

# BUSINESS ENGLISH 2



ANETA NAUMOSKA  
BILJANA NAUMOSKA- SARAKINSKA

ANETA NAUMOSKA  
BILJANA NAUMOSKA - SARAKINSKA  
**BUSINESS ENGLISH 2**



**ANETA NAUMOSKA**  
**BILJANA NAUMOSKA- SARAKINSKA**

# **BUSINESS**

# **ENGLISH 2**

SKOPJE, 2019



# Contents

---

	Reading and vocabulary	Grammar focus	Practice and revision
<b>Foreword</b> pp. 7–8			
Chapter 1 <b>Marketing: the basics</b> pp. 9–20	marketing; marketing mix; mobile marketing practices	verb tenses/forms; adverbs and expressions of frequency; exercises	exercises; E-M translation
Chapter 2 <b>Pricing and planning</b> pp. 21–30	pricing; promotions and discounts; market segmentation; business plans	modal verbs; exercises	exercises; M-E translation
Chapter 3 <b>Advertising and branding</b> pp. 31–42	advertising; types of advertising; branding	prepositions, prepositional phrases; phrasal verbs; collocations; exercises	exercises; E-M translation
Chapter 4 <b>Public relations</b> pp. 43–54	PR concepts; PR 2.0; PR crisis management	passive; causative 'have'; exercises	exercises; M-E translation
Chapter 5 <b>Business skills</b> pp. 55–66	presenting; negotiating; networking	conditional sentences, inversion; 'wish' sentence constructions; exercises	exercises; E-M translation
Chapter 6 <b>Securities</b> pp. 67–78	security; equity and debt; securities markets, regulation	relative clauses; exercises	exercises; M-E translation

	Reading and vocabulary	Grammar focus	Practice and revision
Chapter 7 <i>Accounting and auditing</i> pp. 79–90	accounting; auditing; business risks	reported speech (reporting verbs); exercises	exercises; E-M translation
Chapter 8 <i>Money supply</i> pp. 91–102	money supply; interest rates; digital currency	sentence connectors; commonly confused words; exercises	exercises; M-E translation
	Reading and vocabulary	Writing focus	Practice and revision
Chapter 9 <i>Fundamentals of monetary policy</i> pp. 103–112	monetary policy; fiscal policy; taxation; tax treaty	describing visuals; exercises	exercises; M-E translation
Chapter 10 <i>Business correspondence</i> pp. 113–126	types of correspondence; language and register	register; revision of grammar	writing tasks
<i>References</i> pp. 127–131			

# Foreword

---

*Business English 2* is a course book written and intended for students at the Faculty of Economy in Skopje, who have chosen the subject Business English 2. These are students who understand the importance of being fluent in English in the 21<sup>st</sup> century, especially since it is a language spreading on a global scale. The course book has been tailored to meet the needs of such students, and has been designed based on the authors' lengthy teaching experience, especially at the Faculty of Economy in Skopje.

In terms of the structure of the course book - it follows the organization of *Business English 1* (the course book for the subject Business English 1), consisting of 10 chapters dealing with various concepts from the field of business. Each chapter is further sub-divided into three main sections: 1) reading and vocabulary, which consists of various business texts for analysis, discussion points, and a homework assignment; 2) grammar focus, which deals with grammar, followed by an exercise section; and 3) practice and revision, which consists of a variety of exercises, and a short text for translation. The chapters are individual in that they all stand alone, yet there is a unity to them: the first half of the course book focuses on aspects related to marketing, while the second half covers aspects related to finances.

The reference section comes at the end of the course book, and it provides a detailed list of online sources for further reading for each chapter, while the general bibliography provides an overview of significant resource books that had been consulted in the writing of this course book.

A noteworthy addition to both English and Macedonian, as well as an invaluable tool for students is the first business dictionary mobile app ([www.macengdictionary.com](http://www.macengdictionary.com)): a bilingual dictionary that includes over 11.000 dictionary entries from many fields, such as banking, finance, HR, insurance, investments, marketing, sales, etc.

The level of English this course book maintains is that of C<sub>1</sub>, in accordance with the CEFR. Students will further develop their core skills in fluency, reading, speaking and writing, through the application of linguistic principles. It is important to have a good basis of general English in order to be able to communicate effectively. However, this course book focuses on particular vo-



cabulary, topics and language skills that are applicable to the workplace and enable students to communicate accurately so as to form effective and productive working relationships.

This course book was created with great care to meet the needs of its users, and the authors sincerely hope that that is what it will ultimately achieve. Of course, they are very grateful for all the help and encouragement they received in the preparation of this work, and they take all responsibility for any mistakes that might have made their way into the final version.

Aneta Naumoska, PhD

Biljana Naumoska-Sarakinska, PhD

# *Chapter 1*

## *Marketing: the basics*

---

### *1. Reading and vocabulary*

RELATED TOPICS: marketing; marketing mix; mobile marketing practices.

#### **Marketing**

Today's central problem facing business is not a shortage of goods, but a shortage of customers. Most of the world's industries can produce far more goods than the world's consumers can buy, leading to hypercompetition. Competitors, desperate to attract customers, lower their prices. This strategy ultimately means lower margins, lower profits, and more mergers and acquisitions. Marketing is the answer to how to compete on bases other than price. Nowadays, marketing has become more important than ever.

However, marketing is still a rather misunderstood subject in people's minds. Companies think that marketing exists to help manufacturing get rid of the company's products. The truth is the opposite: that manufacturing exists to support marketing. A company can always outsource its manufacturing. What makes a company prosper is its marketing ideas. Manufacturing, purchasing, research and development, finance, and other company functions exist to support the company's work in the marketplace. Marketing is too often confused with selling. Marketing and selling are almost opposites. Philip Kotler has said that marketing is not the art of finding clever ways to dispose of what you make, but rather it is the art of creating genuine customer value. The marketer's key words are quality, service, and value. Selling starts only when you have a product. Marketing starts before a product exists. Marketing determines how to launch, price, distribute, and promote your product/service offerings to the marketplace. Marketing then monitors the results, and improves the offering over time.

Therefore, marketing is not a short-term selling effort, but a long-term investment effort. When marketing is done well, it occurs before the company makes any product or enters any market; and, it continues long after the sale. Peter Drucker has said that marketing is the ability to hit the mark. Yet, there

are business leaders who say, “We can’t waste time on marketing. We haven’t designed the product yet.” Or, “We are too successful to need marketing, and if we were unsuccessful, we couldn’t afford it.”

One definition of *marketing* is that it is the art and science of choosing target markets and getting, keeping, and increasing the number of customers through creating, communicating, and delivering superior customer value. Or, a more detailed definition would be that it is the business function that identifies unfulfilled needs and wants, defines and measures their potential profitability, determines which target markets the organization can best serve, decides on appropriate products, services, and programs to serve these chosen markets, and calls upon everyone in the organization to think and serve the customer. The marketer’s goal is to build a mutually profitable long-term relationship with the customers, not just to sell a product.

The function of marketing is typically organized as a department within a business. This can have both positive and negative aspects. The former refers to bringing together a number of skilled people with specific abilities for understanding, serving, and satisfying customers. The latter refers to the fact that other departments believe that all marketing is done in one department only. Marketing begins with top management as it is not restricted to a department that creates ads, selects media, and answers customer questions. In fact, it is a larger process of systematically figuring out what to make, how to bring it to the customer’s attention and easy access, and how to keep the customer wanting to buy more from you. No matter what the target group is, you need to understand their needs and wants.

The good news is that marketing takes a day to learn. The bad news is that it takes a lifetime to master. In the coming years, marketing will inevitably be reengineered from top to bottom.

