

МІНІСТЕРСТВО ОСВІТИ І НАУКИ, МОЛОДІ ТА СПОРТУ УКРАЇНИ
ХАРКІВСЬКА НАЦІОНАЛЬНА АКАДЕМІЯ МІСЬКОГО ГОСПОДАРСТВА

**ЗБІРНИК ТЕКСТІВ І ЗАВДАНЬ
ДЛЯ ОРГАНІЗАЦІЇ САМОСТІЙНОЇ РОБОТИ
З ДИСЦИПЛІНИ
«ІНОЗЕМНА МОВА (ДОДАТКОВО)»
(АНГЛІЙСЬКА МОВА)**

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Збірник текстів і завдань для організації самостійної роботи призначений для студентів денної форми навчання, які в майбутньому працюватимуть у сфері економіки та підприємництва. Головною метою збірника є формування навичок читання і розуміння інформації з англійських джерел та засвоєння необхідного обсягу лексичного матеріалу, що відповідає вимогам професійно-орієнтованого навчання іноземній мові. Зміст завдань відповідає вимогам програми навчальної дисципліни «Іноземна мова», тематика текстів сприяє розширенню обсягу сучасної англійської науково-технічної лексики. Запропонована інформація є необхідною для ефективного виконання професійних обов'язків майбутніх спеціалістів.

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INTRODUCTION

These educational materials are designed for the 2nd year students of the specialities “Economics of enterprises” and “Business accounting and Audit” to develop their knowledge and skills in English language according to their profession.

The manual is based on the authentic texts concerning the economic problems from different sources. It contains key vocabulary, texts for reading and translation, tasks on reading comprehension, vocabulary tasks. The manual consists of 12 texts and is expected to be used for self-study.

Each unit contains:

- an authentic text for reading and translation;
- activities on vocabulary;
- comprehension exercises;
- exercises for memorization and mastering key vocabulary.

Text 1

Exercise 1. Be ready to answer and discuss these questions:

1. What is money? Is it more than pieces of paper?
2. Why does money have great value?

Exercise 2. Before reading the text «Money» check the transcription in the dictionary and read the words listed below.

Currency, variable, consumption, to purchase, funds, supply, commodity, payment, token, inconsistent, inflation, cease, wealth, precise, to borrow, coincidence, value, goods, to grill, surplus, to solve, monetary.

Exercise 3. Read and translate the following collocations:

A medium of exchange, to relate to, on the other hand, a unit of account, to evolve over time, payment of goods and services, money supply, directly from one's account.

Money

Money has a long and interesting history and an understanding of how we came to use money is useful for any macroeconomist. Unfortunately, there is not enough space to describe how money was «invented» and how it evolved over time. There are, however, many excellent descriptions on the Internet.

«Money» in economics is actually not as simple to understand as you may think and many use the term «money» in a way inconsistent with how it is defined in economics. Money is defined as any commodity or token that is generally accepted as payment of goods and services.

Two types of money

In most countries, one can identify two «types of money»: currency and coins, bank deposits. The total value of all the money in a country at a given point in time is called the *money supply* and this is an important macroeconomic variable. The reason for the importance of the money supply is that it measures how much is available for immediate consumption. There is an important relationship between the supply of money and inflation.

What is money and what is not money

If you are trying to determine if something is money, simply consider whether it would be accepted in most stores as payment. You then realize that stocks, bonds, gold or foreign currency are not money. These must first be exchanged for the national currency before you can use them for consumption. Note that in some cases, foreign currency will be money. For example, in some border towns, the currency of the bordering country may be accepted virtually everywhere.

You also realize that some bank deposits *are* money. If you have money in an account in a bank and a debit card, you can pay for goods and service using the card in most places. Funds are withdrawn directly from your account when you make the purchase, which makes the deposits as good as cash in your pocket. Counting deposits as money is also consistent with the idea that money measures how much is available for immediate consumption.

Not all deposits can be counted as money. With most savings accounts, you cannot connect the account to a debit card and these deposits should not be counted as money. We also note that what is money has nothing to do with the commodity or token itself: USD is money in the United States but not in the U.K.; Gold is not money but gold was money in some countries in the middle ages. Historically, such diverse commodities as cigarettes and sharks' teeth have been used as money in some places; A national currency may suddenly cease to be money in a country. This may happen if inflation is so high that people shift to another foreign currency.

Money, wealth and income

Money is not the same as wealth. An individual may be very wealthy but have no money (for example by owning stocks and real estate). Another individual may have a lot of money but no wealth. This would be the case if an individual with no wealth borrows money from a bank. She will have money (for example in the form of a deposit in the bank) but no wealth since this deposit exactly matches the outstanding debt. Be careful with this distinction: do not say: "Anna has a lot of money" if you mean that Anna is wealthy.

Money is not the same as income and income is not the same as wealth. Income is a flow (for example is currency units per month) while money or wealth is a stock (measured at a particular point in time). Again, it is very possible to have a high income but no money and no wealth, or to be very wealthy and have a lot of money but no income. This is another distinction to be careful with. Do not say that

“Sam makes a lot of money” if you mean that Sam has a high income. Money has a very precise definition in economics!

Economic functions of money

Money is generally considered to have three economic functions: A medium of exchange. This is its most important role. Without money we would live in a barter economy where we would have to trade goods and services for other goods and services. If I had fish but wanted bread, I would need to find someone who was in the precise opposite situation. In a monetary economy I can trade fish for money with one individual and money for bread with another. Money solves what is called the double coincidence of wants.

A unit of account. In a monetary economy, all prices may be expressed in monetary units, which everyone may relate to. Without money, prices must be expressed in units of other goods and comparing prices are more difficult. You may find that a grilled chicken costs 2 kilos of cod in one place and 4 kilos of strawberries in another. Finding the cheapest grilled chicken is not easy.

Store of value. If you are a fisherman and have a temporary surplus of fish that you want to store for the future, storing the fish might not be a great idea. Money, on the other hand, stores well. Other commodities, such as gold, have this feature as well.

Task 1. Match the synonyms.

- | | |
|----------------|----------------|
| 1. to define | a) to barter |
| 2. to supply | b) to lend |
| 3. to purchase | c) to describe |
| 4. to borrow | d) to provide |
| 5. to exchange | e) to buy |
| 6. to trade | f) to sell |
| | g) to take |

Task 2. Decide whether these sentences are true or false. Correct the false ones.

1. Money is defined as any commodity or token that is generally accepted as payment of goods and services.
2. In most countries, one can identify three «types of money»: coins, bank deposits and gold.

3. The total value of all the money in a country at a given point in time is called the monetary economy and this is an important macroeconomic variable.
4. If you have money in an account in a bank and a debit card, you cannot pay for goods and service using the card in most places.
5. USD is money in the United States but not in the U.K.
6. Gold was money in some countries in the middle ages and today gold is still money.
7. Without money we would live in a barter economy where we would have to trade goods and services for other goods and services.

Task 3. Give your own explanation of the following.

- Bank deposit
- A medium of exchange
- Monetary economy
- Barter economy

Task 4. Check out how much you know about money and where it comes from in this quick quiz.

1. Which person has never had their portrait on US currency?
 - a) George Washington
 - b) Ben Franklin
 - c) Ulysses S. Grant
 - d) Andrew Johnson
2. Whose signature appears on US currency?
 - a) The Vice-President's
 - b) The Secretary of Treasury's
 - c) Abraham Lincoln
 - d) Speaker of the House
3. What was some of the first money made from?
 - a) paper
 - b) banana leaves
 - c) shells
 - d) metal
4. What was the name of money in the UK before 1971?
 - a) punts, shillings and pence
 - e) pounds, shillings and ounces
 - f) pounds, shells and pence

- g) pounds, shillings and pence
5. Notes and coins aren't the only way that we can buy things. Which one of these isn't a way to pay?
- a) credit card
 - b) debit card
 - c) standing order
 - d) cash point

Text 2

Exercise 1. Be ready to answer and discuss two questions.

1. When and where did paper money first appear?
2. Why does old money have current value?

Exercise 2. Before reading the text «A history of Money and Banking in the United States Before the Twentieth Century» check the transcription in the dictionary and read the words listed below.

