

МІНІСТЕРСТВО ОСВІТИ І НАУКИ УКРАЇНИ
ХАРКІВСЬКИЙ НАЦІОНАЛЬНИЙ УНІВЕРСИТЕТ
МІСЬКОГО ГОСПОДАРСТВА імені О. М. БЕКЕТОВА

ЗБІРНИК ТЕКСТІВ І ЗАВДАНЬ
до організації практичної роботи
з дисципліни

«ІНОЗЕМНА МОВА
(ЗА ПРОФЕСІЙНИМ
СПРЯМУВАННЯМ)»

(АНГЛІЙСЬКА МОВА)

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INTRODUCTION

These educational materials are designed for the ESP students of economics of the 1st and 2nd year of studies to develop their knowledge and skills in Business English according to their profession.

This manual is based on the authentic texts from different sources concerning economic issues. It contains the tasks for reading and translation, vocabulary tasks and tasks for self-study. The manual consists of 6 units and is expected to be covered during practical classes.

Each unit contains:

- pre-reading activity
- an authentic text for reading and translation;
- comprehension exercises;
- key vocabulary according to the topic. All key words are taken from the basic text;
- exercises for memorization and mastering key vocabulary;
- supplementary reading

UNIT 1. MONEY

Key words to memorize: money, goods, payment, service, debt, currency, barter, trader, transaction, account, capital, banknote (AmE bill), coin, check, debit card, value

Task 1. Match the key words with their definitions

1. money	a. a ticket that you are given so you can claim your things from this place
2. value	b. a piece of paper money
3. goods	c. an arrangement in which a bank keeps your money safe so that you can pay more in or take money out
4. payment	d. a business deal or action, such as buying or selling something
5. service	e. a piece of metal, usually flat and round, that is used as money
6. debt	f. the importance or usefulness of smth
1. currency	a. a plastic card with your signature on that you can use to pay for things
2. barter	b. money or property, especially when it is used to start a business or to produce more wealth
3. trader	i. a system of exchanging goods and services for other goods and services rather than using money
10.transaction	j. the system or type of money that a country uses
11.account	k. someone who buys and sells goods or stocks
12.capital	l. the official system for providing something that everyone in a country needs to have, or the official organization that provides it
13.banknote	m. a sum of money that a person or organization owes
14.coin	n. what you earn by working and can use to buy things
15.check	o. an amount of money that has been or must be paid
16.debit card	p. things that are produced in order to be sold

Task 2. Read and translate the text. Pay attention to the usage of the key words

Economics offers various definitions for **money**, though it is now commonly defined as any **good** or token that functions as a medium of exchange that is socially and legally accepted in **payment** for **goods** and **services** and in settlement of **debts**. Money also serves as a standard of **value** for measuring the relative worth of different **goods** and **services**.

The use of money provides an easier alternative to **barter**, which is considered in a modern, complex economy to be inefficient because it requires a coincidence of wants between **traders**, and an agreement that these needs are of equal **value**, before a **transaction** can occur.

Money is generally considered to have the following characteristics: "Money is a matter of functions four, a medium, a measure, a standard, a store". To function as money, the monetary item should possess a number of features:

1. It is a **medium of exchange**. To be a medium of exchange:

- It should have liquidity, and be easily tradable, with a low spread between the prices to buy and sell, in other words, a low **transaction** cost.
- It should be easily transportable; precious metals have a high **value** to weight ratio. This is why oil, coal, vermiculite, or water is not suitable as money even though they are valuable. Paper notes have proved highly convenient in this regard.
- It should be durable. Money is often left in pockets through the wash. Some countries (such as Australia, New Zealand, Mexico and Singapore) are making their **bank notes** out of plastic for increased durability. Gold **coins** are often mixed with copper to improve durability.

2. It is a **unit of account**

A **unit of account** is a standard numerical unit of measurement of the market **value of goods, services, and other transactions**.

To be a unit of account:

- It should be divisible into small units without destroying its **value**; precious metals can be coined from bars, or melted down into bars again. This is why leather and live animals are not suitable as money.
- It should be fungible: that is, one unit or piece must be exactly equivalent to another, which is why diamonds, works of art or real estate are not suitable as money.
- It must be a specific weight, or measure, or size to be verifiably countable. For instance, **coins** are often made with ridges around the edges, so that any removal of material from the coin (lowering its **commodity value**) will be easy to detect.

3. It is a **store of value**

To act as a **store of value**, money must be able to be reliably saved, stored, and retrieved.

Modern forms of money.

Banknotes (also known as paper money) and **coins** are the most liquid forms of tangible money and are commonly used for small person-to-person **transactions**. Today, gold is commonly used as a store of value, but is not often used as a medium of exchange or a unit of account. But central banks do use gold as a unit of account.

There are also less tangible forms of money, which nevertheless serve the same functions as money. **Checks, debit cards** and wire transfers are used as means to more easily transfer larger amounts of money between bank **accounts**. Electronic money is an entirely non-physical **currency** that is traded and used over the internet.

Benchmark world currencies

These are the major currencies used in trading.

- Australia - Australian Dollar (AUD)
- Canada - Canadian Dollar (CAD)
- China - Renminbi (CNY)
- European Monetary Union (EUR-13) - Euro (EUR)
- Hong Kong - Hong Kong Dollar (HKD)
- Japan - Japanese Yen (JPY)
- Switzerland - Swiss Franc (CHF)
- United Kingdom - Pound Sterling (GBP)
- United States - US Dollar (USD)

Task 3. Answer the following questions:

1. What are the basic money functions?
2. For what reason is barter considered being less efficient than money?
3. What forms of money are mentioned in the text? Which of them are the most suitable to be used as money?
4. How do some countries make their banknotes more durable?

Task 4. Fill in the gaps using the word from the box. Some of the words are used more than once, some of the words you don't need to use

to eat to earn to pay to exchange to serve to realize to lose
to put payment service debts currency transaction money worthless

1. "No one can _____ two masters, for either he will hate the one and love the other; or else he will be devoted to one and despise the other. You can't _____ both God and Mammon (money, wealth, and profit, regarded as something bad)." Gospel of Matthew 6:24 (Євангеліє від Матвія)
2. "When it's a question of _____, everybody is of the same religion." Voltaire
3. "Only when the last tree has died and the last river has been poisoned and the last fish has been caught will we _____ we cannot _____ money." Proverb
4. "If you want to know what a man is really like, take notice of how he acts when he _____ money." New England Proverb
5. "Money is _____ unless some people have it and others do not"
6. It is possible to _____ good money as a computer programmer.
7. No one's going to _____ money into the company while the market is so unstable.
8. There are severe penalties for late _____ of taxes.
9. A private car _____ is available from the airport.
10. Lenders must try and protect themselves against bad _____.
11. Local banks give better rates for converting your traveler's checks into foreign _____.
12. The bank charges a fixed rate for each _____.