## Marketing mix

The concept of marketing remains the same, but the *marketing mix*, that is, the combination of factors that influence the delivery of value, has evolved considerably. The traditional marketing mix, built around the 4Ps – *product, price, place* and *promotion* – does not consider the complexity of current-day marketing. Therefore, two more Ps have been added to the mix – *process* and *people* – which respond to crucial changes in customer service, e-commerce, and social media.

## Product

*Product* incorporates the variety, design, packaging, quality, features and positioning of a product or service. The emphasis on this P is constantly growing as consumers are becoming more knowledgeable about their purchases. For example, return policies and warranties are becoming extremely important at a time when the competitors are just a Google-search away.

## Price

*Price* refers to how much a customer is willing to pay for a product or service. Pricing strategies are becoming more dynamic to keep up with highly educated consumers. The advancement in technology has allowed manufacturers to cut out retailers and sell directly to consumers. The integration of AR (augmented reality) capabilities in phones is also opening more possibilities for direct manufacturers to sell directly to consumers by allowing them to visualize merchandise in ways that replace the need to tangibly feel the product before buying it.

## Place

*Place* refers to product accessibility to potential customers. Choosing retailers like Amazon could enhance coverage when a company is trying to turn their brand into a household name. The key factor is understanding a target audience, which will help position the product in the channel that is most accessible to potential buyers. This P recently evolved with the introduction of e-commerce. Deciding whether or not to sell a product on a website may significantly affect a company's relationship with distributors.

## Promotion

*Promotion* is the most visible P, as it includes advertising, sales promotions and PR efforts. Media has evolved, and it is important to incorporate the views of those who are most familiar with the new media mix. Capturing the customers' attention with meaningful and motivating content has changed the way promotions are approached. Young people understand this even better because they are considered to be digital natives.

In addition to these traditional elements, new developments in the marketplace have added two vital layers for marketers to integrate into the marketing mix: *process* and *people*.

## Process

Automation, systems and processes reduce cost while also achieving customer satisfaction and measuring results. Focusing on processes means channeling

discipline to ensure that marketing concepts are playing an integral role in all marketing practices. This is accomplished by utilizing insights to create win-win relationships with suppliers and partners to increase efficiency and decrease cost.

## **People**

Companies need to hire and train the right people to provide superior customer service and to ensure that the voice of the company stands united. Steve Jobs perfectly captured the correct hiring mindset when he said that rather than hiring people and telling them what to do, we should hire smart people, instead, so they can tell us what to do. A diverse, goal-oriented and motivated workforce is the most important advantage a company can have.

Marketers argue that the original mix is still as applicable as it ever was. Marketing mix components can be viewed as elements that make up a car. In the 1960s, when the marketing mix first appeared, all cars had wheels, an engine, etc. In today's market, a fuel injector is considered a necessity. This model can be adapted and tailored to meet specific products or services.

## **Mobile marketing practices**

Mobile devices are today's leading media and this applies to all e-commerce sites. If a company is not being smart about reaching their customers via mobile, they are leaving a great amount of money on the table. Presented below are five mobile marketing practices that companies need to think about in the age of 'the mobile moment'.

### **Location-based marketing**

Businesses send customers notifications when they pass a store, and promotions when they are near strategic locations where the brand's products or services would be useful. In this context, Foursquare has integrated Uber into its system, enabling users both to discover places to go and also get there, using the same app.

### **In-app marketing**

Google Play and the Apple Store have millions of apps. With such intense competition, apps must offer the most personalized service possible. In-app marketing is any marketing campaign or message designed to be displayed within an app for the purpose of reaching an active user of that app. Such marketing

is an opportunity for real-time engagement with users. In fact, this is its benefit - the fact that customers are reached at a critical moment, i.e. while they are active in their app, which means they are already likely to be more receptive to what you have to say.

### Text messaging marketing

There are many misconceptions about mobile text marketing, but with a high percentage of young people messaging weekly, marketing via this medium is essential. When a Domino's pizza franchise in North Carolina wanted to improve advertising at college sports games, it turned to a short messaging marketing service. Previous campaigns had displayed Domino's web address in ads, but the franchise found that most fans did not bother writing a web address during a basketball game. So, Domino's reconfigured its new ads to tell viewers to text a certain number to get free or discounted pizza. Responses skyrocketed.

### QR codes

These digital bar codes act as shortcuts for getting valuable information into the hands of customers and prospects. QR codes are highly versatile and can function as a 'like' button, as well as offer coupons. One memorable QR campaign was the "Guinness QR code on a beer glass" action. When customers poured Guinness beer into a special glass, the beer's black color filled out a code on the glass that was scannable with a smartphone. Once it was scanned, customers could tweet about their pints, update their status, and download coupons.

## DISCUSSION

1. WHAT DOES THE CONCEPT *competitive advantage* refer to? Explain and exemplify.
2. WHAT IS THE DIFFERENCE between *a need* and *a want*? How do marketers create wants?
3. THE MARKETING MIX HAS BEEN extended from 4 Ps to 6 Ps. In order to bring more depth to this mix, think of other Ps that may be added as buzzwords in marketing.
4. DECIDE AND DISCUSS WHERE would you put the following words and expressions in the marketing mix (some of them may be placed alongside more than one P): acceptability, accessibility, action, affordability, attention, awareness, branding, communication, competitors, convenience, creativity, custo-

mer needs, distribution, interest, launch, location, objectives, operations, organization, packaging, revenue, sales force, staff, user cost.

5. *ETSY IS AN ONLINE SHOP* which sells millions of handcrafted, vintage, custom, unique and DIY items, for everything that you might need and want. What effective marketing strategies would you consider if you were an *Etsy* independent seller?

6. *WHAT IS THE BEST* marketing campaign you know of? Why? Is there anything to it that you would change?

7. *ONE OF YOUR FRIENDS IS* thinking about opening a coffee shop near your college campus. She asks for your advice about the size of the prospective customer base, and how to market the business according to the Ps. What advice would you give your friend to help her in launching the business?

8. *HOW WILL MARKETING* change in the future?

## ASSIGNMENT

In 250–300 words, **elaborate on one of the following:**

1. “PEOPLE DO NOT buy products. They buy problem-solvers.” (J. N. Uhl)  
Do you agree or disagree? Why? Explain and illustrate.

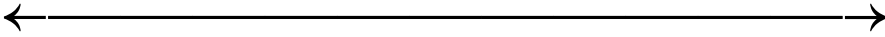
2. *HOW CAN THE CURRENT* customers be turned into a tool for finding new customers? Discuss and exemplify.

3. “MARKETING TECHNIQUES are culture-based.” Discuss and illustrate.

## ***2. Grammar focus: verb tenses/forms: adverbs and expressions of frequency***

Verbs come in three tenses: past, present, and future. The *past* is generally used to describe things that have already happened. The *present* is generally used to describe things that are happening right now, or things that are continuous. The *future* generally describes things that have yet to happen. All the verb tenses are shown in the following timeline:

(For more on verb tenses, see Grammar Focus in Chapter 1, in *Business English 1*)



Certain verbs, such as *forget*, (*would*) *like*, *regret*, *remember*, *stop*, *try*, have different meanings depending on what follows that verb: whether it is another verb in infinitive form or a verb+ *-ing*.

Adverbs that express how often or how frequently something happens are called *adverbs of frequency*. If a sentence has only one verb (main verb), the adverb of frequency is placed after the subject, but before the main verb, except in the case of *to be*, when the adverb stands after that verb. When there is an auxiliary verb, the adverb is placed between the auxiliary and the main verb. The adverbs *hardly ever* and *never* are used in positive sentences, while *ever* is used in negative sentences and questions.