Pound, guinea, perpetually, to establish, bimetallism, compulsory, catchphrase, privilege, to overvalue, commodity, scarce, beaver, wampum, circulating, to prohibit, coinage, proportion.

Exercise 3. Match the antonyms.

- | | |
|----------------|------------------|
| 1. legal | a) unequal |
| 2. overvalued | b) unaccepted |
| 3. disappeared | c) exported |
| 4. equal | d) optional |
| 5. compulsory | e) unlawful |
| 6. imported | f) allowed |
| 7. accepted | g) appeared |
| 8. prohibited | h) undervaluated |
| | i) monopolized |

A History of Money and Banking in the United States before the Twentieth Century

As an outpost of Great Britain, colonial America of course used British pounds, pence, and shillings as its money. Great Britain was officially on a silver standard,

with the shilling defined as equal to 86 pure Troy grains* of silver, and with silver as so-defined legal tender for all debts (that is, creditors were compelled to accept silver at that rate). However, Britain also coined gold and maintained a bimetallic standard by fixing the gold guinea, weighing 129.4 grains of gold, as equal in value to a certain weight of silver. In that way, gold became, in effect, legal tender as well.

Unfortunately, by establishing bimetallism, Britain became perpetually subject to the evil known as Gresham's Law, which states that when government compulsorily overvalues one money and undervalues another, the undervalued money will leave the country or disappear into hoards, while the overvalued money will flood into circulation. Hence, the popular catchphrase of Gresham's Law: «Bad money drives out good.» But the important point to note is that the triumph of «bad» money is the result, not of per-verse free-market competition, but of government using the compulsory legal tenderpower to privilege one money above another.

In seventeenth- and eighteenth-century Britain, the government maintained a mint ratio between gold and silver that consistently overvalued gold and undervalued silver in relation to world market prices, with the resultant disappearance and outflow of full-bodied silver coins, and an influx of gold, and the maintenance in circulation of only eroded and «lightweight» silver coins. Attempts to rectify the fixed bimetallic ratios were always too little and too late.

In the sparsely settled American colonies, money, as it always does, arose in the market as a useful and scarce commodity and began to serve as a general medium of exchange. Thus, beaver fur and wampum were used as money in the north for exchanges with the Indians, and fish and corn also served as money. Rice was used as money in South Carolina, and the most widespread use of commodity money was tobacco, which served as money in Virginia. The pound-oftobacco was the currency unit in Virginia, with warehouse receipts in tobacco circulating as money backed 100 percent by the tobacco in the warehouse.

While commodity money continued to serve satisfactorily in rural areas, as the colonial economy grew, Americans imported gold and silver coins to serve as monetary media in urban centers and in foreign trade. English coins were imported, but so too were gold and silver coins from other European countries. Among the gold coins circulating in America were the French guinea, the Portuguese «joe», the Spanish doubloon, and Brazilian coins, while silver coins included French crowns and livres.

It is important to realize that gold and silver are international commodities, and that therefore, when not prohibited by government decree, foreign coins are perfectly capable of serving as standard moneys. There is no need to have a national

government monopolize the coinage, and indeed foreign gold and silver coins constituted much of the coinage in the United States until Congress outlawed the use of foreign coins in 1857. Thus, if a free market is allowed to prevail in a country, foreign coins will circulate naturally. Silver and gold coins will tend to be valued in proportion to their respective weights, and the ratio between silver and gold will be set by the market in accordance with their relative supply and demand.

* **the grain or troy grain** (symbol: gr) measure has been defined in terms of units of mass in the International System of Units as precisely 64.79891 milligrams.

Task 1. Decide whether these sentences from the text are true or false.

Correct the false ones.

1. As an outpost of colonial America, Great Britain of course used British pounds, pence, and shillings as its money.
2. Britain also coined gold and maintained a bimetallic standard by fixing the gold guinea, weighing 129.4 grains of gold, as equal in value to a certain weight of silver.
3. Potato was used as money in South Carolina, and the most widespread use of commodity money was tobacco, which served as money in Virginia.
4. The pound-of-tobacco was the currency unit in Virginia, with warehouse receipts in tobacco circulating as money backed 100 percent by the tobacco in the warehouse.
5. Americans imported oil and gas to serve as monetary media in urban centers and in foreign trade.
6. Among the gold coins circulating in America were the Portuguese «joe», the Spanish doubloon, the Russian ruble and Brazilian coins.

Task 2. Read the text and choose the appropriate word A, B, C or D for each space.

Sometimes in business situations people have to (1) ...about money with clients and customers and (2)... physically handle money or perhaps deal with figures and money on paper. Particularly if you work in the accounts department of a large firm you (3)... have to send a customer a reminder because they have not (4) ... an invoice. Or you may have to fill in (5) ... for customers' orders. You may even have to decide whether customers can have further credit and delay paying their outstanding bills: this is called «credit assessment». If you are

working in (6) ... trade you may (7)... to be familiar with the different types of payment that exist.

1	2	3	4	5	6	7
a) talk	a) neither	a) can	a) received	a) bills	a) federal	a) need
b) discuss	b) both	b) may	b) had	b) notes	b) state	b) want
c) speak	c) either	c) must	c) paid	c) cheques	c) local	c) lack
d) say	d) whether	d) should	d) sent	d) invoices	d) international	d) demand

Text 3

Exercise 1. Be ready to answer and discuss these questions:

1. Do you use Internet Banking or Telephone Banking?
2. What can you do in Internet Banking?
3. How safe is your financial information when you bank online?

Exercise 2. Before reading the text «Internet Banking» check the transcription in the dictionary and read the words listed below.

Transaction, account, obligatory, authentication, scenario, malpractice, unique, unauthorized, thoroughly, simultaneously, to facilitate, opportunity, prevalent, to enhance

Exercise 3. Read and translate the following collocations:

To carry out, non-working hours, to be stuck in a process, to be free of cost, to log into one's account, a welcome kit, account information, security tokens, to refer to smth, Internet banking frauds, to be on an increase, to evolve with smth, to be sparked off, banking data, the use of credit card through Internet, to abbreviate to smth, to be derived from smth, pros and cons.

Internet Banking

Internet banking is used widely by masses, and has numerous benefits to offer. Nowadays, all banks provide online banking facility to their customers as an added advantage. Gone are the days, when one had to transact with a bank which was only in his local limits. Online banking has opened the doors for all customers, to operate beyond boundaries. Nowadays, people are so busy in their work lives, that they don't even have time to go to the bank for conducting their banking transactions. Internet

banking enables people to carry out most of their banking transactions using a safe website, which is operated by their respective banks. It provides many features and functions to their customers, and enables them to view their account balance, transfer money from their account to another account (be it in their respective bank or any other bank), view their account summary.

In this procedure, many financial transactions can be carried out by simply utilizing a computer with an Internet connection. The necessary things that a person needs for using online banking are, an active bank account with balance in it for transactions, debit or a credit card number, customer's user ID, bank account number, the Internet banking PIN number, and a PC with access to the web. People using Internet banking are certainly benefited by the online services their respective banks are providing them with. The primary reason why it is so famous and mostly used is that customers are allowed to bank at non-working hours.

Banks create their banking interfaces and websites in a viewable and user-friendly manner, which enable customers to conduct their financial transactions with ease. If they are stuck in any process while performing their online transactions, banks have another helpful facility that is «phone banking», wherein customers can call the bank's toll-free number and get assistance in completing their transactions. Electronic bill payment, viewing and downloading financial records, and money transfers are some of the general transactions which the customers generally carry out. All online banking services, provided by some banks, are free of cost.

When a customer views the bank's website, there are many options available, but to execute those transactions, he would obligatorily need to log into his virtual account. Without logging in, he won't be allowed to carry out any kind of the transactions. Initially, when he opens an account with the bank, the bank gives a welcome kit which contains important documents that include the checkbook; a document with the customer's user ID, online banking password, phone banking password, and account number is embedded. The kit also contains some other confidential data, the credit or debit card, and the card details. The website will prompt the user to enter the necessary details like the Internet banking password and account number, and then will display his account information. In this stage, he can carry out all functions that are available on the website.

With regards to the password authentication and encryption, high security is maintained, as there is a chance of hackers getting unauthorized access to the customer's account and performing malpractices. However, banks keep their online security systems up-to-date to prevent such scenarios. Moreover, banks also suggest their customers to keep on changing passwords periodically. They also implement

some security measures like using unique login IDs, transaction codes, using two passwords, security tokens which generate automatically changing passwords.