Task 5. Match two parts of the sentences

<ol style="list-style-type: none">1. The exchange rate of a currency is fixed against other countries' currencies, for instance,2. When money is used to intermediate the exchange of goods and services,3. In economics, money is a broad term that refers to4. The money supply is the amount of financial instruments within a specific economy5. Money makes it possible for you to obtain the goods and services you want6. Money is a store of value	<ol style="list-style-type: none">a. any financial instrument that can fulfill the functions of money.b. it is performing a function as a medium of exchange.c. Without having to trade or barter for them.d. available for purchasing goods or services.e. when we use it to save for the future.f. one US dollar=260 Japanese yen.
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Task 6. Translate the following sentences from Russian into English

1. Деньги имеют четыре основные функции: средство обмена, средство сбережения, расчетная единица, отсроченный платеж.
2. Деньги не имеют стоимости сами по себе, но они служат средством для обмена товаров.
3. Деньги позволяют людям определить стоимость товаров и услуг.
4. Займ – это сумма денег, которую человек или фирма берет в долг у банка.
5. Чеки и кредитные карточки становятся более популярным средством платежа, чем деньги.
6. В некоторых странах иностранная валюта используется наряду с национальной валютой.

Task 7. Write a summary of the text

Money is such a thing that we all want to have. People spend much time and energy in order to earn money and to buy necessary goods and services.

Many years ago people traded different kinds of goods with one another. A farmer traded his grain grown on his plot with a baker for some loaves of bread. A fisher traded some of the daily catch of fish with a smith for a spade or an axe. Such an exchange of goods or services by trading was called bartering.

Bartering was a good way to do business when people wanted to make an acceptable trade. For example, a farmer might want to exchange a pig for a sheep, but first would have to find another person who wanted to make such a trade. This might take a lot of time and effort and, sometimes, might not even be possible.

Bartering was also an acceptable way to do business when both parties could agree on the worth or value of what they had to trade. But how much grain was a baker's loaf of bread worth? How many fish were equal to the value of the time spent by the smith making the spade or the axe?

In time it became more difficult to conduct such a trade. It was also difficult to set a just value for the different goods and services. So it became clear that something new was needed that would be acceptable by everybody in exchange for goods and services. That “something” was money.

UNIT 2. ACCOUNTING

Key words to memorize: accounting, investor, tax, accountant, stakeholder, shareholder, creditor, bookkeeping, property, debit, balance sheet, asset, liabilities, profit, costs, equity

Task 1. Match the key words with their definitions

1. accounting	a. someone who owns shares in a company or business
2. assets	b. a statement that shows the value of a company’s assets and its debts
3. investor	c. the thing or things that someone owns
4. liabilities	d. someone who has invested money into something, or who has some important connection with it, and therefore is affected by its success or failure
5. balance sheet	e. the amount of debt that must be paid
6. tax	f. someone whose job is to keep and check financial accounts, calculate taxes etc
7. accountant	g. someone who gives money to a company, business, or bank in order to get a profit
8. stakeholder	h. Items of positive value
9. shareholder	i. the money that you must regularly spend in order to run a business, a home, a car etc
10.creditor	j. an amount of money that you must pay to the government according to your income, property, goods etc and that is used to pay for public services
11.bookkeeping	k. the job or activity of recording the financial accounts of an organization
12.property	l. the profession or work of keeping or checking financial accounts, calculating taxes etc
13.debit	m. share in a company from which the owner receives some of the company's profits
14. costs	n. money that you gain by selling things or doing business, after your costs have been paid
15.profit	o. a person, bank, or company that you owe money to
16.equity	p. a record in financial accounts that shows money that has been spent or that is owed

Task 2. Read and translate the text. Pay attention to the usage of the key words

The **accounting** system in any given country is one of the key elements of the economic system. The subject of **accounting** is the calculation of the financial results of an entity's business activity. **Accounting** is also widely referred to as the "language of business".

Accounting is based on the accounting equation, which states that a firm's **assets** must equal its **liabilities** plus its owners' **equity**.

Assets and **liabilities**, **profits** or losses are listed in financial statements. The two main types of financial statements are the **balance sheet** and the income statement (profit and loss account).

The **balance sheet** lists a firm's **assets**, **liabilities** and owner's **equity** at a point of time. It is drawn periodically: monthly, quarterly, half-yearly, annually. The **balance sheet** shows a lot of useful financial information, but it does not show everything. A firm's sales, **costs**, and **profits** for a given period are shown in an income statement.

Financial accounting is one branch of accounting and historically has involved processes by which financial information about a business is recorded, classified, summarized, interpreted, and communicated; for public companies, this information is generally publicly-accessible. By contrast **management accounting** information is used within an organization and is usually confidential and accessible only to a small group, mostly decision-makers.

Practitioners of accountancy are known as **accountants**. There are many professional bodies for accountants throughout the world.

The "Big Four" accountancy firms

The "Big Four auditors" are the largest multinational accountancy firms.

- PricewaterhouseCoopers
- Deloitte Touche Tohmatsu
- Ernst & Young
- KPMG

Accounting/accountancy attempts to create accurate financial reports that are useful to managers, regulators, and other **stakeholders** such as **shareholders**, creditors, or owners. It can show the managers or owners of a business whether or not the business is operating at a **profit**.

The day-to-day record-keeping involved in this process is known as **bookkeeping**.

At the heart of modern financial accounting is the **double-entry bookkeeping system**. This system involves making at least two entries for every transaction: a **debit** in one account, and a corresponding **credit** in another account. The sum of all **debits** should always equal the sum of all **credits**, providing a simple way to check for errors. This system was first used in medieval Europe, although claims have been made that the system dates back to Ancient Rome or Greece.

Task 3. Answer the following questions:

1. How often are balance sheets drawn?

2. What is the basic difference between financial and management accounting?
3. What is the main principle of the double-entry bookkeeping system?
4. Are the terms accounting and bookkeeping equal? If not, in what way do they differ?
5. Who is interested in accounting information?

Task 4. Fill in the gaps using the word from the box. Some of the words are used more than once, some of the words you don't need to use

assets interest creditors equity property debit stakeholders bookkeeping
investors accountants liabilities

1. A company's _____ can consist of cash, investments, buildings, machinery, specialist knowledge, etc.
2. Most of the venture funds have come from foreign _____.
3. The judicial system now had to protect _____ instead of debtors.
4. The hotel is not responsible for any loss or damage to guests' personal _____.
5. Every _____ must have a corresponding credit and vice-versa.
6. All _____ must have a voice if it is to be a true partnership.
7. In the USA public _____ are those who are available to the public for such accounting functions as monthly bookkeeping and tax preparation.
8. Information relating to the financial position of a company, mainly about assets and _____, is presented in a balance sheet.

Task 5. Match two parts of the sentences

<ol style="list-style-type: none"> 1. Each time an item is purchased or sold, a bookkeeper passes on the information to the accountant who carries out the last steps such as 2. A balance sheet represents 3. The statement of cash flows provides the information about 4. Management accounting deals with 5. Financial accounting includes the information about 6. Accountancy is a branch of mathematical science 7. The principles of accountancy are applied to business entities in three divisions of practical art, 	<ol style="list-style-type: none"> a. the changes in the financial structure of the company. b. named accounting, bookkeeping, and auditing. c. 1) calculate adjustments; 2) prepare adjusted trial balance; 3) prepare financial statements; 4) close entries. d. a company's revenues, expenses, gains and losses. e. the main accounting equation. f. planning, control, budgeting and pricing decisions. g. that is useful in discovering the causes of success and failure in business.
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Task 6. Translate the following sentences from Russian into English.