## EXERCISES

1. FILL IN THE BLANKS with the correct tense/form of the verbs in brackets:

John \_\_\_\_\_ (TRAVEL, ALWAYS) a lot. In fact, he \_\_\_\_\_ (BE) only two years old when he first \_\_\_\_\_ (FLY) to the USA. John has both Italian and American roots, since his mother \_\_\_\_\_ (BE) Italian and his father \_\_\_\_\_ (BE) American. John was born in France, but his parents \_\_\_\_\_ (MEET) in Germany in 1964, after they \_\_\_\_\_ (LIVE) there for five years. They \_\_\_\_\_ (MEET) one day while John's father \_\_\_\_\_ (READ) a book in the library and his mother \_\_\_\_\_ (SIT) down beside him. At that time, his parents \_\_\_\_\_ (VISIT) that specific library several times a week, but up to then his father \_\_\_\_\_ (NOTICE, NEVER) that beautiful lady.

Ever since John was a young boy, he \_\_\_\_\_ (FLY) the skies. This year he \_\_\_\_\_ (FLY) over 50,000 miles for his job. He \_\_\_\_\_ (WORK) for Jackson & Co. for almost two years now. He's pretty sure that he \_\_\_\_\_ (WORK) for them next year as well. His job \_\_\_\_\_ (REQUIRE) a lot of travel. In fact, by the end of



this year, he \_\_\_\_\_ (FLY) over 120,000 miles! His next journey \_\_\_\_\_ (BE) to Australia the following Thursday. The plane \_\_\_\_\_ (LEAVE) at 5:00 am, so he \_\_\_\_\_ (HAVE, NOT) much time to sleep that night! He really \_\_\_\_\_ (LIKE, NOT) going to Australia because it \_\_\_\_\_ (BE) so far away from where he lives! This time he \_\_\_\_\_ (FLY) from Paris after a meeting with the company's French partner. He \_\_\_\_\_ (SIT) for over 18 hours by the time he arrives!

John \_\_\_\_\_ (TALK) with his parents earlier this evening when his girlfriend from New York \_\_\_\_\_ (PHONE) to let him know that Jackson & Co. \_\_\_\_\_ (DECIDE) to merge with a company in Australia. The two companies \_\_\_\_\_ (NEGOTIATE) the conditions for merger for the past month, so it really \_\_\_\_\_ (BE, NOT) much of a surprise. He \_\_\_\_\_ (KNOW) for a long time that the companies \_\_\_\_\_ (MERGE). Of course, this \_\_\_\_\_ (MEAN) that John \_\_\_\_\_ (HAVE) to catch the next plane back to New York. He \_\_\_\_\_ (MEET) with his boss at this time tomorrow.

2. ARE THE FOLLOWING SENTENCES grammatically correct or not? If not, correct them:

- a) What exactly you do in Manpower Ltd?
- b) Today they manufacture a range of more than 250 paints and their sales is constantly growing.
- c) Were you working on any projects before you joined Manpower Ltd?
- d) So far this year the results are being satisfactory.
- e) Unfortunately, the company went bankrupt after it had piled up such a huge debt.
- f) I had been head marketing manager since 2010.
- g) I'm going to leading an evaluation seminar in March.
- h) They have done some market research before they set up Hammer Press in 2006.
- i) By the end of 2060, it will make \$1,000,000 from marketing campaigns.'

Translate the sentences from the previous exercise. What conclusions can you come to about tenses in both languages?

3. DISCUSS THE CHANGE IN MEANING in each pair with a focus on the underlined parts:

- a) We'd like to have a new product on the market by next year. / We like having new products on the market every year.
- b) He remembered to send publicity materials with the goods. / He remembers sending publicity materials with the goods.
- c) They stopped to produce the A32 model. / They stopped producing the A32 model last year.
- d) Our company tried to start a quality circle with our German branch. / Our company tried starting a quality circle with our German branch.

4. PARAPHRASE EACH SENTENCE with a focus on the underlined parts:

- a) Let's look at the marketing costs in more detail. / The new product range looks good to me.
- b) Their contract terms sound too good to be true. / You sound just like your father!
- c) I still haven't seen the recent report on our company's profits. / Of course I see what you're explaining to me, but I don't agree. / The last 50 years have seen many marketing advancements.
- d) Costs have risen every year. / We are raising funds for startups. / A problem arose over the travel arrangements to Spain.
- e) They used word-of-mouth marketing to create some buzz about their product. / I am not used to making large-scale decisions. / I am getting used to giving marketing presentations.

5. WRITE YOUR OWN SENTENCES using the following adverbs of frequency. Pay attention to their position in the sentence: *again, already, always, ever, frequently, hardly ever, nearly always, never, normally, often, rarely, seldom, sometimes, still, usually, yet.*

---



---



---



---



---



will be able to (1) \_\_\_\_\_, when in fact who invests is often more important. They should be asking themselves (2) \_\_\_\_\_ the investing company has the right connections with large companies. It is always important to keep in mind that very (3) \_\_\_\_\_ people have all the skills, experience, contacts, or reputation that are needed to get a business going. The next skill is the ability to delegate. This (4) \_\_\_\_\_ being able to estimate other people's (5) \_\_\_\_\_, and creating opportunities for them to move up the career ladder and (6) \_\_\_\_\_ organizations on their own. Another piece of (7) \_\_\_\_\_ for them is that they should be selective with their efforts and strategic in their (8) \_\_\_\_\_ to grasp and make connections that will help their business grow.

- |    |              |             |            |               |
|----|--------------|-------------|------------|---------------|
| 1. | a) arise     | b) rise     | c) raise   | d) rouse      |
| 2. | a) which     | b) whether  | c) where   | d) whom       |
| 3. | a) more      | b) many     | c) few     | d) less       |
| 4. | a) involves  | b) consists | c) forces  | d) serves     |
| 5. | a) hope      | b) judgment | c) trust   | d) potential  |
| 6. | a) compose   | b) run      | c) produce | d) combine    |
| 7. | a) advice    | b) advise   | c) advices | d) advisement |
| 8. | a) extension | b) promote  | c) support | d) outreach   |

## *4. Translation*

TRANSLATE THE FOLLOWING TEXT from English into Macedonian:

Communicating is a broad term in marketing that means describing the offering and its value to your potential/current customers, as well as learning from customers what it is they want and like. Sometimes communicating means educating potential customers about the value of an offering, and sometimes it means simply making customers aware of where they can find a product. Today, companies are finding that to be successful, they need a more interactive dialogue with their customers. Delivering an offering that has value is much more than simply getting the product into the hands of the user; it is also making sure that the user understands how to get the most out of the product and is taken care of if they require service later.



# *Chapter 2*

## *Pricing and planning*

---

### *1. Reading and vocabulary*

RELATED TOPICS: pricing; promotions and discounts; market segmentation, business plans.

#### **Pricing**

“Of all the words associated with marketing, the one we should focus on the most is value. This is because when you boil down what marketers do, it is about creating, generating, communicating and then harvesting value.” These are the words of Professor Mark Ritson, leader of Marketing Week’s Mini MBA in Marketing. But getting pricing right is a complex art, and one that many marketers struggle with. As Harley Mathieson, social media manager, says: “It’s easy to get involved in the glamorous creative side of the marketing process; I suspect fewer of us have a strong foundation in the fourth ‘P’.” The pricing P is different to the other Ps in the marketing mix because it is not about creating value for the customer, it is about reaping value for the organisation.

Ritson quotes Professor Mark Bergen, who describes *pricing* as the point “where all of your marketing strategy really meets that final decision point with your customers”. In addition, pricing is the ultimate moment of truth, as it is the final decision point for consumers. It is a make-or-break point. Get it right, and everyone is happy; get it wrong, and all of the months or years of work which have preceded it go out the window.

Regarding the issue of how to best communicate price to potential customers, several questions arise:

- What is the optimal price range for my type of offer?
- How should I display my price? Round numbers? Fractional?
- When should I reveal the price? Early in the process, or later?
- Is it possible to know I have the right price? Can I test it?