The Internet banking facilities provided by banks differ from bank to bank, and country to country. To know all online banking services and processes, one has to thoroughly refer to the guides which were made available in the welcome kit. Moreover, proper care has to be taken regarding the confidential documents as, Internet banking frauds are on an increase.

History of Internet Banking

The concept of Internet banking has been simultaneously evolving with the development of the world wide web. Programmers working on banking data bases came up with ideas for online banking transactions, some time during the 1980's. The creative process of development of these services was probably sparked off after many companies started the concept of online shopping. The online shopping promoted the use of credit cards through Internet. Many banking organizations had already started creating data ware housing facilities to ease their working staffs. The development of these databases were widely used during the development of ATM's.*

Sometime in 1980's, banking and finance organizations in Europe and United States started suggestive researches and programming experiments on the concept of «home banking». Initially in the 80's when computers and Internet were not so well developed, «home banking» basically made use of fax machines and telephones to facilitate their customers. The wide spread of Internet and programming facilities created further opportunities for development of home banking.

In 1983, the Nottingham Building Society, commonly abbreviated and refereed to as the NBS, launched the first Internet banking service in United Kingdom. This service formed the basis for most of the Internet banking facilities that followed. This facility was not very well developed and restricted the number of transactions and functions that account holders could execute. The facility introduced by Nottingham Building Society is said to have been derived from a system known as Prestel, that is deployed by the postal service department of United Kingdom.

The first online banking service in United States was introduced, in October 1994. The service was developed by Stanford Federal Credit Union, which is a financial institution. The online banking services are becoming more and more prevalent due to the well developed systems. Though there are pros and cons of

electronic cash technology, it has become a revolution that is enhancing the banking sector.

** **ATM** – automated teller machine (also automatic teller machine) – a machine that automatically provides cash and performs other banking services on insertion of a special card by the account holder.*

Task 1. Complete the following sentences, using information from the text.

1. All banks provide online banking facility to...
2. Banks also suggest their customers...
3. Internet banking enables people to carry out...
4. Many financial transactions can be carried out by ...
5. The necessary things that a person needs for using online banking are...
6. When a person opens an account with the bank, the bank ...
7. The concept of Internet banking has been simultaneously evolving ...
8. The online shopping promoted the use...
9. When computers and Internet were not so well developed, «home banking»...
10. The first online banking service in United States ...
11. The online banking services are becoming...

Task 2. Fill in the preposition where it's necessary.

1. All banks provide online banking facility ____ their customers as an added advantage.
2. Nowadays, people are so busy ____ their work lives that they don't even have time to go ____ the bank.
3. Many financial transactions can be carried ____ by simply utilizing a computer ____ an Internet connection.
4. If they are stuck ____ any process while performing their online transactions, banks have another helpful facility that is «phone banking».
5. All online banking services, provided ____ some banks, are free ____ cost.
6. When a customer views ____ the bank's website, he would obligatorily need to log ____ his virtual account.
7. The Internet banking facilities provided ____ banks differ ____ bank ____ bank, and country ____ country.
8. The creative process ____ development of these services were probably sparked ____ after many companies started the concept of online shopping.

9. The development ____ these databases were widely used _____ the development of ATM's.

10. ____ 1983, the Nottingham Building Society, commonly abbreviated and refereed ____ as the NBS, launched the first Internet banking service in United Kingdom.

Task 3. Give your own explanation of the following terms

1. Checkbook
2. Phone banking
3. Home banking
4. Balance
5. Customer's user ID
6. Banking transaction
7. PIN number
8. Banking sector

Task 4. Match the synonyms.

- | | |
|--------------|--------------|
| 1. operate | a. keep |
| 2. execute | b. implement |
| 3. prompt | c. remind |
| 4. promote | d. propose |
| 5. restrict | e. confine |
| 6. implement | f. fulfill |
| 7. suggest | g. manage |
| | h. refer |
| | i. stimulate |

Task 5. Translate the following text from Russian into English.

Online banking позволяет:

- с любого компьютера получить доступ к вашим банковским документам через защищенное соединение в сети интернет;
- получать информацию об остатках и движениях средств на ваших счетах в Банке;
- направлять на исполнение в Банк платежные и иные поручения и контролировать процесс их исполнения;
- отзывать ранее направленные поручения;

- осуществлять обмен данными с вашей бухгалтерской системой или системой управления предприятием.

Task 6. Summarize the paragraphs 1- 6 of the text «Internet Banking»

Text 4

Exercise 1. Be ready to answer and discuss these questions:

1. Do you have any experience with online payment?
2. How safe is to bank online?

Exercise 2. Before reading the text «Internet Banking» check the transcription in the dictionary and read the words listed below.

Forgery, to misuse, fraud, query, queue, cost-effective, considerably, immense, to avail, to satisfy, to cater, conventional, reliable.

Exercise 3. Match the synonyms.

- | | |
|------------|---------------|
| 1. trust | a. find |
| 2. solve | b. determine |
| 3. avoid | c. suspect |
| 4. access | d. confuse |
| 5. compare | e. oppose |
| 6. obtain | f. distribute |
| | g. encounter |
| | h. deny |

Disadvantages and Advantages of Online Banking Services

Disadvantages of Internet Banking

In today's busy world, when people do not have much time even for personal work, Internet banking appears as a boon*. People who use online banking services believe that as their accounts can be accessed by user name and password that only they know, their money is in safe hands. Whatever information they need about their bank account is only a click away. However, like all good things, even Internet banking has certain disadvantages.

The reason that not many people have started using Internet banking is because they do not trust the services of the bank through the net. Some human beings prefer to trust others like them and may have some difficulty in trusting a machine, especially in the matters of money. They may always have a doubt about whether their money is safe, while being processed through Internet banking.

In addition to this, a few cases of forgery have been reported in online banking. There are some fraud or proxy websites, which can hack information (user name and password) entered by a person for some transaction, and later misuse it. In such cases, people lose their money without knowing and by the time, they get the bill, huge losses may have been incurred.

Another disadvantage of Internet banking is that it may take some time, to get the Internet account started, as it requires a lot of paper work. Some people avoid using Internet banking services because they find it difficult to understand how it works. Also, the fact that a wrong click can cause monetary losses may be a deterrent. Internet banking can also pose a problem, if the network is down in one's area. This may cause difficulty, if the person has to do an important transaction.

One very common disadvantage of online banking is when a person has some problem or query. In a normal bank, if one faces some problem, one can go to some employee of the bank to solve it. However, in the case of Internet banking, one will find oneself making endless calls to the customer service department. There have been cases, where the person is put on hold or has been passed around from one person to another.

Although, Internet banking has certain disadvantages, one can avail of its customer-friendly services, if one is a little careful. One should never give away one's password to any unknown person and to make the experience of Internet banking a smooth process, one must use sites that are familiar and reliable.

Advantages of Internet Banking

The greatest advantage of Internet banking perhaps lies in the fact that customers are no longer required to wait in those long and wearisome queues of the banks to request a financial transaction or statement. Another important advantage of Internet banking is that it has made the opening of an account quite simple and easy and without much paperwork. The same flexibility can be observed even while closing an account. You can also apply for bank loans without personally visiting any local branch of your bank.

Conventional banking has always been slow and time consuming, so much so that sometimes you need to wait several hours to process a simple transaction like clearing a check. But, Internet banking has tremendously reduced the time required to process banking transactions, thereby making banking faster and convenient. For the bankers this system is cost-effective, as it has considerably reduced the administrative costs and paperwork related to the transactions. Besides, banks can also cater to the needs of thousands of customers at the same time. All these factors have significantly increased the profit margins of commercial banks by lowering their operating costs. This has enabled them to offer acceptable interest rates on savings account and credit cards.

With the help of Internet banking, you can access any information regarding your account and transactions, any time of the day. This means that you no longer have to depend on the office hours of your bank to obtain information. Therefore, you can regularly monitor your account as well as keep track of financial transactions, which can be of immense help in detecting any fraudulent transaction. In addition to this, fund transfers, both national and international, have also become faster and convenient with Internet banking. Nowadays, you can transfer funds from one account to another within a few minutes. You can easily carry out stock trading, exchanging bonds and other investments with the help of Internet banking. All these features have made Internet banking ideal for people who make a number of financial transactions each day.

