_\_\_\_\_  
There has been another surge in German unemployment figures announced today. Predictions are that they will reach a peak in the next three months. There are further gloomy forecasts that industry will be hit hard by the economic slump. Manufacturing output will drop sharply, while capital investment by firms will plummet. Meanwhile the inflation rate continues to climb, edging towards 4%.

G \_\_\_\_\_  
In the US, falls in the exchange rate have led to a much more positive balance of trade. The trade deficit has been reduced significantly and the government hopes that this will stimulate growth and lead to a small surplus by early next year. There has been further speculation about the introduction of import tariffs and quotas to help the badly hit car industry.

4b Match the following headings to the correct story.

- 1 Black market boom
- 2 Investment fears
- 3 Paradise Lost?
- 4 Optimistic trade outlook
- 5 Takeover follows growth
- 6 Economy suffers downturn
- 7 Telecoms firm expands

4c Now, read the stories again and answer these questions.

- 1 Which companies are doing well/badly?
- 2 Which economies are doing well/badly?

5 Find words or phrases in the stories which mean the following:

- 1 shops
- 2 money earned from sales during a particular period of time
- 3 not genuine/original products
- 4 the general rise in prices
- 5 companies owned or controlled by a larger company
- 6 the failure of a business
- 7 difference between the value of a country's imports and exports
- 8 a negative balance of trade
- 9 a period of negative growth

6a Find words and phrases in the texts which refer to trends. Are they ↑ or something else?

falling ↓

6b What other phrases referring to trends can you add to the list?

## SPEAKING

7a You are responsible for the distribution of the public spending budget for your country (i.e. the income from taxes, loans, etc.). Think about the different areas of spending in the table on page 160 and follow steps 1-3.

- 1 Fill in the budget for this year to show what you imagine the current situation is.
- 2 Decide on your priorities for next year.
- 3 Fill in the budget for next year.

7b Work in groups to present your ideas.

## WRITING

8 Write a short summary of the main points of your budget.



## SPEAKING AND READING

**1a** Work in groups to give some examples of times when you have had to negotiate in your life, e.g. with noisy neighbours.

**1b** Discuss the following questions:

- Are you afraid of negotiating? Why / Why not?
- When you negotiate, do you usually concede more than you should?
- Do you get caught up in arguments when negotiating?
- Do you think of negotiating in terms of winners and losers?

**2a** You are going to read some advice on negotiating. Think of five pieces of advice that might appear in the text.

**2b** Read the advice sheet and check which of your predictions were mentioned.

**3** Read the advice sheet again. Which do you think are the five most useful pieces of advice? Why?

## VOCABULARY: suffixes (nouns 2)

**4** Make nouns from the verbs in the box by using the suffixes *-tion* and *-sion*. Check the spelling and meaning of any words you do not know in a good dictionary.

abstain admit clarify collide confuse  
decide discriminate eliminate extend  
indicate instigate negotiate permit

**5** Complete the sentences with the correct noun from Exercise 4.

- Rising house prices are a(n) \_\_\_\_\_ of confidence in the economy.
- She felt a sense of \_\_\_\_\_ that she was not being promoted as quickly as her male colleagues.
- The CEO's \_\_\_\_\_ that she had lied shocked the shareholders.
- The unions will try to force further \_\_\_\_\_ from the management.
- Alicia's been given a(n) \_\_\_\_\_ to finish her report.
- Some further \_\_\_\_\_ of your position is needed.
- No final \_\_\_\_\_ has been taken, but a merger between the two companies seems likely.
- The inquiry was set up at the \_\_\_\_\_ of the Chairman.

## NEGOTIATING TIPS

**Are you a nervous negotiator? Or are you the aggressive type, who tries to win at all costs?**  
The advice below can help you to improve your negotiating skills.

- First of all, **find out** everything you can about the other party. Preparation is vital. Clarify your priorities and be ready to **concede** less important points. Keep your negotiating strategy simple and flexible.
- Plan ahead for what you are willing to **give up**. Know your bottom line or BATNA (Best Alternative To A Negotiated Agreement). This represents the point you **turn down their offer** and stop negotiating.
- Create the right ambiance for a win-win negotiation. Try to put yourself in the other party's shoes. Think about what they really need. Stress the need for agreement from the outset and only engage in constructive arguments.
- If you are negotiating in a foreign country be prepared to **fit in** with their style of negotiating. Planning is crucial. Learn about the customs, values and practices of the people you are going to negotiate with.
- Set the negotiations up** so there won't be time pressures on anyone. If the other party try to **bring up** a completely new issue, then call for an adjournment. Also, if you are making no progress on a very difficult point, suggest you **come back** to it later.
- Identify who the decision-maker is. Make sure you know who you're talking to. But don't be intimidated by status.
- Control your emotions when negotiating. **Don't give yourself away**. Hide short tempers and frustration and never walk out in a rage. Never show fear or anger in face of intimidation. Remember, it's not personal. As soon as emotion enters into the negotiation you are likely to lose.