Price is a delicate issue and it can fluctuate greatly based on perceived value. A customer may be turned off by a low price, and discredit it automati-

cally. If a customer has no idea about professional custom logo design, and sees two different websites that create logos for \$300, then the customer will, from then on, believe that it is a fair price for this kind of professional work, until their belief is otherwise reframed by a different source.

Prices ending in the number 9 may be more appealing than others, which can work better for both low- and high-end ticket items alike. In total, eight studies published from 1987 to 2004 revealed that prices ending in the number 9 (\$39, \$2.49, \$89, etc.) boosted sales by an average of 24% as compared to other prices. In an experiment, a mail order catalog was printed in three different price points: \$39, \$34 and \$44. The \$39 price catalog won.

Marketers can either reveal price in the beginning or near the end – it depends on the industry and the company. By revealing price early on, you may disqualify a lead that would otherwise consume your time, only to conclude it does not fit the customer's budget, while your sales team could have focused on other pursuits. By revealing price later on, you have the opportunity to build value and uncover needs that the customer might not reveal directly and you would only find out by precise questioning.

It may be possible to know if a company has the right price if you have an understanding of how it operates. For example, if a company sells video creation for \$800, but outsources it for \$300 to freelancers, once you have that knowledge, you can skip directly to the freelancers, or approach a company which will produce quality work according to the original price point you were willing to pay.

Charging too little is far more dangerous than charging too much. A company not only foregoes significant revenues and profits, but also fixes the product's market value position at a low level. Once prices hit the market, it is difficult, if not impossible, to raise them. It is believed that too often price is left to the sales team, who are chasing volume rather than value. Marketing really needs to be a consideration at every point of a product's life cycle. This further shows the importance of value in marketing, and how ill-considered pricing can negate an otherwise brilliant marketing strategy. "I have one single piece of advice when it comes to discounting – don't," states Ritson.

## Promotions and discounts

Price promotions are a major category of sales promotions where companies reduce the selling price of a product or service to tempt customers to buy. While each approach is unique, pricing incentives are generally intended to bring in customers, drive revenue and cash flow, and turn over inventory.

### Online Promotions

In the not-so-distant past, *online promotions* were things like snipping coupons from the weekly mailers. Today's coupon is presented to consumers through print media, but it is also widely recognized as a popular internet and email promotional feature. Likewise, coupon apps make it easy for consumers to save money at the till, using their handheld devices to show coupon codes. Loyalty membership cards remain popular, too, offering bargains to repeat buyers, and reward points toward products. Free shipping on minimum order amounts is another form of online promotion used by savvy e-retailers and some brick-and-mortar companies. Offering free shipping may even reduce the rate of shopping-cart-abandonment on e-commerce sites.

### Point-of-Sale Discounts

An amount-off or percent-off *point-of-sale discount* is the simplest type of price promotion method. With this approach, once a discount price is determined, employees change the price on the product bar code. The point is to convey better value because of the lowered price. Companies often promote an in-store discount through weekly ad mailers or newspaper inserts. In some cases, the deals are offered as a surprise in-store special.

### Bulk Buys

Other price promotions are driven by volume purchases. A common retail promotion is buy-one-get-one-free, or BOGO. Similarly, companies may offer promotions such as buy two, get one free. Frequency shopper programs or loyalty programs similarly offer price incentives to customers who make frequent or large purchases.

### Trade Promotions

Price promotions are also offered in the business-to-business market. Businesses that buy for consumption receive similar incentives to consumers. Trade buyers that purchase products from suppliers for resale receive several distinct price promotions. Off-invoice discounts are simply offers of a certain percentage off a given order. Bulk buys are a common trade market incentive.

While there are several ways to discount the list price for an item on a website, the two most popular discount incentives tend to be a *dollar discount* and a *percentage discount*. In fact, there is a difference between offering a \$20 item with either a \$2 discount or a 10% discount – these end up being the same discount, though one is a dollar amount and the other a percentage one. According to some, a dollar discount is the worst incentive because the face value is limiting. Other sources have shown that given the choice between a dol-



lar discount and a percentage discount (for example, \$50 off versus 15% off), customers will choose the dollar discount (\$50) because they perceive it to be a better deal. It all comes down to the perceived value of the item for the customer, a metric of performance that is becoming more and more prominent in the e-commerce marketplace. *Perceived value* is defined as the worth of a product in the mind of the customer – and it is a worth that may or may not be grounded in reality.

## Market segmentation

*Market segmentation* is a marketing term that refers to the grouping of potential buyers into categories or segments with common needs, and who respond similarly to a marketing activity. Market segmentation enables companies to target different groups of consumers who perceive the full value of certain products and services differently from one another.

Companies can generally use three criteria to identify different market segments: *homogeneity*, or common needs within a segment; *distinction*, or being unique from other groups; and *reaction*, or a similar response to the market. For example, an athletic footwear company might have market segments for basketball players and long-distance runners.

Companies can segment markets in several ways: *geographically* - by region or area; *demographically* - by age, gender, family size, income or life cycle; *psychographically* - by social class, lifestyle or personality; or *behaviorally* - by benefit, uses or response. The objective is to enable the company to differentiate its products or message according to the common dimensions of the market segment.

By dividing the market into segments, marketing managers can acquire a better understanding of the needs and wants of the customers. This enables them to customise or to ‘tailor’ the company’s marketing activities more accurately to the individual customers’ preferences. Market segmentation supports businesses in meeting and exceeding their customers’ requirements. It may also allow them to evaluate the competitors’ strengths and weaknesses. In this way, they may discover business opportunities in markets which were not served well. Customer segmentation enables marketers to adopt a more systematic approach when planning ahead for the future. This leads to better use of marketing resources, resulting in the development of a more finely-tuned marketing program.

## Business plans

It pays to plan. Entrepreneurs who write business plans are more likely to succeed, according to research. But, while this might persuade some entrepreneurs to make writing a business plan their very first task, studies show that this is actually a bad idea. It is much better to wait, not to devote too much time to writing the plan, and, crucially, to synchronize the plan with other key start-up activities. However, the real key to succeeding in business is being flexible and responsive to opportunities. Entrepreneurs often have to improve their business once it becomes clear that their original customer is not the right customer, or when it turns out that their product or service fits better in a different market. Because of these realities, business plans written at the start end up nothing more than fantasy. Writing a plan also takes time – time that may be spent evaluating opportunities. Another thing is that there is ‘danger’ in that a plan might just soothe the entrepreneur into a false sense of security.

These key points should be taken into consideration when designing a *business plan*:

- Executive summary (target market, goals);
- Company description;
- Products/Services;
- Marketing plan (SWOT analysis, competitor data collection, marketing expenses strategy, advertising and promotion, pricing strategy, distribution channels);
- Management and organization;
- Financial plan.

## DISCUSSION

1. THINK OF COLLOCATIONS with the term *price*, and discuss their meanings.
2. WHAT FACTORS NEED to be taken into consideration when pricing a product/service?
3. HOW IS a value-based price reached?
4. MARKETERS OFTEN USE the offer of a free gift or a discount to make customers buy their merchandise, which is known as *incentive marketing* or *sales promotion*. In modern terminology, *push and pull incentives* are used. Explain in your own words what these concepts mean, and why they are used. Provide examples.

5. WHO BENEFITS MORE from *Black Friday* and *Cyber Monday*: buyers or sellers? Why?

6. WHAT DO THE FOLLOWING TERMS refer to: *a doorbuster*, *a door crasher*, and *bait and switch*?

7. YOUR FRIEND HAS JUST LAUNCHED a new brand of organic chocolates. What advice would you give her for attracting new customers through promotional strategies and discounts?

8. WHAT PROBLEMS MIGHT a business encounter if it does not have proper market segmentation?

9. RELATED TO THE KEY POINTS when preparing a business plan (see section on Business plans), discuss where you would place the following points: competitive advantage, customer service policy, discounts, industry analysis, legal regulations, mission statement, planned future activities, quality control procedures, staff training, startup expenses, technical resources, word-of-mouth.