In addition to availing banking facilities for 24 hours a day, you can also receive other important information regarding banking policies, rates of interest offered on different types of bank accounts and formalities required in executing various transactions. With such information you can compare the services of different banks and opt* for the one that satisfies your individual needs and requirements.

However, there can be some serious disadvantages of internet banking, out of which the security of your bank account is the most important one. So while availing the facilities of Internet banking, you have to be very careful to ensure the security of your computer and personal information like the password, user name and pin number of your bank account. Otherwise, you may become a victim of computer hacking, which can lead to unauthorized use of your account by computer hackers. Though banks have come up with several security measures, the customers are also required to be a bit careful to ensure security and safety of internet banking.

* **boon** – benefit, favor

* **opt** – *срок. от* optimized

Task 1. Read and translate the following collocations:

To pose a problem, the customer service department, to face some problem, local branch of a bank, to close an account, to monitor one's account, to apply for bank loan, time consuming, in addition, smooth process, to cause monetary losses, to give away one's password to anyone, to depend on smth, to law one's operating cost.

Task 2. Match the definition to the term.

- | | |
|---------------------------|---|
| 1. Stock trading | a) irredeemable currency; |
| 2. Investment | b) putting money into something with the |
| 3. Financial transaction | expectation of profit; |
| 4. Bank account | c) an event or condition under the contract between |
| 5. Check | a buyer and a the process of buying and selling |
| 6. Fraudulent transaction | financial securities, commodities and currencies; |
| 7. Exchange bonds | d) seller to exchange an asset for payment; |
| | e) a document/instrument (usually a piece of paper) |
| | that orders a payment of money; |
| | f) a financial account with a banking institution, |
| | recording the financial transactions between the |
| | customer and the bank and the resulting financial |
| | position of the customer with the bank; |
| | g) a form of periodic payment from an employer to |
| | an employee, which may be specified in an |
| | employment contract; |
| | h) bogus affair. |

Task 3. Make collocations for the following words.

e.g. bank – bank account, bank system, bank manager, etc.

Transaction, service, process, information, account

Task 4. Summarizing the text, make a short list of advantages and disadvantages of online banking system. Explain your choice.

Advantages of online banking system

Disadvantages of online banking system

Task 5. Make a list of advice to avoid the disadvantages disadvantages of online banking system.

Text 5

Exercise 1. Check the transcription in the dictionary, then read and translate the words listed below.

Innovation, to increase, valuable, circumference, extensive, to collide, resistance, superconducting, opportunity, competitive, to define, estimation, various, unique, to export, to identify, to encourage, imperfect, vehicle, significant, to increase, bureau, nominees.

Exercise 2. Find the equivalents.

- | | |
|---------------------|------------------------------|
| 1. to occur | a) сопровождать |
| 2. biodiesel fuel | b) определять |
| 3. trade mark | c) населять |
| 4. to conduct | d) биодизельное топливо |
| 5. to define | e) происходить |
| 6. advance | f) производство |
| 7. to appeal | g) налоговое стимулирование |
| 8. high quality | h) рост |
| 9. affair | i) привлекать, притягивать |
| 10. to inhabit | j) дело |
| 11. tax stimulation | k) высшее качество |
| | l) товарный (фирменный) знак |
| | m) снижение |

Exercise 3.

a) Before reading the text «Innovative Technologies» match the words with their meanings. Consult the dictionary or encyclopedia if it is necessary.

- | | |
|--|-------------------|
| 1. Application of nanotechnology. It ranges from the medical applications of nanomaterials, to nanoelectronic biosensors, and even possible future applications of molecular nanotechnology. | a) nanotechnology |
| 2. Study of manipulating matter on an atomic and molecular scale, deals with structures sized between 1 to 100 nanometer (shortened to «nanotech»). | b) nanometer |
| 3. Technology of creating machines or robots at or close | c) nanomedicine |
| | d) nanofoam |
| | e) nanotube |
| | f) nanorobot |
| | g) nanocomputer |
| | h) nanomaterial |

to the microscopic scale of a nanometer (10⁻⁹ meters).

- 4. Nanometer-scale tube-like structure.*
- 5. Field that takes a materials sciencebased approach to nanotechnology. It studies materials with morphological features on the nanoscale, and especially those that have special properties stemming from their nanoscale dimensions.*
- 6. Logical name for a computer smaller than the microcomputer, which is smaller than the minicomputer.*
- 7. A unit of length in the metric system, equal to one billionth of a metre (symbol nm).*

b) Give the explanation of the term «nanoeconomics». Consult the dictionary or encyclopedia if it's necessary.

Innovative Technologies

The term «innovation» occurs from Latin «innovatio» and means introduction of something new. The term means progress of changing or updating which is connected with creation and introduction of new technologies. Innovative technologies have the most growing importance nowadays. They are met in all fields of human activity. Technological advances have been dynamic and extensive. They can be used to help man to increase his productivity and advance civilization further. Where are these technologies especially valuable?

For example, in physics. The Large Hadron Collider is situated on the border between France and Switzerland. Collider [LHC] is being built in a circular tunnel 27 km in circumference. The tunnel is buried around 50 to 175 m. underground. The LHC is designed to collide two counter-rotating beams of protons or heavy ions. The beams move around the LHC ring inside a continuous vacuum guided by magnets. The magnets are superconducting and are cooled by a huge cryogenice system. The cables conduct current without resistance in their superconducting state. LHC is the world's largest and most complex scientific instrument.

The application of innovative development for example such as nanotechnologies provides a lot of opportunities and has a lot competitive advantages

for business foundation. Nanotechnology is a branch, of applied science and technology studying the properties of object and developing devices 1 nanometer in size [10⁻⁹m]. The thickness of human hair is about 100 thousand nanometers. Although the nanotechnology commercialization is only at its early stage at the present it is considered to be the most perspective for business. The main attention was given to the actual development and products presented on nanomaterial markets (presented by nanotubes, nanowires, nanofoam, materials, nanostructured metals, electronics, power engineering, medical science and production). The main object of this research is to define the most interesting appealing niches of commercial application of nanotechnologies.

Innovative technologies of studying foreign languages require communicative model of training. Traditional model has been focused on reading, understanding and translation special texts and studying grammar, but nowadays it's necessary to think of development skills of speech dialogues, on professional themes and conducting scientific discussions. Innovative technology includes estimation of new ideas and search of resources for their realization. One of innovation for formation is interactive electronic board, which allows holding not only presentations, reports and seminars, but also grouping training in a class with use of various demonstrations.

In the modern world competitive struggle pushes us to the constant search of new ideas and appearing of many new companies for example such as «Neste Oil». The oils made under trade mark NESTE are exported to many European countries. The company makes unique biodiesel fuel and also products of high quality received as a result of oil refining. This company renders the following kinds of activity:

- a) Fuel realization through own network of gasoline stations;
- b) Fuel sale to buyers;
- c) Sale of lubricants, technical and special liquids;
- d) Delivery and storage of mineral oil.

The «clone» is the term, which has come from genetics. The clones are a group of genetically identified individuals or the cells, which have occurred from one cell as a result of sexless reproduction. Ian Wilmut, one of «fathers» of lamb Dolly, named results of research encouraging. However, they could not imagine wishing to start cloning of the person. The technology, despite separate successful cases of its application, remains too imperfect. Japan became one of the first countries, which have started to grow the cloned animals. In 1998 the Japanese biotechnologists have deduced the first cloned horned cattle. For the research purposes scientists also plant genetics copies of pig and goats. The research, carried out by the group of the Japanese scientists by request of the local commission on safety of foodstuff has

shown that milk and meat of the cloned animals are harmless to health of the person. However, it does not mean that products from these animals will appear in the shops tomorrow. Besides, biologists have found out in different parts of a planet hundreds of unknown living things. And some of them have been found in the water of Lake Baikal, which was investigated by two deep-operating vehicles «Mir-1» and «Mir-2 » in 2008.