1. Основная цель бухгалтерского учета – показать финансовое состояние компании.
2. Бухгалтерский отдел фирмы регистрирует всю соответствующую финансовую информацию.
3. Акционеры, инвесторы и кредиторы изучают финансовую документацию компании.
4. Бухгалтерский учет – это регистрация и изучение всех финансовых документов, касающихся деятельности компании.
5. Финансовый отчет – это основной документ бухгалтерского учета.
6. Баланс показывает финансовое состояние компании за определенный период.
7. Бухгалтерский учет отражает всю финансовую деятельность компании.

Task 7. Write a summary of the text

Accountancy's infancy dates back to the earliest days of human agriculture and civilization (**Sumerians** the in **Mesopotamia**), when the need to maintain accurate records of the quantities and relative values of agricultural products first arose. Simple accounting is mentioned in the **Christian Bible (New Testament)** in the **Book of Matthew**, in the Parable of the Talents (Matt. 25:19). The Islamic **Quran** also mentions simple accounting for trade and credit arrangements (Quran 2:282).

Twelfth-century AD Arab writer Ibn Taymiyyah mentioned in his book *Hisba* (literally, "verification" or "calculation") detailed accounting systems used by **Muslims** as early as in the mid-seventh century AD. These accounting practices were influenced by the **Roman** and the **Persian** civilizations that Muslims interacted with. The most detailed example Ibn Taymiyyah provides of a complex governmental accounting system is the Divan of **Umar**, the second **Caliph of Islam**, in which all revenues and disbursements were recorded. The Divan of **Umar** has been described in detail by various Islamic historians and was used by **Muslim** rulers in the Middle East with modifications and enhancements until the fall of the **Ottoman Empire**.

Sumerians (Шумери) – people lived in the southern part of ancient Mesopotamia (modern Iraq) from about 3500 BC.

Mesopotamia (Месопотамія)- an area in western Asia around the River Tigris and the River Euphrates in Iraq, where, in ancient times, the world's first cities were built and several important ancient civilizations developed

Christian Bible – Християнська Біблія

New Testament – Новий Заповіт

Book of Matthew – Євангеліє від Матвія

Quran – Коран (священна книга мусульман)

Muslims - мусульмани

Roman civilization – Римська цивілізація

Persian civilization – Перська цивілізація

Umar, the second Caliph of Islam – Умар, другий Ісламський Каліф (правитель)

Ottoman Empire (ОТТОМАНСЬКА ІМПЕРІЯ) - a large empire, based in Turkey and with its capital in Istanbul, which also included large parts of Eastern Europe, Asia, and North Africa.

UNIT 3. AUDIT

Key words to memorize: audit, to assign, evaluation, valid, reliable, assessment, sample, auditor, report, assurance, charity, employee, staff

Task 1. Match the key words with their definitions

1. audit	a. an organization that gives money, goods, or help to people who are poor, sick etc
2. to assign	b. the people who work for an organization
3. evaluation	c. a process in which you make a judgment about a person or situation
4. valid	d. someone who is paid to work for someone else
5. reliable	e. based on truth or reason
6. assessment	f. someone or something that can be trusted or depended on
7. sample	g. a written or spoken description of a situation or event, giving people the information they need
8. auditor	h. a promise that something will definitely happen or is definitely true, made especially to make someone less worried
9. report	i. to give someone a particular job or make them responsible for a particular person or thing
10.assurance	j. a judgment about how good, useful, or successful something is
11.charity	k. an official examination of a company's financial records in order to check that they are correct
12.employee	l. someone whose job is to officially examine a company's financial records
13.staff	m. a small part or amount of something that is examined in order to find out something about the whole

Task 2. Read and translate the text. Pay attention to the usage of the key words

The most general definition of an **audit** is an **evaluation** of an organization, system, process, project or product. **Audits** are performed to ascertain the **validity** and **reliability** of information, and also provide an **assessment** of a system's internal control. Auditing is therefore a part of some quality control certifications such as **ISO 9000** (International Standards Organization an international organization which sets standards for the size, shape, and technical features of industrial goods, electrical

products etc.). An **audit** is based on random **sampling** and is not an **assurance** that **audit** statements are free from error. However the goal is to minimize any error, hence making information **valid** and **reliable**.

Traditionally audits were mainly associated with gaining information about financial systems and the financial records of company or a business (see **financial audit**). However recently **auditing** has begun to include other information about the system, such as information about environmental performance. As a result there are now professions that conduct environmental audits.

In financial accounting, an audit is an independent **assessment** of the fairness by which a company's financial statements are presented by its management. It is performed by competent, independent and objective person or persons, known as **auditors** or **accountants**, who then issue a report on the results of the audit.

Such systems must adhere to generally accepted standards set by governing bodies that regulate businesses. It simply provides **assurance** for third parties or external users that such statements present 'fairly' a company's financial condition and results of operations.

An important type of **audit** is the **financial audit**. It is designed to determine whether financial statements are fairly presented in accordance with International Financial Reporting Standards (IFRS) or Generally Accepted Accounting Principles (GAAP). In the United States, financial audits are required for all publicly registered companies.

In addition, financial audits may be performed for private companies, registered **charities**, and some governmental and public entities. Private companies typically request financial audits year after year because lenders may have required an audit or owners may want to have external unbiased eyes look at the financial statements to determine if the company is complying with all the required accounting principles. **Charities** would require a financial audit to show the financial status of the organization to potential donors. Governments and government businesses are usually required to be audited by statutes to determine if all the money budgeted has been properly spent. Government financial reports are not always audited by outside auditors. Some governments have elected or appointed auditors.

Types of auditors

There are two types of auditors:

Internal auditors – are **employees** of a company hired to **assess** and **evaluate** its system of internal control. To maintain independence, they present their **reports** directly to the Board of Directors or to Top Management. They provide functional operation to the concern. Internal Auditors are employees of the company so that they can easily find out the frauds and any mishappening.

External auditors – are independent **staff assigned** by an auditing firm to **assess** and **evaluate** financial statements of their clients or to perform other agreed upon evaluations. Most external auditors are employed by accounting firms for annual engagements. They are called upon the outside of the company.

Task 3. Answer the following questions:

1. What is the main goal of auditing?
2. In what way is auditing connected with ISO?
3. How has the concept of traditional audit changed lately?
4. What are the principle differences between internal and external auditors?

Task 4. Fill in the gaps with appropriate words from the box. Some of the words you don't need to use.

reliable, to assign, evaluation, staff, sample, report, assurance, charity, valid, employee, auditors

1. _____ are accountants who estimate the accuracy of a company's financial statements, and if they find any disagreements in the documents with generally accepted accounting principles, they will be responsible to inform about them in their report.
2. We have to _____ Mr. Smith to the advertising campaign.
3. Inspectors will have to do a thorough _____ of the project before we can continue.
4. The government still hasn't produced a _____ argument in favour of its policies on immigration.
5. Eating sensibly and taking regular exercise is a fairly _____ method of losing weight.
6. Our library _____ will be happy to help if you are unable to find the book you want.
7. _____ of American Airlines get generous reductions on the cost of flights.
8. I'd like to see some _____ of your work.