## ASSIGNMENT

In 250–300 words, **elaborate on one of the following:**

1. WHAT WOULD BE more worrying: a competitor that suddenly charges more or less for the same product/service you are offering? Discuss and exemplify.

2. ACADEMIC AND BEHAVIORAL SCIENTIST Dan Ariely has stated that “zero is a special price.” Discuss this quote.

3. DISCUSS THE RELATIONSHIP between *market segmentation* and *customer loyalty*.

## 2. Grammar focus: modal verbs

*Modal verbs* in English are a small class of auxiliary (helping) verbs used to express the following characteristics: *ability*, *advice*, *certainty*, (*positive/negative*) *deduction*, *intention*, (*lack of*) *necessity*, *obligation*, *offer*, *permission*, (*polite*) *request*, *possibility*, *prediction*, *probability*, *prohibition*, *promise*, *recommendation*. They do not express tense, and are characterized by the fact that they do not have participle (*-ing*) or full infinitive forms. In addition, they do not take the ending *-(e)s* in 3rd person singular. They can refer to the present, past or future.

For present/future time: modal verb + present infinitive.

For past time: modal verb + perfect infinitive (modal verb + have + -ed/past participle).

The following verbs are considered to be modal verbs in English: *can*, *could*, *may*, *might*, *must*, *ought to*, *shall*, *should*, *will*, *would*, *dare* and *need* (in some contexts, *dare* and *need* are also used as lexical verbs). '*Have to*' possesses some of the characteristics of modal verbs, and is classified as a 'semi-modal verb'.

(For more on modal verbs, see Grammar Focus in Chapter 2, in *Business English 1*).

## EXERCISES

1. PUT THESE MODAL VERBS and phrases in order of how strong the possibility is, starting from weakest to strongest:

Must — Almost certainly won't — Certainly (definitely) won't —  
 Almost certainly will — Probably will — Can't — May (might) —  
 Certainly (definitely) will — Could possibly — Probably won't —  
 Could

---



---



---



---



---



---

2. CIRCLE the most appropriate option:

a) If your latest project blows up in your face, you *mustn't* / *shouldn't* / *can* / *should* / *must* quit your job as soon as possible.

b) If you get off on the wrong foot with your colleagues, you *mustn't* / *shouldn't* / *can* / *should* / *must* tell your boss about the problem and ask for advice.

c) If you're sure there's something wrong with the latest business plan, but can't quite put your finger on it, you *mustn't* / *shouldn't* / *can* / *should* / *must* mention your concerns.

d) You *mustn't / shouldn't / can / should / must* use the rules of thumb in most business situations.

e) To give our customers the best shopping experience, we go the extra mile. We are aware that we *couldn't / don't need to / might not / should / won't* give discounts, but they appreciate it.

f) You're wrong – what you read *won't / might not / couldn't / can / needn't* have been the project proposal because it was rejected in its first phase.

**3. MAKE SENTENCES WITH appropriate modals/semi-modals for the following situations:**

a) Ending a conversation:

---

b) Insisting:

---

c) Interrupting:

---

d) Getting down to business:

---

e) Requesting a discount:

---

**4. IDENTIFY THE MODAL/SEMI-MODAL VERB, explain what it expresses, and the time it refers to in each sentence:**

a) The council cannot afford to maintain them anymore.

b) We will see an economic recovery in the next few weeks.

c) I could have finished the task on time if I had had more time.

d) You should accept the job! Just think about all the traveling!

e) Does the store have to be open on Sunday?

f) He must submit the grant proposal by noon./He must've submitted the grant proposal by noon.

g) There must be some confusion because the meeting is actually tomorrow morning.

h) I'm wondering if you might arrange for a timetable change.

- i) The supervisor might have been with a client, but I wasn't wearing my glasses.
- j) The Agent shall keep an account of all orders.
- k) You didn't need to remind me to place the order – I've already done it.
- l) Need I remind you of your job responsibilities?
- m) The trip should have taken 12 days, but we returned earlier.

Translate only the modal/semi-modal verbs in each sentence above. Also, compare the time and meanings of the modal verbs in f), g), h) and i). What conclusion can you come to about modal verbs and time?

### *3. Practice and revision*

1. COMPLETE THE TEXT by filling in the gaps with one word:

I am sending you this email \_\_\_\_\_ inform you that I have purchased all of the interest of my former partner, Jonathan Drisel, and that he is \_\_\_\_\_ longer associated \_\_\_\_\_ the firm of DrisOil. This business \_\_\_\_\_ continue to provide the same high-quality products and services \_\_\_\_\_ which we have built our reputation, and this internal change will \_\_\_\_\_ no way affect the company policy or manner \_\_\_\_\_ conducting business.

I \_\_\_\_\_ like to take this opportunity to thank \_\_\_\_\_ for the courtesies you have \_\_\_\_\_ us in the past, and hope that you will let me continue to serve your business in a way \_\_\_\_\_ is mutually beneficial and profitable to \_\_\_\_\_ of us..

2. COMPLETE THE TEXT with one of the following words. There are two words that are not used:

*able / allowed / banned / can / enforce / forced / impose / permitted / prohibited / unable*

RE: Dispatch of our order number TR/09/4577

The import of certain products which we have in the past obtained from you is no longer \_\_\_\_\_ since the introduction of tougher safety controls last month. In fact, we are \_\_\_\_\_ to make extensive changes. I will send you a full list of regulations as



# *Chapter 3*

## *Advertising and branding*

---

### *1. Reading and vocabulary*

RELATED TOPICS: advertising; types of advertising; branding.

#### **Advertising**

*Advertising* broadly refers to the techniques and practices used to bring products, services, opinions, or causes to public notice for the purpose of persuading the public to respond in a certain way toward what is advertised. Most advertising involves promoting a good that is for sale, but similar methods are used to encourage people to drive safely, to support various charities, or to vote for political candidates, among many other examples. In many countries advertising is the most important source of income for the media (newspapers, magazines, or TV stations), through which it is conducted. In the 21<sup>st</sup> century, with a competitive consumer market, advertisers are increasingly using digital technology to call greater attention to products.

For an advertisement to be effective, its production and placement must be based on a knowledge of the public it is intended for (target group), and a skilled use of the media. Advertising agencies serve to prepare complex campaigns, whose strategies of media use are based on research into consumer behaviour and demographic analysis of the market area. A strategy will combine creativity in the production of the advertising messages with clever placement, so that the messages are seen by, and will have an effect on, the people the advertiser most wants to address. Given a fixed budget, advertisers face a simple choice: they can have their message seen or heard by many people fewer times, or by fewer people many times.

In a free-market economy effective advertising is essential to a company's survival because, unless consumers know about a company's product, they are unlikely to buy it. In criticism of advertising, it has been argued that the consumer must pay for the cost of advertising in the form of higher prices for goods; on the other hand, it is argued that advertising enables goods to be mass marketed, in this way bringing prices down. It has been argued that the



cost of major advertising campaigns is such that few firms can afford them, thus helping these firms to dominate the market. Conversely, whereas smaller firms may not be able to compete with larger ones at a national level, advertising at the local level or online enables them to hold their own ground.

## Types of advertising

Advertisers pay for advertising to accomplish a wide range of goals. Ad objectives generally come down to long-term branding communication, or short-term direct response advertising. Branding is about building and maintaining a reputation for a company that sets it apart from the others. Sales promotions are short-term inducements to drive revenue or cash flow. Based on the company's objectives, budget and target audience, one or more types of media may be used as channels through which to advertise. Calculating the return on investment is difficult, but measurable goals (percentage increase in awareness) need to be established to see success.