In astronomy one of the most significant scientific events of 2008 was ambitious space mission of a space probe «Phoenix» to Mars. For five months of work the device has managed to collect a large quantity of the data about our the nearest space neighbour: «Phoenix» has analysed a little specimen of a Martian ground, has found ice in soil of Mars, has studied weather. Besides, «Phoenix» has increased chances of Mars, on inhabiting, for the first time having received water from Martian ground.

In 2008 in Moscow, in World trade centre the Russian youth innovative Convent took place. The organizer of Convent was Federal agency on affairs of youth of the Russian Federation. Innovative bureau «Expert» organized and held within the limits of Convent's competition of youth projects. 55 young scientists took part in competition of youth projects, researches, inventions. The president of Russian Federation Dmitry Medvedev said, that the participants of Convent could make pride of any list of nominees on the award, but, probably, one of the major purposes – creation the most innovative system. This system should be created by means of use various mechanisms of economical and tax stimulation. Our problem is to make economy absorb in itself all that characterises economy of innovations, future economy. In support of young talents the state has founded the president's awards in the field of science and innovations.

Task 1. Answer the following questions using the information from the text.

1. What innovative technologies are the most important at the present?
2. What do you know about the Large Hadron Collider?
3. What does «nanotechnology» mean ?
4. «Cloning» is dangerous for mankind, isn't it? What's your opinion?
5. What can you tell about the launch of «Phoenix»?

Task 2. Find the English equivalents of the following collocations in the text.

Superconducting state, various demonstrations, estimation of new ideas, to increase one's productivity, to take part in competition, in the field of study, significant scientific events of 2008, list of nominees, nanofoam materials,

nanostructured metals, conducting scientific discussion, power engineering, search of new ideas, the research carried out by the group, to provide a lot of opportunities.

Task 3. Choose the right answer.

1. How many young scientists took part in the work of Convent?
 - a) 105
 - b) 55
 - c) 30
2. What animals were cloned in Japan?
 - a) Cows
 - b) Pigs
 - c) Horses
 - d) Bears
 - e) Goats
3. In what branches of science are innovative technologies especially important?
 - a) Physics
 - b) Astronomy
 - c) Chemistry
 - d) Biology
4. Where is the Large Hadron Collider situated?
 - a) Germany
 - b) Russia
 - c) On the France-Switzerland border
5. What planet was the probe «Phoenix» launched to?
 - a) Saturn
 - b) Moon
 - c) Mars
 - d) Jupiter

Task 4. Complete the sentences with the correct future form of the verb in brackets. Use the Future Continuous or Future Perfect.

1. By this time next year, you as a brand representative, ____ (spend) more time with this nanodevice, that we've been wanting to use.
2. Thanks to nanotechnology, by the year 2040 mankind ____ (design) food by shaping molecules and atoms.

3. If all goes according to plan, humans ____ (live) in space, when NASA's centennial celebration rolls around in 2058.
4. By this time next month I ____ (carry out) Experimental Investigation on Nanoprocessing of Stainless Steel Surface.
5. Some scientists believe that in some years people ____ (live) among androids.

Text 6

Exercise 1. Be prepared to answer and discuss these questions.

- 1) «Getting money is difficult; keeping it may be even more difficult» – do you agree or disagree with this statement? Explain why?
- 2) Is entrepreneurship the art of turning an idea into a business?
- 3) Is there an ideal age for an entrepreneur?

Exercise 2. Check the transcription in the dictionary and read the words listed below.

To decide, tough, fortunately, stable, opportunity, to minimize, installment, individual, entrepreneur, insurmountable, to tackle, to fail, competitive, inherent, to exploit, customization, support, muddle, to apply, differentiation, to differentiate, to sell, to forego, sustainable, cheap, competitor, disadvantage, overestimate, insufficient, substantial, to invest, infrastructure, to team, utmost.

Exercise 3. Read the collocations and translate them. Make up your own sentences with any 3-4 collocations.

To make up one's mind, in one's own right, to achieve one's goal, in some way, to team with smb, to invest in smth, in good times, in bad times, to apply to business, to emphasize on, to care about, to expend from smth, to focus on smth, to lower the price.

How to Decide on a Business That Will Work for You

Your mind is made up – you're going to start your own company. But making the move is tough. You wonder if you have an idea that's going to work. How do you decide what kind of business to start?

Fortunately your decisions aren't cast in stone; once you've built a stable business, you'll have options and find new opportunities. Even so, you can minimize risk by doing a lot of soul-searching* and thinking at the beginning. This installment of Business Engineering offers a winning formula for making good decisions and a capsule look at several individuals whose companies have become successful in their own right.

What makes a good idea work

One common characteristic of all entrepreneurs is passion. Passion translates into commitment. You'll let nothing stand in your way to achieve your goal. You block and tackle, and you change your approach when you encounter insurmountable difficulties. Given that, how can you fail if the goal is realistic and you're an expert in some specific area? Commitment is your most important competitive advantage.

Small companies enjoy some other inherent advantages: they can be flexible, fast moving, and relationship-oriented. If your business Concept exploits these advantages, you'll probably find it easier to succeed in the early stages. Large companies, because of their size and overhead, find it hard to compete effectively in selling products that require a high degree of customization or customer support.

Each company must differentiate itself in some way. Companies that muddle around in the middle generally will fail because they're subject to attack from both sides. Take the restaurant business, for example. In good times, most restaurants do well. In bad times, fancy restaurants (selling a place to feel good) are jam-packed, and cheap restaurants (selling food) are jam-packed, but middle-of-the-road restaurants are shutting down.

The same applies to any business. Small companies usually have to specialize – manufacture fewer products, serve a limited range of customers so well that no one can take them away, then expand from that base.

At New Focus*, our differentiation is captured in the motto «Simply Better Photonics Tools». When we started the company in 1990, we were competing against several well-established companies. Since we didn't have enough capital to build a broad range of products, we had to differentiate everything we had sold, or else people would have had no reason to switch.

We decided to focus on customers who required mechanical stability and to forego those who didn't. As a result, our sales were quite small in the first year. But the emphasis on clever engineering allowed us to serve a small group of customers

that particularly cared about performance. As it turned out, these customers were opinion leaders who helped us get the word around.

Common mistakes

Your business needs a sustainable competitive advantage*, something that's hard for your competitors to attack. People often want to start a company because they think they can build something better or cheaper. Those really aren't sustainable competitive advantages.

If you can build something better, somebody else can probably build it better still. If you build something cheaper, your competitors can usually lower the price. Their prices aren't always directly related to their costs. They can always say, "Let's not burden this product with that cost, let's assign that cost somewhere else." People already in the business will react when you threaten their market share.

Beware of ideas that are self-limiting. For example, I've heard people say, "My costs are low because I'll have a simple operation. I don't have all that high overhead." They may very well find they'll have the same disadvantage as their business grows. Have the utmost respect for your competitors.

People often overestimate the importance of a patent, a specific technology, or a contract. Certainly these factors can be important, but often they're insufficient drivers for success. What about Manufacturing capability, distribution channels, and customer recognition? If these other drivers loom large or if your idea requires substantial investment, you may do well by structuring your business to team with a company that has already invested in the right kind of business infrastructure.

* **Soul-searching** – deep examination of one's motives, convictions, and attitudes

New Focus™ is a leader in developing, manufacturing and delivering innovative, high-performance, quality, easy-to-use photonics with exceptional support and service for industrial and research applications across the world.

Competitive advantage – condition which enables a company to operate in a more efficient or otherwise higher-quality manner than the companies it competes with, and which results in benefits accruing to that company.

Task 1. Find the English equivalent of the following Russian expressions; find and read the sentences from the text with these expressions.

Стабильный бизнес, обслуживание клиента, большой ассортимент, на ранней стадии, конкурентоспособность, обычные рестораны, ориентированный на взаимоотношения.

Task 2. Match the explanation.

- | | |
|--|-------------------|
| 1. an article or substance that is manufactured or refined for sale; | a) business |
| 2. the practice of making one's living by engaging in commerce; | b) to sell |
| 3. a commercial business; | c) entrepreneur |
| 4. the amount of money expected, required, or given in payment for; | d) customer |
| 5. a person who organizes and operates a business or businesses, taking on greater than normal financial risks in order to do so; | e) company |
| 6. a person or organization that buys goods or services from a store or business; | f) price |
| 7. the action or process of giving money for profit or material result; | g) investment |
| 8. give or hand over (something) in exchange for money; | h) infrastructure |
| 9. the basic physical and organizational structures and facilities (e.g., buildings, roads, and power supplies) needed for the operation of a society or enterprise. | i) product |
| | j) to borrow |

Task 3. Summarize your knowledge on the Conditional Sentences. Put the words in brackets into the correct form.