Task 5. Match two parts of the sentences

1. Auditing is a process in which an independent accountant-auditor examines a firm's accounting records and financial statements	a. and offers an opinion on their accuracy and reliability.
2. The accountancy profession has built up a significant amount of expertise	b. in performing financial statements audits.
3. The auditor normally starts with a study of the business environment the audited company is working in	c. and performs a preliminary analytical review.
4. The auditor should focus on any misstatement	d. whether it is intentional or unintentional.
5. In order to protect the public interests and the profession's integrity	e. an individual must be sufficiently educated and adequately trained before being certified as an auditor

Task 6. Translate the following sentences from Russian into English.

1. Аудит тесно связан с бухгалтерским учетом.
2. Аудит – это просмотр и независимая оценка финансовых записей.
3. Основная цель аудита – предоставить пользователю финансовых документов уверенность, что он имеет дело с реальным финансовым положением компании.
4. Существует два основных вида аудита – внутренний и независимый.
5. Внутренний аудит – это контроль бухгалтерами компании. Они проверяют точность и надежность записей.
6. Независимый аудит – это просмотр финансовой документации бухгалтерами, которые работают в других фирмах. Такие аудиторы должны предоставить честную и правдивую информации о реальном финансовом положении компании.

Task 7. Write a summary of the text

Audit is an examination of the records and reports of an enterprise by accounting specialists other than those responsible for their preparation. Public auditing by independent accountants has acquired professional status and become increasingly common with the rise of large business units and the separation of ownership from control. The public accountant performs tests to determine whether the management's statements were prepared in accordance with acceptable accounting principles and fairly present the firm's financial position and operating results. Such independent evaluations of management reports are of interest to actual and prospective shareholders, bankers, suppliers, and government agencies. Generally speaking, auditing has two functions: to reveal undesirable practices and, as far as possible, to prevent their recurring in the future. A relatively new type of auditing is internal auditing. It is designed to evaluate the effectiveness of a business's accounting system. Perhaps the most familiar type of auditing is the administrative audit, or pre-audit in which individual vouchers, invoices or other documents are investigated for accuracy and proper authorization before they are paid or entered in the books.

In English-speaking countries, public auditors are usually certified, and high standards of professional qualification are encouraged. Most countries have specific agencies or departments charged with the auditing of their public accounts.

Taxpayers in all countries are interested in the sound management of the collected revenue, they also want to know whether or not the executive branch of government is complying with the law, especially in the area of public finance.

UNIT 4. STATISTICS

Key words to memorize: analysis, interpretation, data, pattern, random, population, deviation, hypothesis, estimation, forecast, inference, census

Task 1. Match the key words with their definitions

1. analysis	a. happening or chosen without any definite plan, aim, or pattern
2. interpretation	b. a description of what is likely to happen in the future, based on the information that you have now
3. data	c. a noticeable difference from what is expected or acceptable
4. census	d. the number of people living in a particular area or country
5. pattern	e. an idea that is suggested as an explanation for something, but that has not yet been proved to be true
6. randomness	f. a calculation of the value, size, amount etc of something
7. population	g. a careful examination of something in order to understand it better
8. deviation	h. something that you think is true, based on information that you have
9. hypothesis	i. information or facts
10. estimation	j. an official process of counting a country's population and finding out about the people
11. forecast	k. the way in which someone explains or understands an event, information, someone's actions etc
12. inference	l. the regular way in which something happens or develops

Task 2. Read and translate the text. Pay attention to the usage of the key words.

The word *statistics* ultimately derives from the New Latin term *statisticum collegium* ("council of state") and the Italian word *statista* ("statesman" or "politician"). The German *Statistik*, first introduced by Gottfried Achenwall (1749), originally designated the **analysis** of **data** about the state, signifying the "science of state" (then called *political arithmetic* in English). It acquired the meaning of the collection and classification of **data** generally in the early 19th century. It was introduced into English by Sir John Sinclair.

Thus, the original principal purpose of *Statistik* was **data** to be used by governmental and (often centralized) administrative bodies. The collection of data about states and localities continues, largely through national and international statistical services. In particular, **censuses** provide regular information about the **population**.

Nowadays **statistics** is considered to be a mathematical science dealing with the collection, **analysis**, **interpretation** or explanation, and presentation of **data**. It is applicable to a wide variety of academic disciplines, from the physical and social sciences to the humanities.

Various statistical methods can be used to summarize or describe a collection of data, either numerically or graphically, to describe the **sample**; this is called

descriptive statistics. Basic examples of numerical descriptors include the mean and standard **deviation**. Graphical summarizations include various kinds of charts and graphs.

In addition, **patterns** in the data may be modeled in a way that accounts for **randomness** and uncertainty in the observations, and then used to draw **inferences** about the process or population being studied; this is called **inferential statistics**. These **inferences** may take the form of answers to yes/no questions (**hypothesis testing**), **estimates** of numerical characteristics (estimation), **forecasting** of future observations, descriptions of association (correlation), or modeling of relationships (regression). Other modeling techniques include ANOVA, time series, and data mining.

Both descriptive and inferential statistics comprise **applied statistics**. There is also a discipline called **mathematical statistics**, which is concerned with the theoretical basis of the subject.

In applying statistics to a scientific, industrial, or societal problem, one begins with a process or population to be studied. This might be a population of people in a country, of crystal grains in a rock, or of goods manufactured by a particular factory during a given period. It may instead be a process observed at various times; data collected about this kind of "population" constitute what is called a **time series**.

For practical reasons, rather than compiling data about an entire **population**, one usually instead studies a chosen subset of the population, called a **sample**. Data are collected about the **sample** in an observational or experimental setting. The data are then subjected to statistical analysis, which serves two related purposes: description and **inference**.

Task 3. Answer the following questions:

1. What was the original meaning of the word *statistics*?
2. What spheres can statistics be applicable to?
3. Which of statistic branches deals with theoretical basis?
4. What methods of statistics are mentioned in the text?
5. What is applied statistics?
6. What are the main forms of inferences?

Task 4. Fill in the gaps with appropriate words from the box. Some of the words you don't need to use.

analysis interpretation sample data humanities pattern random population deviation hypothesis estimation forecast inference
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1. The article provides a detailed _____ of various research designs.
2. What exactly the author meant by that statement is open to _____.
3. The research involves collecting data from two random _____.
4. It's possible to store a lot more _____ on a DVD.

5. The book set the _____ for over 40 similar historical romances.
6. The company has introduced _____ drug testing of its employees.
7. What _____ have you drawn from this evidence?
8. There must be no _____ from the normal procedure.
9. It is impossible to give an accurate _____ of company sales 10 years from now.
10. One _____ is that the victim fell asleep while driving.