### Broadcast Media

TV and radio are two traditional *broadcast media* long used in advertising. TV offers creative opportunities, a dynamic message, and wide audience reach. They both have fleeting messages, meaning they disappear once the commercial spot ends. Radio is relatively affordable for small businesses, and allows for repetition and frequency. You do not have the visual element of TV, and you have to deal with a distracted audience, since most radio listeners nowadays are driving.

### Print Media

Magazines and newspapers are the two traditional *print media*. Magazines offer a highly selective audience that is generally interested in ads closely related to the topic of the magazine. Visual imagery is also stronger in magazines than in newspapers. Little is wasted since magazines target a niche market. However, they are costly and require long lead times, which limits timely promotions. They also have a limited audience reach. Newspapers are very affordable for local businesses and allow them to target a geographic segment if they have a universal product or service. They are also viewed as a credible medium, which enhances ad acceptance.

### Support Media

*Support media* include several options for message delivery that normally add to or expand campaigns delivered through more traditional media. Billboards,

transits, bus benches, aerial, directories, and trade publications are some common examples. They offer ways to reach a wider audience in a local or regional market, or to increase increased message exposure to targeted market segments.

### **Direct Marketing**

*Direct marketing* is an interactive approach to advertising, including direct mail, email, and telemarketing. These are direct response efforts to create an ongoing dialogue or interaction with customers. Weekly or monthly email newsletters allow for the brand, products and other messages to be kept before potential prospects and customers. Direct marketing has become more prominent because it makes it easy to keep track of customer response rates and it helps advertisers to better measure their return on an investment.

### **Product Placement**

This is another newer advertising technique, where compensation is offered to a TV show, movie, video game, or theme park to use a certain product while entertaining audiences. This ad method is a way for companies to integrate ads with entertainment, since customers have found ways to avoid messages delivered through more conventional media.

### **Internet**

The *internet* is used by online and offline companies to promote products or services. Banner ads, pop up ads, text ads, and paid search placements are common forms. They present an image or a message on a publisher's website or on a number of websites through a third-party platform like Google Adwords. Paid search placements, also known as cost-per-click advertising, is where you bid a certain amount to present your link and text message to users of search engines. Businesses can also create different target groups, and send (sponsored) ads on social media platforms to users that would be most interested in their products and services.

## **Branding**

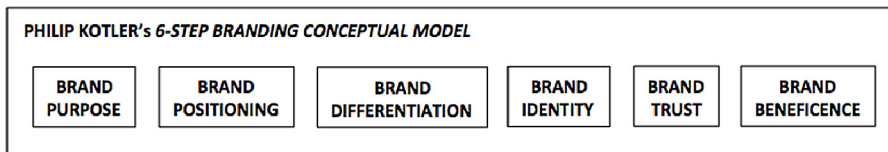
To understand branding, it is important to know what brands are. A *brand* is the idea or image of a specific product or service that consumers connect with, by identifying the name, logo, slogan, or design of the company that owns the idea or image. *Branding* is when that idea or image is marketed so that it is recognizable by more and more people, and identified with a certain service or product when there are many other companies offering the sa-

me service or product. Advertising professionals work on branding not only to build brand recognition, but also to build good reputations, and a set of standards to which the company should strive to maintain or surpass. A company should not start by setting the brand's identity, but by setting the brand's purpose. Brand purpose answers the question: what job is the brand promising to accomplish for the buyer?

Branding is a way to build an important company asset, which is a good reputation. Whether a company has no reputation, or a mediocre reputation, branding can help change that; it can build an expectation about the company's services or products, and it can encourage the company to maintain those expectations, or exceed them, bringing better products and services to the market place.

All cars will promise to get you from point A to point B. There is no differentiation in that claim. However, if one car's promise is to get you from A to B with maximum safety, its car has established a category, and an identity in that category. But, what if another car manufacturer also advertises its new car as a safe car? Both competitors will need to move to the next step, that of differentiation. If the other car sets a much lower price on its car, it has established a differentiator. It is offering a less expensive safe car. But the manufacturer must think carefully about doing this. Will a buyer who wants a safe car believe that the lower price one is as safe as the more expensive one? The company needs to use positioning and differentiation to communicate the brand's purpose, and ultimately enrich the brand's identity.

David Aaker, an expert in brand building, has suggested that a brand should not only define its functional purpose, the job that it is going to do, but to also express the brand's higher purpose, suggesting emotional and social benefits coming from choosing that brand. In fact, Philip Kotler has established a very effective 6-step branding conceptual model:



We live in an era of abundant information and connected communities. Inauthentic brands will not survive when word-of-mouth becomes the new advertising medium and consumers will rely more on acquaintances in their network community than on what companies say and advertise.

## DISCUSSION

1. *INFORMATION VS. MANIPULATION* – what are your views on the aim of advertising in the context of the said terms?
2. WHAT ARE SOME ETHICAL and legal issues advertisers must have in mind when creating ads?
3. WHAT ARE *INFLUENCERS*, and what type of advertising do they belong to?
4. WHAT DO YOU THINK the future of advertising will be like?
5. WHAT ARE SOME SIGNS that a brand is dying?
6. IN THE CONTEXT OF BRANDING, what do the following words/phrases refer to: brand identity, brand image, endorse, eponym, Hallmark, logo, tagline, trademark, umbrella branding.
7. STRONG BRANDS REQUIRE a clear strategic approach, especially if they want to be successful worldwide. What specific challenges do you think exist in global branding?
8. HOW CAN INFLATION affect brand value?
9. DESCRIBE AND EXEMPLIFY Kotler's 6-step branding conceptual model.
10. WHAT DO YOU THINK is the hidden message behind the ad below?



## ASSIGNMENT

In 250–300 words, **elaborate on one of the following:**

1. GIVE AN EXAMPLE OF a bad advertisement, and explain why you feel it is bad, as well as how you would change/improve it.
2. “MASS ADVERTISING CAN HELP build brands, but authenticity is what makes them last. If people believe they share values with a company, they will stay loyal to the brand.” (Howard Schultz) How else do people stay loyal to the brand?
3. DISCUSS AND ILLUSTRATE how colors affect advertising and branding.

## ***2. Grammar focus: prepositions. prepositional phrases: phrasal verbs: collocations***

A *preposition* is a word such as *after, by, for, in, to, on, and with*, among others. Prepositions are usually used in front of nouns or pronouns, and they show the meaningful relationship between the noun/pronoun and the other words in a sentence.

*Prepositional phrases* are groups of words consisting of a preposition as the first element of the phrase, followed by its object and other modifiers, such as *at the beginning, for the moment being, in my defence*.

A *phrasal verb* is a two- or three-word verb that is made up of a main verb together with an adverb or a preposition, or both. Typically, the meaning of phrasal verbs is not obvious from the meanings of the individual words themselves, as in *break out, put back, look up to*.

*Collocations* are series of words that go together to form fixed relationships. These language chunks sound 'natural' to English speakers, and there might not always be a good reason as to why a specific word collocates with another specific word/phrase, such as *the fast train / ~~the quick train~~*. Collocations may be of several types:

- adverb + adjective: completely (~~downright~~) satisfied
- adjective + noun: excruciating pain (~~joy~~)
- noun + noun: a surge (~~crash~~) of anger
- noun + verb: lions (~~shout~~) roar
- verb + noun: give (~~focus~~) a presentation
- verb + expression with preposition: burst into (~~blow up in~~) tears
- verb + adverb: wave (~~excellently~~) feverishly

(For more on prepositions, see Grammar Focus in Chapter 3, in *Business English 1*)

### **EXERCISES**

1. COMPLETE THE SENTENCES by filling in the gaps with the appropriate preposition. Some prepositions are not used, while some are used more than once:

*at / away / before / by / for / from / in /  
into / of / off / on / out / to / up / with*

- a) When deciding on our new premises, we looked \_\_\_\_\_ location, cost and transport.
- b) Due to quality issues, I wanted to stay \_\_\_\_\_ from second-hand equipment.
- c) Very often, it is not just the sales staff that benefit \_\_\_\_\_ customer awareness training.
- d) Fortunately, business is growing, so we need to take \_\_\_\_\_ more staff.
- e) After weighing \_\_\_\_\_ the pros and cons, we finally rejected taking on a big bank loan.
- f) A lot of companies rely heavily \_\_\_\_\_ receiving market information \_\_\_\_\_ their sales force.
- g) Certain managers could do \_\_\_\_\_ improving their skills \_\_\_\_\_ instruction-giving.
- h) It was our choice to rule \_\_\_\_\_ the option of using a consultant for the first year.
- i) We will retain overall responsibility \_\_\_\_\_ the operation \_\_\_\_\_ the new system.
- j) The management had to lay \_\_\_\_\_ more than 150 people because of the financial crisis.