- 1) If your business concept _____ (exploit) these advantages, you'll probably find it easier to succeed in the early stages.
- 2) If you could create something better, somebody else _____ probably _____ (build) it better still.
- 3) If your idea _____ (require) substantial investment, you would may do well by structuring your business to team with a company that had already invested in the right kind of business infrastructure.
- 4) You _____ (wonder), if you had any idea that was going to work.

5) If you build something cheaper, your competitors _____ (can) usually lower the price.

6) If you _____ (invest) all your money in 2011, and spread your investments over a period of time, you would have had better returns.

7) If you got or had a loan, credit or store card in the last six years, you _____ (may be able) to reclaim J1,000s.

Task 4. Complete the sentences.

1. If I were an entrepreneur...
2. If you had to invest money...
3. If my father's business had failed...
4. If my friend made up his mind to start his own company...

Task 5. Plan how you would start your own company in your country.

Consider these areas.

- Select a business structure (Sole proprietorships, partnerships, corporations, Limited Liability Companies);
- Financing;
- Type of customer;
- Location;
- Service you will offer;
- Opening the Doors (establish a name, brand and slogan of your company).

Text 7

Market Segmentation

As specialised market segments have developed and been identified, there has been a growth in the number of organisations offering goods and services which are much more closely related to the customer.

It is obvious to say that certain types of goods and services have always been purchased by certain parts of the population and not by others. Initially segmentation was very crude: rich or poor; fashionable or utilitarian; etc. Common sense was the key rather than scientific segmentation. As competition became more fierce in almost every market, businesses paid more attention to their markets.

Having identified a specific market, certain features of that market will be similar to each other, but not identical. As a result it is highly unlikely that one product will be ideal for everyone in that market. Take a look at the products on any supermarket shelf. Just choose one, say the soap. Each soap has its own distinctive qualities, from simple ones such as price to subtle aromas and the creaminess of the lather. More recently, other considerations and approaches have been developed: liquid soap (convenient and non-messy); perfume-free (for sensitive skins); and environmentally friendly (fully bio-degradable). A wealth of different products for different people, but take a look at the labels on the packets and you will certainly see that less than a dozen manufacturers are offering the majority of these soap products. They have identified their market, broken it down and refined their segmentation, and now cater successfully for sub-groups within the market.

Selection and evaluation of a market segment

To ascertain the viability of a segment, estimates must be made. Essentially, after having worked out the size of the segment, you need to estimate turnover (likely) and profit, and to forecast what the future needs of that segment will be.

It is often the case that these specific market segments are not in step with the rest of the market as a whole. The best example of this is the increase in the consumption of low-tar cigarettes in the face of severe cuts in the overall cigarette market.

Organisations which pay particular attention to evaluation of market segments calculate:

- **Cost.** How much it costs to get to the members of the market segment.
- **Revenue.** What the segment is worth in real money terms.

On this basis they then allocate their marketing and advertising budgets.

Once the market segments have been evaluated, the organisation has to make a decision regarding its commitment to that market segment. The response, as far as the organisation is concerned, runs from ignoring the market segment altogether (in other words it has decided that the market segment is either too small or diminishing) to concentrating wholeheartedly on capturing it. There are three main strategies in covering the market segments:

1 Undifferentiated. The organisation concentrates on factors common to potential customers. There is no differentiation of marketing mix or marketing strategy. The product itself is designed in such a way as to appeal to the widest possible market. Typical of this type of approach are organisations which mass

produce their product. Equally, those involved in mass communication or distribution use this method.

2 Differentiated. Having decided to operate in a number of market segments, the organisation offers a slightly different product and marketing mix in each of the segments. Car manufacturers are a good example of this approach. Different styles, performance, extras, etc, are included or omitted depending on which segment is being approached.

3 Concentrated. This version has the organisation concentrating on one or very few market segments. By concentrating on a smaller customer base, it relies on being able to cater for this exactly. A very dangerous position to be in if you get it wrong!

Task 1. Reread the text and be ready to answer in class the following questions.

1. What is the purpose of dividing a market into segments?
2. What is market segmentation? Give your examples.
3. How useful you think is social class in helping to segment the market?
4. What are the main strategies in covering market segments?

Task 2. Translate paragraphs 1, 2, 3 in writing.

Task 3. Use the most suitable linking words (like, additionally, as...,but, however, perhaps, as a...) in the following sentences.

1. ... guide for the interviewer there are two main techniques.
2. ... the time spent with each respondent is longer than that for any other method.
3. ... we know, a product is something that satisfied a customer's need.
4. ... they demanded very different sorts of technology or industrial process.
5. The need itself may exist ... there may be no product or service which exists to satisfy it.
6. ... a living thing the majority of products have a limited life.

Task 4. State and explain the main idea of the text.

Text 8

Marketing Research Science or Sham?

Millions of pounds are spent each year on marketing research. Nearly 10 per cent of the price you pay for goods in the shops is being spent on marketing research in one guise or another. Let's try to define it:

Marketing research is the systematic collection and analysis of data which looks specifically at the customer's attitudes, needs, opinions and motivations within the context of political, economic and social influences.

Simply put, marketing research is using scientific methods to collect information that is relevant to the product or service in question. Scientific? What information? Is it relevant?

In order to reduce risk, the organisation needs to know about the intended market for the product which it is going to launch. Market research refers to the research into markets specifically but, strictly speaking, marketing research refers to any aspect of the marketing process that requires investigation.

Marketing research covers the obvious markets, but also what we noted in our first definition. There are three main sources of information in which the marketing researcher is interested:

1. Information within the organisation which already exists but may not be in a particularly usable form.
2. Information external to the organisation, which again already exists and is much more expensive to track down.
3. Information which is usually external to the organisation and which does not exist in a usable form at all. Commonly this information is customer opinion, attitude or buying traits.

We can further identify these types of information and categorize them in a more simple way:

1. Information within the company, such as sales figures, is known as internal information.
2. Information external to the company, such as government reports or published marketing reports, is known as secondary information.
3. The third information source, often characterized by market research opinion polls, is known as primary information.

Types of marketing research

Marketing research makes a positive contribution to the business by helping in the decision-making process. There are many different types of marketing research; here are the main ones:

1. Market and sales research

- estimating market size of new markets
- estimating potential growth of an existing market
- identifying market characteristics and segments
- identifying market trends
- sales forecasting
- collecting data on existing customers
- collecting data on potential customers
- collecting data on competitors

2. Product research

- customer's attitude to new products
- comparing competition with your own products
- finding alternative uses for existing products
- market testing proposed products
- investigating customer complaints
- packaging research
- generating new ideas for new products

3. Research on promotion and advertising

- choosing the right advertising medium
- analysing the effectiveness of advertising
- establishing sales areas
- evaluating present sales techniques
- analysing sales force effectiveness
- establishing sales quotas

4. Distribution research

- location of distribution centres
- handling products (efficiency)
- transport costs and comparisons
- storage efficiency and needs
- retail outlet location

5. Pricing policy

- demand

- perceived price
- costs
- margins

The scope of marketing and market research is very broad. In fact, almost every aspect of the production, promotion, sales and after-sales life of a product is scrutinised at some point for one purpose or another.

Task 1. What is known as a) internal, b) secondary, c) primary information?

Give your examples to every type.

Task 2. Find and write down key words from the text and make with them sentences of your own.

Task 3. Write down as many derivatives for each given word as you can and define to what part of speech they belong.

Research, pay, define, motivate, note, exist, identify, advertise, establish.

Task 4. Think over how you would research the following if you were being asked to launch a new product.

Text 9

Life Cycles

Like a living thing the majority of products have a limited life. A product's life cycle starts with its birth, or introduction on the market. Then follows its growth into the market; its mature stage when it is a fully-established product; and its declining phase when it is fading out of existence. Let's look at these stages in a little more detail:

1. The introduction of the product. The most important consideration here is to establish the product on the market. Awareness of the product's existence must be built up in the minds of retailers, wholesalers and, of course, the customer. Advertising is the usual method. Once the product is established in the minds of the potential buyers, the product must overcome any resistance to the acceptance of something new on the market. As orders, hopefully, roll in, the focus moves to

making sure that sufficient supplies of the product are available. Nothing can kill product off faster at birth than its non-availability.