Task 5. Match two parts of the sentences

<ol style="list-style-type: none"> 1. A common goal for a statistical research project is 2. The statistics show that, in general, women live longer than men and 3. Universities collect statistics on 4. According to official statistics, 5. The latest statistics show 6. Statistics is the science of making effective use of numerical data 7. Statistical methods can be used 	<ol style="list-style-type: none"> a. to summarize or describe a collection of data b. an increase in average pay. c. the Japanese work longer hours than workers in many other industrialized countries. d. relating to groups of individuals or experiments. e. both groups live longer than they did 100 years ago. f. to investigate causality g. what jobs their students go into.
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Task 6. Translate the following sentences from Russian into English.

1. Статистика – это факты определенных социальных и экономических явлений и процессов.
2. Исторически, развитие статистики началось с момента образования государства.
3. Статистика состоит из четырех частей: статистическая теория, экономическая статистика, отраслевая статистика, экономическая статистика.
4. Статистическая теория изучает категории науки, методы и средства анализа.
5. Экономическая статистика связана с явлениями и процессами, которые происходят в экономике.
6. Отраслевая статистика подразделяется на промышленную, сельскохозяйственную, финансовую, банковскую, торговую и т.д.
7. Социальная статистика изучает социальные условия и характер труда, стандарты жизни, уровень дохода, населения, а также потребление товаров и услуг.
8. Статистика как наука развивается наряду с развитием других теоретических наук, связанных с обществом.
9. Статистика изучает массовых характер социальных явлений.

Task 7. Write a summary of the text

Experimental and Observational Studies

There are two major types of causal statistical experimental studies and observational studies. In both types of studies, the effect of differences of an independent variable (or variables) on the behavior of the dependent variable are observed. The difference between the two types is in how the study is actually conducted. Each can be very effective.

An experimental study involves taking measurements of the system under study, manipulating the system, and then taking additional measurements using the same procedure to determine if the manipulation may have modified the values of the measurements. In contrast, an observational study does not involve experimental manipulation. Instead data are gathered and correlations between predictors and the response are investigated.

An example of an experimental study is the famous Hawthorne studies which attempted to test changes to the working environment at the Hawthorne plant of the Western Electric Company. The researchers were interested in whether increased illumination would increase the productivity of the assembly line workers. The researchers first measured productivity in the plant then modified the illumination in an area of the plant to see if changes in illumination would affect productivity. As it turns out, productivity improved under all the experimental conditions (see Hawthorne effect). However, the study is today heavily criticized for errors in experimental procedures, specifically the lack of a control group and blindness.

An example of an observational study is a study which explores the correlation between smoking and lung cancer. This type of study typically uses a survey to collect observations about the area of interest and then perform statistical analysis. In this case, the researchers would collect observations of both smokers and non-smokers and then look at the number of cases of lung cancer in each group.

UNIT 5. INFLATION

Key words to memorize: inflation, supply, output, interest rate, deflation, reflation, basket, monetarism, Keynesian economics

Task 1. Match the key words with their definitions

1. inflation	a. the process of increasing the amount of money being used in a country in order to increase trade
2. supply	b. the belief that governments should use public money to control the level of employment in order to provide more jobs in periods of high unemployment.
3. output	c. the percentage amount charged by a bank when you borrow money or paid to you by a bank when you keep money in an

	account there
4. interest rate	d. the average or total value of a number of different goods or currencies
5. deflation	e. the amount of goods or work produced by a person, machine, factory etc
6. reflation	f. an amount of something that is available to be used
7. basket	g. a reduction in the amount of money in a country's economy, so that prices fall or stop rising stagflation
8. monetarism	h. a continuing increase in prices, or the rate at which prices increase
9. Keynesian economics	i. the belief that the best way to manage a country's economy is for the government to control and limit the amount of money that is available and being used

Task 2. Read and translate the text. Pay attention to the usage of the key words

In mainstream economics, the word “**inflation**” refers to a general rise in prices measured against a standard level of purchasing power. Inflation is measured by comparing two sets of goods at two points in time, and computing the increase in cost not reflected by an increase in quality. There are, therefore, many measures of inflation depending on the specific circumstances. The most well known are the CPI which measures consumer prices, and the GDP deflator, which measures inflation in the whole of the domestic economy.

The prevailing view in mainstream economics is that inflation is caused by the interaction of the **supply** of money with **output** and **interest rates**. Mainstream economist views can be broadly divided into two camps: the “**monetarists**” who believe that monetary effects dominate all others in setting the rate of inflation, and the “**Keynesians**” who believe that the interaction of money, interest and **output** dominate over other effects. Other theories, such as those of the Austrian school of economics, believe that an inflation of overall prices is a result from an increase in the **supply** of money by central banking authorities.

Related terms include: **deflation**, a general falling level of prices; disinflation, the reduction of the rate of inflation; hyper-inflation, an out-of-control inflationary spiral; stagflation, a combination of inflation and poor economic growth; and **reflation**, which is an attempt to raise prices to counteract deflationary pressures.

Measuring inflation is a question of econometrics, finding objective ways of comparing nominal prices to real activity. Each inflationary measure takes a “**basket**” of goods and services, then the prices of the items in the **basket** are compared to a previous time, then adjustments are made for the changes in the goods in the **basket** itself.

Task 3. Answer the following questions:

1. What are CPI and GDP?
2. How is inflation measured?

3. What is inflation caused by?
4. What is the main difference in views of Monetarists and Keynesians?
5. What does econometrics study?

Task 4. Fill in the gaps with appropriate words from the box. Some of the words you don't need to use

effect	stagflation	methods	interest rate	supply	inflation	economy
increase	measure	Keynesian				

1. In the long run, _____ is generally believed to be a monetary phenomenon, while in the short and medium term, it is influenced by the relative elasticity of wages, prices and interest rates.
2. The question of whether the short-term effects last long enough to be important is the central topic of debate between monetarist and _____ schools.
3. A great deal of economic literature concerns the question of what causes inflation and what _____ it has.
4. A small amount of inflation is often viewed as having a positive effect on the _____.
5. Inflation also gives central banks room to maneuver, since their primary tool for controlling the money supply and velocity of money is by setting the lowest _____ in an economy - the discount rate at which banks can borrow from the central bank.
6. Inflation is a general _____ in prices in a country.
7. There are a number of _____ that have been suggested to stop inflation.

Task 5. Match two parts of the sentences

1. Central banks such as the U.S. Federal Reserve can affect inflation to a significant extent	a. and some reference currency such as gold.
2. High interest rates (and slow growth of the money supply) are the traditional way that central banks fight inflation,	b. through setting interest rates and through other operations (that is, using monetary policy).
3. Monetarists emphasize increasing interest rates (reducing the money supply)	c. the inflation rate
4. Keynesians emphasize reducing demand in general, often through fiscal policy,	d. using increased taxation or reduced government spending to reduce demand as well as by using monetary policy.
5. Some economists advocate fighting inflation by fixing the exchange rate between the currency	e. using unemployment and the decline of production to prevent price increases.
6. A chief measure of price inflation is	f. to fight inflation.