Underline the phrasal verbs in the sentences above. Think of five more phrasal verbs, and use them in a sentence.

2. COMPLETE THE SENTENCES by filling in the gaps with an appropriate preposition, so as to create prepositional phrases. Then, put them into the correct order as if you were writing an email. How many different emails can you make?

- a) Attached are the details \_\_\_\_\_ your recent purchase.
- b) Thank you for bringing this matter \_\_\_\_\_ our attention.
- c) Let me know if I can be \_\_\_\_\_ assistance.
- d) Thank you for inquiring \_\_\_\_\_ our product line.
- e) I'm writing to express my dissatisfaction \_\_\_\_\_ the customer service I received.
- f) I'm forwarding your request \_\_\_\_\_ our sales team.
- g) A representative will be waiting for you \_\_\_\_\_ the airport.
- h) Please contact me \_\_\_\_\_ your earliest convenience.

- i) We apologize \_\_\_\_\_ any inconvenience this may have caused.
- j) Your order should be ready \_\_\_\_\_ the end of the following week.
- k) Thank you \_\_\_\_\_ advance for your help.
- l) Please get back \_\_\_\_\_ me as soon as possible.

3. FIND THREE EXAMPLES of different collocations in the Reading and vocabulary section of this chapter. Make at least three collocations with the following words:

- do: \_\_\_\_\_
- meet: \_\_\_\_\_
- rate: \_\_\_\_\_
- pay: \_\_\_\_\_
- set: \_\_\_\_\_
- reach: \_\_\_\_\_
- raise: \_\_\_\_\_
- build: \_\_\_\_\_

4. COMPLETE EACH SET of sentences with the same word:

a) The plant's production capacity will \_\_\_\_\_ from 8 to 9 million tons next year.

We need to \_\_\_\_\_ into new markets because we have reached market saturation at home.

Liquid will contract and \_\_\_\_\_ with temperature changes.

b) In India and China, \_\_\_\_\_ for oil is rising incredibly fast.

The \_\_\_\_\_ for low-income housing is increasing as the economy is getting worse.

The boss is considering her \_\_\_\_\_ that she be given more time to finish the assignment.

c) The new regulations \_\_\_\_\_ to all companies employing 200 or more workers.

Different laws \_\_\_\_\_ in different jurisdictions.

Who is eligible to \_\_\_\_\_ for membership in the association?

d) How can we \_\_\_\_\_ vital information about the competitor's future plans?

We have an economic \_\_\_\_\_, i.e. a 5% increase in earnings in the past year.

I would like the sales staff to notice me, so how can I \_\_\_\_\_ their attention?

e) The majority of their customers are in the 17-25 age \_\_\_\_\_.

Things are going according to schedule - we finally have a broad \_\_\_\_\_ of clients worldwide.

The mountain \_\_\_\_\_ stretched away into infinity.

### *3. Practice and revision*

1. READ THIS TEXT and answer the questions below:

The idea that we can be influenced by ads we don't consciously detect is one of most intriguing in consumer psychology, and has attracted a lot of attention over the years. Since the 1950s people have feared that words or images briefly flashed on a screen or concealed in an ad have the power to make us buy certain products, or even vote for a certain political candidate. Are these fears founded, or is this more myth than reality? While there are widely held false beliefs about such advertising, it can certainly influence us. Can we ever be influenced outside awareness? The answer, actually, is yes. Research showed that when words relating to thirst were presented to thirsty people, they later did drink more, although the people did not report actually being thirstier.

a) What type of advertising is this text about?

b) Make three questions from this text (the answers should be contained in the text).

c) What is a synonym for the word 'founded'?

d) Which word means 'arousing one's curiosity or interest'?

e) Where in this text is the verb 'to do' used for emphasis?



2. READ THIS TEXT on 'small talk', then choose the best sentence (a-e) to fill in each gap. One sentence is not needed:

Did you know that 50% of business communication is actually small talk? Small talk is a vital part of working with other people: finding out what they're doing, what they're having problems with, and what they think they should be doing differently. [1] \_\_\_\_\_. Business is largely based on trusting people, helping and being helped by people, and persuading people to do things. [2] \_\_\_\_\_.

When is this relationship-building supposed to happen? An effective way to build good relationships between people is to allow small talk during meetings. [3] \_\_\_\_\_. The whole point of bringing people together for meetings is to generate discussion, to resolve misunderstandings, and to find solutions to problems. [4] \_\_\_\_\_.

If you're serious about making your meetings more effective, you need to give participants room to take the conversation in new directions, and, above all, get to know each other.

- a) Let's get a few things straight about them.
- b) If everything is carefully planned in advance, and the chair of the meeting sticks to the agenda, none of those things can take place.
- c) How can you achieve any of those things if you don't spend time getting to know each other?
- d) Perhaps even more importantly, it's about getting to know your colleagues and business partners as people, not just as business machines.
- e) It might lose its best employees and customers just as quickly.

## *4. Translation*

TRANSLATE THE FOLLOWING TEXT from English into Macedonian:

The first step toward modern advertising came with the development of printing in the 15<sup>th</sup> and 16<sup>th</sup> centuries. In the 17<sup>th</sup> century, weekly newspapers in London began to carry advertisements, and by the 18<sup>th</sup> century such advertising was successful. The great expansion of business in the 19<sup>th</sup> century was accompanied by the growth of an adverti-





# *Chapter 4*

## *Public relations*

---

### *1. Reading and vocabulary*

RELATED TOPICS: PR concepts; PR 2.0; PR crisis management.

#### **PR concepts**

Defining the term *public relations* (*PR*) has proven to be as complex as the term itself. Wikipedia provides a good overall explanation of the concept (updated: January 10, 2019), defining it as: the practice of managing the spread of information between an individual or an organization (such as a business, government agency, or a non-profit organization) and the public. PR may include an organization or individual gaining exposure to their audiences using topics of public interest and news items that do not require direct payment. This makes it different from advertising as a form of marketing communications. An advertising message is a paid endorsement with a specific and controlled message. It is harder to establish credibility with an advertisement because the public knows the advertiser has paid for the space. PR is the idea of creating coverage for clients for free, rather than marketing or advertising. Advertising is now also a part of broader PR activities. An example of good PR would be generating an article featuring a client, rather than paying for the client to be advertised next to the article. The aim of PR is to inform the public, prospective customers, investors, partners, employees, and other stakeholders, and, ultimately, persuade them to maintain a positive or favorable view about the organization, its leadership, products, or political decisions.

The concept of PR has been modernized, now incorporating 'engagement' and 'relationship building', so it represents a strategic communication process that builds mutually beneficial relationships between organizations and their publics.