2. The growth stage of the product. Having successfully launched the product and generated the initial interest and orders, it is often necessary to continue to promote the product in order to maintain its place in the market. This period of a product's life is usually its most profitable, since demand may not yet have reached a peak and most of the initial starting costs have been recouped in the introduction period. It is at this time that the business will look for other potential markets for the product to move into, and also attempt to dislodge competitors from the market.

3. The maturity stage of the product. A business will look to this period of a product's life to extend for as long as possible. In this stage the product delivers much-needed profit and turnover for the business. Competition must be beaten off by the strong establishment of a brand image and firmly rooted share of the market. The importance of looking after customers still plays a prominent role. They must be able to obtain the product readily and still be kept loyal to it, to guarantee a steady level of purchase.

Older products which may be on the verge of decline can, by careful thought, be found a new lease of life through being reintroduced into the market or introduced into new markets. We will look at product modification in more detail later.

4. The decline stage of the product. Sooner or later something will happen that will forever kill off potential sales. It may be any of the following:

- it becomes technically obsolete;
- customer attitude changes towards it;
- a better product has appeared on the market;
- sales have peaked and are falling off;
- it is no longer profitable to produce it.

Once any of the above has happened, the business is faced with having to do something about it. Amongst the options are:

- a) stop spending anything on the product in excess of paying to produce it;
- b) raise the price and milk the last possible sales out of it and let it die a natural death;
- c) divert spending on to other products;
- d) decide that, once demand reaches a particular level, production will cease and wait until that happens before acting;
- e) maintain production at a basic level to supply demand arising from brand loyalty;

f) maintain the product at present levels and hope that additional marketing activities can rejuvenate the product;

g) put the decline down to changes in trends and fashions and wait for the product to become fashionable again.

Task 1. Choose the sentence that correlates with the information in the text.

1. a) Advertising is the usual method.
b) Nowadays, advertising is not so popular.
2. a) Older products can be introduced into new markets.
b) Older products can't be introduced into new markets.
3. a) A product's life cycle starts when a product is fully developed.
b) A product's life cycle starts with its birth or introduction on the market.
4. a) The importance of looking after customers demands still plays a prominent role.
b) Nowadays the importance of looking after customers demands does not play an important role.

Task 2. Translate paragraph 4 in writing.

Task 3. Compress the text «Life Cycles».

Task 4. Join the beginning of the sentence with its ending.

- | | |
|--|---|
| 1. A product life cycle... | a) than its non-availability |
| 2. Nothing can kill product off faster at birth... | b) is to establish the product on the market. |
| 3. The importance of looking after customers... | c) starts with its birth or introduction on the market. |
| 4. The most important consideration here... | d) still plays a prominent role. |
| | e) often necessary to continue to promote the product. |

Text 10

Brand and Product Management

A brand is a name that is given to a particular product or range of products. In many cases this brand name is simply the company's name, such as Ford or Heinz. In other cases it may be a completely different name, such as Nescafe, or it may be the overall name for the entire range of goods, such as St Michael for Marks&Spencer.

Branding basically exists to identify a particular product from its competitors. It is all to do with helping the customer identify the product easily. The choice of a brand name is often absolutely vital to the image of the product. Many brand names have become household names; indeed some have become part of the language, such as Hoover (many people now talk of going to *hoover* the living room, rather than going to vacuum it). Such is the power and penetration of the brand name into our lives.

Own-label products

With the dominance in the supermarkets of «own label» products, the brand name has found a new meaning for the customer. If you have the choice of buying Nescafe or Sainsbury's own label coffee, what is there to help you make up your mind? The price is different: the Sainsbury's own label brand is cheaper; you may get more «bulk» for your money; but what do you really think of the choice? Nine times out of ten you will probably reach for the Nescafe. Why? Probably because you think that the Nescafe is «better». Better quality? Perhaps. Now change the situation around and compare Nescafe with Maxwell House. Why do you buy one over the other? Customers go into a shop with a mental list of their preferred brands. What all the marketing, sales promotions and advertising is geared up to do is to put a company's particular brand name into your memory so that your decision-making process when faced with a choice of branded and own-label products is speeded up and you reach for the brand they want you to reach for.

This branding goes further and tries to encourage you to see the company's entire range as having the same reputation (a good one, of course). This multi-product branding really does pay dividends, especially when launching a new product that has the same brand name. The new product will find sales quicker and will be accepted faster. The company must be careful, however, since this is a two-edged sword. A

poor product can bring a bad reputation to an otherwise good and reliable brand name.

Some companies prefer to trade under a range of brand names. They may well be in the same market, but they appear to be almost like competitors, though often with complementary products. A good example of this is United Biscuits, which trades under several «household name» brand names including Maxwell House and McVities. The same product, in all but brand name, can then be aimed at different market segments with different images, prices and marketing strategies.

As we have noticed, some manufacturers have their own brand name, while others sell under the brand name of a retailer. The manufacturers which produce particular Marks&Spencer's products will also produce their own brand products. This method of production is very useful to the manufacturers since it enables them to increase their own production runs and simply change the labels. It also means that they can sell a large proportion of their production runs without having to promote and market these themselves. In other cases, producing own-label products for retail chains is the only way for manufacturers to get them to stock their goods.

What this relationship does mean is that retailers like Sainsbury's, Marks&Spencer and Tesco are in a very powerful position. They control the pricing, the distribution and the marketing. The manufacturer is very much in their hands. The retail chain will be able to demand that pricing is in their favour, the specifications of the product meet with their approval, that particular stock levels are maintained, and that they receive priority treatment even above the manufacturer's own-label products.

Product names

The additional use of a name coupled with the brand name also helps to identify a particular product. Ford is the company name and also the brand name, but in addition to this all of their makes or models of car have a name of their own. The Fiesta, Sierra, Escort and Orion are all examples of Ford's product names. This helps the customer to speed up the decision-making process by recognising and selecting the product they want in a potentially confusing situation. Ford could just call all of their cars «Ford cars» and give them a number, or describe them as the «J13,000 Ford car». Each product name establishes a specific image by which the customer can identify the product. What you call a product has to be carefully thought out. An inappropriate name is death to the product – after all who would want to ride about in a Ford Trout?

Product name helps to position the product in the market. The name should convey something to which the prospective buyer can relate. A boring or inappropriate name will need much more spent on it in marketing and promotion than a name that inspires the customer to remember it and be inspired by it.

Trademarks

Once you have decided on a name, you need to protect that name. Without trade names being registered as trademarks, there would be nothing to stop anyone giving their product the same name as yours. Successful products can be imitated but they cannot be copied and the same thing goes for names. You cannot even attempt partly to copy a name; for example, you could not name your car the Furd Curtina, or you would find yourself very quickly in court! Registered names and trademarks are very valuable commodities. What the name represents is all the effort and expense you have put into making that product what it is.

Task 1. Make a list of the brand names that you can think first (not less than 10). See how many of them are company names and how many are product names.

Task 2. Visit the nearest supermarket and have a look at the «competing» brands of washing powders, liquids, soaps. Count how many of them are produced by the same companies. Are these goods really different according to advertising? Is it really good to sell the same thing with different names?

Task 3. Find, write down and remember 3 synonyms to the following words from the text.

Commodity, valuable, example, court, promotion, customer, manufacture, dominance.

Task 4. State and explain the main idea of every paragraph.

Text 11

Development

Once the product has survived the analysis stage of its life, it changes from an idea to being a reality. The product now has to be developed, made, packaged and given an identity of its own. There are three main stages to consider:

1. Making the product itself will involve a number of different people, such as research and development staff, designers and other technical staff. A prototype is made, which is similar to what the end product is expected to look like and how it should perform. This is tested and, on the basis of the results, the mass production will be approved or rejected. It is important to note that, not only does the product have to work, but it has to do what the marketing department wants it to do.

2. Packaging can be vital. Indeed, in some instances the packaging is as important as the contents! The product may have to fit into the standard image of the company, following its colours or logo. The package must also be functional and protect the product, or keep it fresh.