Task 6. Translate the following sentences from Russian into English

1. Инфляция – это повышение уровня цен и зарплат.
2. Многие ученые пытались определить причины инфляции.
3. Монетаристы считали, что инфляция вызывается слишком быстрым повышением денежной массы и соответствующим возрастанием спроса на товары.
4. Некоторые экономисты полагают, что жесткая политика доходов является хорошим, но временным способом удержания инфляции под контролем.
5. При плановой экономике рост цен сдерживался прямым правительственным регулированием.
6. Задача правительства – сдержать рост темпов инфляции.

Task 7. Translate the text in writing. Consult your dictionary

Problems of inflation

If inflation is high in an economy there are three main problems it can cause:

1. People on a fixed income (e.g. pensioners, students) will be worse off in real terms due to higher prices and equal income as before; this will lead to a reduction in the purchasing power of their income.
2. Rising inflation can encourage trade unions to demand higher wages. This can cause a wage spiral. Also if strikes occur in an important industry which has a comparative advantage the nation may see a decrease in productivity and suffer.
3. If inflation is relatively higher in one country, exports will become more expensive for other countries to purchase, this will create a deficit on the current account.

Task 8. Write a summary of the text

Inflation is a steady rise in the average price and wage level. The rise in wages being high enough to raise costs of production, prices grow further resulting in a higher price of inflation and, finally, in an inflationary spiral. Periods when inflation rates are very large are referred to as hyperinflation.

The causes of inflation are rather complicated, and there are a number of theories explaining them. Monetarists, such as Milton Friedman, say that inflation is caused by too rapid increase in money supply and the corresponding excess demand for goods.

Therefore, monetarists consider due government control of money supply to be able to restrict inflation rates. They also believe the high rate of unemployment to be likely to restrain claims for higher wages. People having jobs accept the wages they are being paid, the inflationary spiral being kept under control. This situation also accounts for rather slow increase in aggregate demand.

On the other hand, Keynesians, that is, economists following the theory of John M. Keynes, suppose inflation to be due to processes occurring in money circulation. They say that low inflation and unemployment rates can be ensured by adopting a tight incomes policy.

Incomes policies, though, monetarists argue, may temporarily speed up the transition to a lower inflation rate but they are unlikely to succeed in the long run.

UNIT 6. MARKETING

Key words to memorize: marketing, to advertise, customer, to benefit, purchase, profit, branding (brand), product, promotion, to distribute (distribution), target (market/group/area etc)

Task 1. Match the key words with their definitions

1. marketing	a. a limited group, area etc that a plan, idea etc is aimed at
2. target market/ group/ area etc	b. the act of sharing things among a large group of people in a planned way
3. to advertise	c. to give an advantage, improve one's life, or help smbd in some way
4. customer	d. a type of product made by a particular company, that has a particular name or design
5. to benefit	e. to tell the public about a product or service in order to persuade them to buy it
6. purchase	f. money that you gain by selling things or doing business, after your costs have been paid, to get money from doing something
7. profit	g. someone who buys goods or services from a shop, company etc
8. branding	h. the activity of deciding how to advertise a product, what price to charge for it etc, or the type of job in which you do this
9. product	i. an activity intended to help sell a product, or the product that is being promoted
10. promotion	j. something that is grown or made in a factory in large quantities, usually in order to be sold
11. brand	k. something you buy, or the act of buying it
12. distribution	l. a practice which involves a company giving a group of their products the same brand name, helping this name to become well-known

Task 2. Read and translate the text. Pay attention to the usage of the key words

Marketing is one of the terms in academia that does not have one commonly agreed upon definition. In a nutshell it consists of the social and managerial processes by which **products**, services and value are exchanged in order to fulfill individual's

or group's needs and wants. These processes include, but are not limited to, **advertising**.

Definitions

1. "...an organizational function and a set of processes for creating, communicating, and delivering value to **customers** and for managing **customer** relationships in ways that **benefit** the organization and its stakeholders."
2. "Human activity directed at satisfying needs and wants through exchange processes". Philip Kotler
3. "...the ongoing process of moving people closer to making a decision to **purchase**, use, follow, refer, upload, download, obey, reject, conform, become complacent to someone else's **products**, services or values. Simply, if it doesn't facilitate a "sale" then it's not marketing."
4. "...the thing process of anticipating, identifying and satisfying **customer** requirements **profitably**" Chartered Institute of Marketing.

Take these definitions collectively and a comprehensive definition of marketing, applicable to both business and non-business environments, emerges:

Processes, functions, exchanges or activities – that create perceived value by satisfying needs of those involved in the transaction. These processes succeed in moving people closer to making a decision to **purchase** and facilitate a "sale." Afterwards, these processes anticipate, identify and satisfy **customer** requirements profitably and successfully manage existing relationships.

Within most organizations, the activities encompassed by the marketing function are led by a Vice President or Director of Marketing. A growing number of organizations, especially large US companies, have a Chief Marketing Officer position, reporting to the Chief Executive Officer.

Strategic Marketing

Strategic Marketing attempts to determine how an organization competes against its competition in a market place.

Operational Marketing

Operational Marketing executes marketing functions to attract and keep **customers** and to maximize the value derived from them.

Four Ps

In popular usage, "marketing" is the **promotion** of products, especially **advertising** and **branding**. However, in professional usage the term has a wider meaning which recognizes that marketing is **customer** centered. **Products** are often developed to meet the desires of groups of customers or even, in some cases, for specific customers. E. Jerome McCarthy divided marketing into four general sets of activities. His typology has become so universally recognized that his four activity sets, the Four Ps, have passed into the language.

The four Ps are:

- *Product*: deciding what to sell
- *Price*: deciding what prices to charge.
- *Promotion*: deciding how the product will be supported with **advertising**, special activities, etc.

- *Place*: deciding how the product will be **distributed** and where people will buy it.

These four elements are often referred to as the marketing mix.

For a marketing to be successful, the mix of the four "Ps" must reflect the wants and desires of the consumers in the **target market**.

Marketers depend on marketing research, both formal and informal, to determine what consumers want and what they are willing to pay for it. Marketers hope that this process will give them a sustainable competitive advantage. Marketing management is the practical application of this process. The offer is also an important addition to the 4P's theory.

Task 3. Answer the following questions:

1. What do all definitions of marketing have in common?
2. What are the main functions of strategic and operational marketing?
3. Who are marketers?
4. What is the synonym to marketing mix?
5. Who is in charge of marketing activities within any organization?

Task 4. Fill in the gaps with appropriate words from the box. Some of the words you don't need to use.

advantage promotion to benefit distribution discounts strategy brands profits
end-user purchase place

1. The Product marketing deals with the specifications of the actual good or service, and how it relates to the needs of the _____.
2. Pricing refers to the process of setting a price for a product, including _____.
3. _____ includes advertising, sales promotion, publicity, and personal selling, and refers to the various methods of promoting the product, brand, or company.
4. Placement or _____ refers to how the product gets to the customer; for example, point of sale placement or retailing.
5. The reason their cars sold so well was that they had a brilliant marketing _____.
6. Coke and Pepsi are the most popular _____ of cola.
7. All the _____ from the auction will go to cancer research.
8. New regulations will greatly _____ the region's poorest residents.