Be assertive, not aggressive. Focus on issues, not emotions.

- Be the best listener you can be. Wait for the other party to finish their proposal before responding. Listen to the tone of voice as well as the words.
- Watch out** for body language that might give you some indication of how the other side is feeling or indicate a shift in position.
- When you've made an important concession, you should **point it out** and emphasise that each concession is a serious loss for you. Don't concede ground unless you receive something in return.
- After you've closed the deal, don't **go on** talking. **Shut up. Stand up.** Shake hands. And leave.

**BE POLITE, BE PERSISTENT AND KEEP YOUR FOCUS**





# ACTIVITIES

## Lesson 12.4 Exercise 6a (page 129)

Student A

### A senior member of the National Academy of Science

You are intensely pro-science and believe that its purpose is to expand human knowledge and to advance human society.

Look at all the discussion questions, and prepare your points of view.

You are chair for the discussion of the first question.

## Lesson 12.4 Exercise 6a (page 129)

Student E

### A member of Earthwatch, an eco-pressure group

You want science to work to benefit the world as a whole, and that it should not harm or exploit the natural world.

Look at all the discussion questions, and prepare your point of view.

You are chair for the discussion of the fifth question.

## Lesson 11.3 Exercise 11 (page 117)

Student A

You are a Sales Representative who has recently done very well. You recently became salesperson of the year. You think you should have:

- a 10 percent salary raise
- a top-of-the-range new company car to impress your clients
- to work two days a week from home (for phone sales)
- more time for training courses and staff development

Negotiate with each other and try to get a good outcome. Begin by putting yourself in the other person's shoes.

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## Lesson 2.4 Exercise 6 (page 23)

### Student B

**Ricardo Hernandez**

Try to persuade members that your project will be good for the island.

- You will invest one billion dollars in the project.
- The investment will generate \$200,000 annually for the island.
- It will create 650 new jobs.
- It will bring 400 per cent more tourists to the island each year.
- It will raise the profile of Granville Island internationally.

You can offer:

- to build a primary school, shops and 100 houses for local residents.
- to protect the environment where possible. You will have to cut down mangrove trees to clear the area, but will replant mango trees in other parts of the island.

## Lesson 11.3 Exercise 11 (page 117)

### Student B

You are the Sales Manager and boss of the salesperson. You want to keep your salesperson of the year, but the company as a whole has had a difficult year. You think:

- the company can only afford a 4 percent increase in salary
- the salesperson should have a standard model car like everyone else
- working from home should be limited to one day
- there is no budget for training at the moment

Negotiate with each other and try to get a good outcome. Begin by putting yourself in the other person's shoes.

## Lesson 4.4 Exercise 6 (page 45)

### Student B

## HEALTHY EATING

**Healthy diet reduces the risk of heart disease and cancer**

'Superfoods' help fight serious illnesses, e.g. berries and tomatoes.

Food that contains Omega-3 oils helps maintain a healthy brain and memory, e.g. oily fish.

### Facts about healthy eating habits

- less than 25 per cent of the population aged 12–64 eat the recommended five portions of fruit and vegetables per day
- Only 12 percent of children eat five or more portions of fruit and vegetables per day
- less than half of the population eat oily fish at least once a week

### What is a healthy diet?

- at least five portions of fruit and vegetables each day
- plenty of fibre, such as cereals and wholemeal bread
- limited amounts of red and processed meats, e.g. ham, bacon
- food rich in Omega 3 at least once a week

## Lesson 11.4 Exercise 6 (page 119)

### Group B

## ARIEL CAPITAL NEGOTIATORS

Read the information and prepare for the negotiation. Decide: a) what your priorities are b) what concessions you can make c) what strategy and tactics you will use in the negotiation.

You want:

### **Finance**

to offer finance in the range of \$300,000–\$500,000 in return for a stake of at least 40 percent. Ideally, you would like to have a controlling interest in the company (over 50 percent).

### **Support**

to introduce a management structure in the firm by appointing a Managing Director, Financial Director, Marketing and Production manager within the first year.

to provide on-going advice and expertise to help the company to expand and become international.

### **Facilities**

to outsource the production of the device either to a local firm or to an overseas manufacturer in China or India. This would reduce costs and increase profits on the product.

### **Long-term planning**

to persuade the inventors to focus on inventing new high tech products to add to the firm's product range. to grow the company until it is large and profitable enough to be sold – in 5–10 years' time.