3. Giving a product an identity is very important. The brand name should either help to describe the product or should be a short and memorable one. In some cases it is important to match the brand image with the market segment very carefully, so that the potential customers see this as a positive image that enhances its desirability.

Test Marketing

Test marketing is the last chance to rectify any mistakes or misconceptions about the product or iron out any problems with it. The costs of launching a product nationally can be astronomical and any problems that may occur which could affect the long-term chances of the product need to be eliminated.

The first major way of testing the product is in a test market. Effectively, this is a small area of the country, usually coupled with a low TV advertising cost area like Border TV. The advertising is run in that area alone and the product or service is available within that area only. Some products or services are not advertised on TV but perhaps in the press or on radio only; whatever the advertising media, the principle remains the same. If the test market works out, then a national launch may be attempted. If it does not work out, then the business must figure out whether it is the product that is no good, or whether some other fault in advertising or elsewhere is

the culprit. For example, the availability may be patchy or the product may be too pricey. Whatever the cause, it has to be found.

In some cases it may prove difficult to test market the product. Perhaps the product is just a seasonal one, like plastic Christmas trees. Not much point in test marketing them in July, is there! Or maybe the product needs to be kept secret. In the case of technically advanced equipment, it may prove impossible to risk giving the opposition any chance of hearing about the new product.

There is a way to get over this secrecy problem and also to help market test a product that needs to be in use to prove its worth in «real» work conditions. Potential customers are asked to test the product in «in situ» (where it is) and can test the product under special arrangements with the manufacturer. If the product proves to be capable of coping with the rigours of real use, then it is ready to be fully launched.

Task 1. Read the text and be ready to discuss the following items.

1. If you were a small manufacturer how long would you be prepared to wait for a new product to start performing well?
2. What factors would you take into account to make your mind to launch or not a new product?
3. When is it better in the development of the idea to give it a name? Does this matter?

Task 2. Complete the phrases with “say” or “tell” as appropriate.

1. ... a story
2. ... the time
3. ... as far as I can ...
4. ... yes or no
5. ... somebody to do something
6. ... somebody what to do
7. ... hello
8. ... a lie
9. ... what you mean
10. ... something under your breath

Task 3. Translate the following sentences paying attention to the usage of non-finite forms of the verb. Name them and point out their functions.

1. This is an important document as it is used as evidence of VAT paid on imports.

2. To compare countries around the world, economic statistics relates to the country size.
3. When governments and central banks see signs of inflation they try to slow down the economy.
4. In primitive societies a system of barter was used, somebody could exchange a sheep for example, for anything in the market-place that they consider to be of equal value.
5. Having been found in South Africa gold laid the foundation for the world's goldsmith industry.
6. There are many different ways to determine wealth.

Task 4. Rearrange the text «Test Marketing» extracting from it all the unnecessary information.

Text 12. Globalization, global marketing and branding

Exercise 1. Study the information about the term “glocalization”.

Glocalization is a combination of the words “globalization” and “localization” used to describe a product or service that is developed and distributed globally, but is also fashioned to accommodate the user or consumer in a local market. This means that the product or service may be tailored to conform with local laws, customs or consumer preferences. Products or services that are effectively “glocalized” are, by definition, going to be of much greater interest to the end user.

The following quote belongs to a scholar who is credited with popularizing the term: “glocalization” means the simultaneity – the co-presence – of both universalizing and particularizing tendencies.”

Find out who this scholar was:

- a. Martin Roll
- b. Roland Robertson
- c. John Penrose

Exercise 2. Answer the questions.

Do you usually buy the products of the same brand? Why? Why not?

Globalization, global marketing and branding

One of the biggest implications of globalization for companies seeking to expand to foreign shores is the task of balancing standardization with customization. From a branding perspective, this issue assumes even more significance. When some of the world's biggest brands expand beyond their home markets, they are tempted to repeat their tried and tested formula in the new market as well. In fact this has been the path followed by many brands. The assumption in such a case is that customers would be too eager to consume the great brand because of its authenticity, heritage and associations. But this tendency is gradually changing as global companies are learning about the unique needs of the customers in different market along with the pressures of lifestyle, economic and cultural conditions.

A case in point is the success of global brands in the Indian market. One of the booming economies in Asia, India offers tremendous opportunities to global companies. A brief look at the Indian landscape would prove why – an estimated 1.2 million affluent households that is expanding at 20% a year, 40 million middle income households growing at 10% a year, more than 110 million households with earnings of US\$7,500 to US\$20,000 and more than 70% of the population below the age of 36. It is no wonder then, that global brands are making a bee line to the Indian market to grab a share of the growing pie.

This alluring face of the Indian business landscape has another facet to it and that is the presence of highly discerning and demanding customers. In spite of the booming economy and the increasing disposable income, Indian consumers are very cautious and clear in their priorities. Consumers are still not ready to splurge on branded goods at premium prices. Added to this there is a growing number of Indian brands that offer superior quality at affordable prices. In such a scenario, global brands can win only if they attune themselves to the local conditions.

Unilever is a classic example of a global brand which has pioneered serving the locals with products that address the local sensitivities. Unilever's Indian subsidiary Hindustan Lever Limited (HLL) has been the leader in recognizing the tremendous opportunity lying at the bottom of the pyramid – customer base that aspires to consume products but in smaller quantities and at lesser prices. HLL literally invented the shampoo sachets – small plastic packets of shampoo for as less as USD 0.022. This became such a rage among the rural consumers that many other brands started offering products such as detergent, coffee and tea powder, coconut oil and tooth paste in sachets. Even though the unit price was higher, rural consumers were able to afford to purchase the smaller quantity at their convenience.

Another example is of global mobile brand Nokia. Nokia also recognized the growing importance of rural customers in the Indian mobile telephone market which grew from a mere 300,000 subscribers in 1996 to a whopping 55 million subscribers in 2004. Nokia introduced its dust-resistant keypad, antislip grip and an inbuilt flash light. These features, albeit small, appealed to a specific target of truck drivers initially and then to a broader segment of rural consumers. These features endeared Nokia to the Indian consumer as Nokia displayed a genuine commitment in responding to local customer needs.

These examples clearly endorse the glocalization route to winning customers in diverse markets. Glocalization – maintaining the brand logo, the key message and the underlying philosophy and localizing the brand elements to offer customers an authentic local feel – is increasingly becoming the preferred business model for global brands. By extending the unique brand experience through customized channels and offerings, global brands seem to have found a middle path where they can maintain the global brand aura and still appeal to the customers in the authentic local way!

Task 1. Translate the following words and expressions. Then find 2 authentic sentences with each of them using the internet.

Bee line, to grab a share, discerning customers, antislip grip, brand experience, middle path.

Task 2. Decide whether the following statements are true or false according to the text.

1. Indian customers are ready to show off their branded goods.
2. Indian producers catch up with foreign brands in quality and prices.
3. Procter&Gamble offered to its customers small plastic bags with soap as an alternative to regular bottle sizes.
4. Glocalization is synonymous to internationalization.
5. Small features introduced to a global product may appeal to local customers' needs.
6. Using glocalizing marketing strategies contributes to commercial effect.
7. Global brands tend to apply to glocalizing strategy but that makes the oblivious to the brand uniqueness.

Task 3. Translate the following phrases into English.

1. В настоящее время очевидно, что процесс глобализации взаимодействует с этническими культурами.
2. Первая глобальная организация — Global Forum, образована в 2001 г. Ее цель — ускорение мирового развития через развитие местностей и повышение внимания к локальным проблемам
3. Маркетологи, разрабатывающие “глобальные бренды” рискуют обанкротить собственные компании.
4. По мнению этого исследователя, эра американской культуры подходит к концу. Боевики и гамбургеры уступают место другим массовым предметам и символам.
5. Другими словами, даже такой символ глобальной стандартизации, как McDonalds, может по-разному восприниматься в разных контекстах.
6. Тема глобализации актуальна при разработке брендов регионов.
7. Глобализация объясняет успех компании Wall-Mart на различных рынках.

Task 4. Topic for discussion.

Imagine you are responsible for the opening of a Disneyland in Ukraine. Think up and write down some adjustments for the Disney's concept required in the light of the idea of globalization (design, special attractions, schedule, menu, labor practices, marketing).

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