Task 5. Match two parts of the sentences.

1. Marketing involves choosing target customers and	a. as well as virtual stores on the Internet.
2. A brand is a name a company gives to its products	b. designing a persuasive marketing mix to get them to buy.

<p>3. Advertising covers any communication that is paid for,</p> <p>4. Public relations are where the communication is not directly paid for and includes press releases,</p> <p>5. The business may increase or decrease the price of product</p> <p>6. The location where a product can be purchased can include any physical store</p>	<p>c. from cinema commercials, radio and Internet adverts through print media and billboards</p> <p>d. sponsorship deals, exhibitions, conferences, seminars or trade fairs and events.</p> <p>e. so they can be easily recognized.</p> <p>f. if other stores have the same product.</p>
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Task 6. Translate the sentences from Russian into English

1. Маркетинг – это деятельность компании, связанная с перемещением товаров и услуг от производителя к покупателю.
2. Маркетинг – очень сложный процесс. Он включает такие виды деятельности как планирование, хранение, покупка, оценивание, продвижение, продажа, перемещение и рекламирование товаров и услуг.
3. Существует много определений маркетинга.
4. “Маркетинговый микс” включает 4 элемента: продукт, цена, место и продвижение.
5. Место – это размещение определенных товаров и услуг, а также их распределение.
6. Продвижение – это реклама и продажа товаров и услуг.
7. Третий элемент маркетинга – исследование и разработка новых продуктов либо услуг.
8. Цена – наиболее изменяемый элемент. При возрастании цен покупатели могут купить меньше товаров либо товары более низкого качества.

Task 7. Write a summary of the text

The World’s Top Sportswear Brands

Nike, Inc. (pronounced /ˈnaɪki/) is a major publicly traded sportswear and equipment supplier based in the United States. The company is headquartered near Beaverton, Oregon. It is the world's leading supplier of athletic shoes and apparel and a major manufacturer of sports equipment with revenue of \$18.6 billion USD in its fiscal year 2008 (ending May 31, 2008). As of 2008, it employed more than 30,000 people worldwide.

The company was founded on January 25, 1964 as Blue Ribbon Sports by Bill Bowerman and Philip Knight, and officially became Nike, Inc. in 1978. The company takes its name from Nike (Greek Νίκη pronounced [ˈnaɪki]), the Greek goddess of victory. Nike markets its products under its own brand as well as Nike Golf, Nike Pro, Nike+, Air Jordan, Nike Skateboarding and subsidiaries including Cole Haan, Hurley International, Umbro and Converse. In addition to manufacturing sportswear and equipment, the company operates retail stores under the Niketown

name. Nike sponsors many high profile athletes and sports teams around the world, with the highly recognized trademarks of "Just do it" and the Swoosh logo. 

Adidas AG (pronounced /ə'dɪdəs/ in US English, is a German-based sports apparel manufacturer and parent company of the Adidas Group, which consists of the Reebok sportswear company, TaylorMade-adidas golf company, and Rockport. Besides sports footwear, the company also produces other products such as bags, shirts, watches, eyewear and other sports and clothing related goods. The company is the largest sportswear manufacturer in Europe and the second biggest sportswear manufacturer in the world, after its U.S. rival Nike. 

SUPPLEMENTARY READING

MONEY

Text A. Credit

Credit is often loosely referred to as money. Money is used to buy goods and services, whereas credit buys goods and services on the promise to pay with money in the future.

This distinction between money and credit causes much confusion in discussions of monetary theory. In lay terms, and when convenient in academic discussion, credit and money are frequently used interchangeably. For example, bank deposits are generally included in summations of the national broad money supply. However, any detailed study of monetary theory needs to recognize the proper distinction between money and credit.

Bank notes are a form of credit. Gold-backed bills are likewise also a debt of the bank, a promise to pay in gold.

Federal Reserve notes, which are used as money in the United States, are difficult to describe in terms of credit or debt or money. Federal Reserve notes are not a promise to pay in gold, and the notes are irredeemable by the issuer. The Federal Reserve's notes are perhaps viewed best as a political promise to devalue (inflate) at a certain targeted rate.

Since Federal Reserve notes are used in the United States as the most common medium of exchange, unit of account, and store of value, they are considered money by the majority of the population. To measure this kind of credit money, various forms of credit are counted together and listed as M1 or M2. M3 was the most common measure of monetary aggregates (or money supply), but the publication of M3 was discontinued by the RBA in March, 2006.

Text B. Problems with Precious Metals as Money

There is no perfect money, although it is argued that silver or gold may come close to this standard. Gold is too valuable to use for small purchases, and silver is too heavy and bulky in large quantities. Today, since gold is demonetized and forced to compete with paper currencies it does have a spread of about 1-4% to buy and sell in terms of the paper currency, whereas paper money can be exchanged freely. The exchange premium comes from the relative scarcity of people to exchange paper for gold or silver. The scarcity has resulted in having to pay coin dealers a small profit for the service. If silver and gold were remonetized, then there would be no shortage of sources for exchange. Accordingly the premiums charged would drop to nothing in an economy that recognized silver or gold as lawful money. Although gold itself does not decay, gold coins are easily scratched or damaged, and this can reduce their value and fungibility. From 1980 to 2001, gold was a poor store of value, as gold prices dropped from a high of \$850/oz. to a low of \$255/oz. The advantage of gold and silver, however, lies in the fact that, unlike fiat paper currency, the supply cannot be increased arbitrarily by a central bank.

On the other hand, gold, silver and other metals are subject to regular and sometimes extraordinary supply increases and decreases. They are virtually created by being dug out of the ground, although there is a cost for this. In the 16th century

the Spanish possessions in the Americas produced huge amounts of new money, which produced economic fluctuations throughout the world. Similarly, precious metals are subject to hoarding by individuals, sometimes in the form of jewellery, sometimes as coins or ingots. While this may be rational behaviour for individuals (as gifts, or savings, or an expression of fear about future circumstances) this results in an increase in the amount of "dead" (i.e. non-circulating) money, a decrease in supply and possibly an increase in the value of the metal. Imbalances between the values of gold, silver and other metals, possibly caused by the fluctuations of such supplies and demands have often led to scarcity of coins in many societies. Shipping coins from one jurisdiction to another so that they could be reminted was sometimes a lucrative trade before the advent of trusted paper money.

Text C. Problems with Paper as Money

Due to the ease of production, paper money may lose value through inflation. Perhaps the biggest criticism of paper money relates to the fact that its stability is generally subject to the whim of government regulation rather than the disciplines of market phenomena. Paper money can be easily damaged or destroyed by everyday hazards: from fire, water, termites, and simple wear and tear. Money in the form of minted coins is sometimes destroyed by children placing it on railroad tracks or in amusement park machines that restamp it. Mexico has changed its twenty and fifty pesos notes, Singapore its \$2 and \$10 bills, Malaysia with \$1,\$5,\$10,\$50 and \$100, and Australia and New Zealand their \$5, \$10, \$20, \$50 and \$100 to plastic for the increased durability. Paper money is also subject to counterfeiting.

Text D. Private Currencies

In many countries, the issue of private paper currencies has been severely restricted by law.



A private 1 dollar note, issued by the "Delaware Bridge Company" of New Jersey 1836-1841.

In the United States, the Free Banking Era lasted between 1837 and 1866. States, municipalities, private banks, railroad and construction companies, stores, restaurants, churches and individuals printed an estimated 8,000 different monies by 1860. If the issuer went bankrupt, closed, left town, or otherwise went out of business the note would be worthless. Such organizations earned the nickname of "wildcat banks" for a reputation of unreliability and that they were often situated in far-off, unpopulated locales that were said to be more apt to wildcats than people. On the

other hand, according to Lawrence H. White's article in *The Freeman: Ideas on Liberty* - October 1993 *"it turns out that "wildcat" banking is largely a myth. Although stories about crooked banking practices are entertaining—and for that reason have been repeated endlessly by textbooks—modern economic historians have found that there were in fact very few banks that fit any reasonable definition of wildcat bank."* In Australia, the Bank Notes Tax Act of 1910 basically shut down the circulation of private currencies by imposing a prohibitive tax on the practice. Many other nations have similar such policies that eliminate private sector competition.

In Scotland and Northern Ireland private sector banks are licensed to print their own paper money by the government. Today privately issued electronic money is in circulation. Some of these private currencies are backed by historic forms of money such as gold, as in the case of digital gold currency. Transactions in these currencies represent an annual turnover value in billions of US dollars.

It is possible for privately issued money to be backed by any material, although some people argue about perishable materials. The material used to back money changes with the times. Gold, silver, and platinum now have, in some regards, less utility than they did previously (their electrical properties notwithstanding). This makes things such as energy (measured in joules), transport (measured in kilogramme*kilometre/hour), or food more useful for backing money. It is important to understand that money is above all an agreement to use something as a medium of exchange. It is up to a community (or to whoever holds the power within a community) to decide whether money should be backed by a certain material or should be totally virtual.

Text E. The Future of Money

In recent years, the Euro was introduced to many nations in Europe.

West Africa is proposing to introduce the Eco, a new currency for 5 or 6 nations, by 2009.

It is speculated that a North American currency, such as the Amero might come next, or perhaps a unified currency under the CSN. An Asian Currency Unit is also proposed.

In the Middle East, many nations use the dinar. An Islamic gold dinar is also proposed.

In Mexico, there is a movement to return to using silver as money.

One difficulty with currency blocks unifying paper currencies is that it may eliminate the ability of trillions worth of dollars to be exchanged on currency markets. If this kind of trading were to move into the gold and silver markets, the prices for gold and silver could soar.

Today, gold and paper money can be traded electronically via online systems.

ACCOUNTING

Text A. History of Accounting

Luca Pacioli and the Birth of Modern Accountancy

The first book on accounting was written by a Croatian merchant Benedetto Cotrugli, who is also known as Benedikt Kotruljević, from the city of Dubrovnik. During his life in Italy he met many merchants and decided to write *Della Mercatura et del Mercante Perfetto (On Trade and the Perfect Merchant)* in which he elaborated on the principles of modern, double-entry book-keeping. He finished his lifework in 1458. However, his work was not published until 1573, as a result of which his contributions to the field have been overlooked by the general public.

For this reason, Luca Pacioli (1445 - 1517), also known as Friar Luca dal Borgo, is credited for the "birth" of accounting. His *Summa de arithmetica, geometrica, propotioni et propotionalita (Summa on arithmetic, geometry, proportions and proportionality, Venice 1494)*, a synthesis of the mathematical knowledge of his time, includes the first published description of the method of keeping accounts that Venetian merchants used at that time, known as the double-entry accounting system. Although Pacioli codified rather than invented this system, he is widely regarded as the "Father of Accounting". The system he published included most of the accounting cycle as we know it today. He described the use of journals and ledgers, and warned that a person should not go to sleep at night until the debits equaled the credits! His ledger had accounts for assets (including receivables and inventories), liabilities, capital, income, and expenses — the account categories that are reported on an organization's balance sheet and income statement, respectively. He demonstrated year-end closing entries and proposed that a trial balance be used to prove a balanced ledger. His treatise also touches on a wide range of related topics from accounting ethics to cost accounting.

Text B. Post-Pacioli

The first known book in the English language on accounting was published in London, England by John Gouge (or Gough) in 1543. It is described as *A Profitable Treatyce called the Instrument or Boke to learn to knowe the good order of the kepyng of the famouse reconyng, called in Latin, Dare and Habere, and, in English, Debitor and Creditor*.

A book described as *The Merchants Mirrour, or directions for the perfect ordering and keeping of his accounts formed by way of Debitor and Creditor*, after the (so termed) Italian manner, by Richard Dafforne, accountant, published in 1635, contains many references to early books on the science of accountancy. In a chapter in this book, headed "Opinion of Book-keeping's Antiquity," the author states, on the authority of another writer, that the form of book-keeping referred to had then been in use in Italy about two hundred years, "but that the same, or one in many parts very like this, was used in the time of Julius Caesar, and in Rome long before." He gives quotations of Latin book-keeping terms in use in ancient times, and refers to "ex Oratione Ciceronis pro Roscio Comaedo".

An early Dutch writer appears to have suggested that double-entry book-keeping was even in existence among the Greeks, pointing to scientific accountancy having been invented in remote times.

There were several editions of Richard Dafforne's book - the second edition in 1636, the third in 1656, and another in 1684. The book is a very complete treatise on scientific accountancy, beautifully prepared and containing elaborate explanations. The numerous editions tend to prove that the science was highly appreciated in the 17th century. From this time on, there has been a continuous supply of literature on the subject, many of the authors styling themselves accountants and teachers of the art, and thus proving that the professional accountant was then known and employed.

MARKETING

Text A. History of Marketing

The practice of marketing is almost as old as humanity itself. A Market was originally simply a gathering place where people with a supply of items or capacity to perform a service could meet with those who might desire the items or services, perhaps at a pre-arranged time.

Such meetings embodied many aspects of today's marketing methods, although sometimes in an informal way. Sellers and buyers sought to understand each other's needs, capacities, and psychology, all with the goal of getting the exchange of items or services to take place. Today's New York Stock Exchange had its humble beginnings as an open air market located at Wall Street in New York City.

The rise of Agriculture undoubtedly influenced markets as the earliest means of 'mass production' of an item, namely foodstuffs. As agriculture allowed one to grow more food than could be eaten by the grower alone, and most food is perishable, there was likely motivation to seek out others who could use the excess food, before it spoiled, in exchange for other items.

In 1960 Theodore Levitt wrote a journal article called Marketing Myopia. This is said to have really begun the marketing craze. In it he discussed that the big manufacturing industries at the time were misinterpreting what industry they were part of. He stated that until you fully understood the industry you were part of you were likely to fail. For example the rail industry was not in the business of rail transport but in the industry of transport in general they were still competing with the likes of cars and public transport.

Levitt is said to be one of the founders of the marketing discipline, and contributed to the making of the 4Ps framework that transactional marketing is based around.

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