Jobs central to PR include account coordinator, account executive, account supervisor, and media relations manager. PR specialists establish and maintain relationships with an organization's target audience, the media, relevant trade media, and other opinion leaders. Common responsibilities include

designing communications campaigns, writing news releases and other news content, working with the press, arranging interviews, writing speeches for company leaders, acting as an organization's spokesperson, preparing clients for press conferences, doing media interviews and speeches, writing website and social media content, and managing the company's reputation (crisis management). A PR specialist is an image shaper. Their job is to generate positive publicity for their client and enhance their reputation. PR is not publicity, and the two terms are not interchangeable. Publicity is only one phase of a total PR effort. It is the distribution of information to gain public awareness, and just one strategy in the PR arsenal. PR is also not a quick fix, but a valuable tool for creating awareness, establishing credibility, and even, in many cases, increasing sales. None of this happens overnight, but it takes a well-directed effort and a plan of action in a variety of contexts.

In the government, PR people are called press secretaries, who keep the public informed about the activities of government agencies, and manage political campaigns. Though the job often involves the dissemination of information, it is termed *spin doctoring*: a term to define PR activities for political institutions, political actors or corporations that emphasize or exaggerate the most positive aspects of something.

*Negative (dark, black) PR* is a process of destroying the target's reputation, brand and/or corporate identity. Its objective is to discredit someone else who may pose a threat to the client's business, or be a political rival (negative campaigning). It relies on IT security, industrial espionage, and competitive intelligence for the purpose of producing misleading facts about a competitor, publically running negative ads that attack the competitor's identity, and leaking secret information to the public.

## PR 2.0

*PR 2.0* uses a combination of social media tools that are readily available to communications professionals to reach and better communicate with influencers and consumer audiences directly. Social media is a direct-to-consumer approach that allows audiences to drive the communication in their communities. PR professionals incorporate *PR 2.0* into their strategy as an effective way to communicate directly to audiences and increase overall brand exposure, leading to deeper engagement and loyalty.

This concept was actually created in the 90s of the previous century, through the analysis of how the Web and multimedia were redefining PR and marketing communications, while also building the toolkit to reinvent how

companies communicate with people. It was, and still is, a chance to not only work with traditional journalists, but also engage directly with a new set of influencers. Working in the field of PR today allows people to take a new approach to communications from the inside out. Social media changes the way communication is carried out, with a different mix of media, and ultimately meaningful content is delivered in order to achieve valuable outcomes for a business. The dissemination of information is two-way, transparent and collaborative, where brands listen and are active in the dialogue.

PR 2.0 is a game-changer in participating with people in a more informed and intelligent way. It is about putting the ‘public’ back in Public Relations.

## **PR crisis management**

Any business, at some point, will face some sort of a PR crisis, and the way the PR team will respond can either give a much-needed image boost or significantly damage the brand, ultimately distancing the customer base. Especially in this day and age, when news goes viral almost instantly, organizations need to be ready to respond to any PR crisis quickly and efficiently, using all available platforms. Disaster management is probably one of the best-known roles of any PR company. These are some golden rules of PR crisis management any company would be wise to stick to:

### **Take responsibility**

Covering up the PR crisis will only worsen the damage. Instead, the situation should be managed by taking responsibility, being proactive and transparent, reacting immediately, and responding to feedback. It is in the company’s best interests to acknowledge people’s concerns and questions, and respond appropriately. Writing a press release and posting on social media to take control of the situation may be one possibility; however, they should also be ready for a social media backlash. The worst thing a company can do is ignore the possibility that a firestorm could explode on social media. Just because a company is not marketing on social media does not mean their customers will not criticize them on those platforms when something goes wrong.

### **Remember to be human**

Saying “we’ll look into it” does not make anyone feel better. Saying you are deeply upset by what happened and will work on making things better is important. Then, immediately share how policies will be put in place so it does

not happen again. Act fast before people lose faith in your brand. Extending a heartfelt apology is key to moving forward; not doing so adds fuel to the fire and delays changing the narrative. Following a public apology, the company must offer a call to action. They must do something substantial to show that they are changing their ways moving forward.

### **Monitor, plan and communicate**

Have your social team on high alert. If they start noticing sparks of negativity or increased activity, follow a crisis plan to respond in a proactive manner. Never let executives do their own thing without communicating their ideas. It is very easy to be reactive, especially when the company's brand and reputation are at stake. However, be sure that the first external communication following the crisis is a well-thought-out response that the consumers can relate to. Different customized messages should be devised for different stakeholders, such as investors, employees, customers, the press, and the general public.

### **Be prepared**

In handling a PR crisis, the first 48 hours are the most important. Ignoring the situation with a head-in-the-sand approach is the worst possible reaction. No one wants to be at the center of a scandal, but scrambling around because you are not prepared to handle it makes things go from bad to worse. Potential crisis scenarios should be anticipated, and internal protocols for handling them established. Before a crisis hits, there should be an outline in terms of who needs to be notified, the internal review process, and the individuals who are authorized to speak publicly on the company's behalf.

**Case study:** In February 2018, KFC had to close more than half of its 900 locations in the UK because of a shortage of chicken. The social media enjoyed the irony of a chicken shop without any chicken. Loyal customers expressed their anger on Twitter. Then KFC, even while struggling to get the restaurants reopened, managed to switch the narrative entirely. It ran an apology advertisement that was extremely funny (especially to the brand's core younger consumers), while taking control of the problem. The company was widely applauded by customers and the media for knowing its target market, and how to cleverly handle a crisis. The result was a decrease in criticism for the closed locations, and gaining people's trust back.

## DISCUSSION

1. WHERE DO MARKETING, advertising, branding, and PR intersect?
2. IT IS TRUE THAT PR has been extensively reinvented in the 21<sup>st</sup> century. Aside from financial constraints, what other issues is PR facing today?
3. WHAT SKILLS DO PR specialists need to have? What questions would you ask if you had to recruit a PR specialist in your company?
4. WHAT IS THE RELATIONSHIP between PR and ethics?
5. “PUBLIC RELATIONS CONSISTS OF a whole bag of tools for grabbing attention. I call these tools the PENCILS of PR.” (P. Kotler) What do you think the letters P-E-N-C-I-L-S stand for?
6. WHAT IS THE DIFFERENCE between *crisis management* and *risk management*?
7. DOVE’S CAMPAIGN IN 2004 showed women of all body types and colors instead of professional models. Additionally, a nearly two-minute ad, released by Gillette in 2019, shows men harassing women, boys fighting on the street, and eventually, shows other men stepping up to stop the incidents. What messages are Dove and Gillette sending? What are their slogans? How do these examples strengthen the public’s view of the brand?
8. DISCUSS THE RELATIONSHIPS of the terms and concepts in the word clouds below:



## ASSIGNMENT

In 250–300 words, **elaborate on one of the following:**

1. DISCUSS WHY PR specialists must be great storytellers.
2. DESCRIBE YOUR IMAGE of how the PR model will evolve in the future.
3. “A GOOD PR STORY IS infinitely more effective than a front-page ad.” (Richard Branson) Discuss the statement, and provide examples to illustrate.



## 2. Grammar focus: *passive: causative 'have'*

The *passive voice* is used to express what is done to someone/something, as in the sentence *The company was sold for \$5 million*. The subject of the sentences does nothing; rather, something is done to the subject, i.e. the focus is on the object of the action. Who does something is less important than what was done. This is especially useful in business settings when the focus is placed, for example, on a product. By using the passive voice, the product becomes the focus of the sentence, and this makes a stronger statement than using the active voice. Only transitive verbs (verbs followed by an object) in the active sentence can be turned into passive verbs. This is not the case with intransitive verbs. Also, some tenses tend not to be used in the passive voice. Generally speaking, this refers to the perfect continuous tenses.

*Impersonal passive* sentence structures help to create formality and an impersonal stance. It is a common way of stating what is said by people, or by an unspecified group of people, as in *It has been reported that the Minister will resign*, or *The Minister has been reported to resign*. Common verbs used in such passive constructions are: *agree, allege, announce, assume, believe, calculate, claim, consider, declare, discover, estimate, expect, find, know, mention, propose, recommend, rumour, show, state, suppose, suggest, understand*.

*Causative 'have'* sentence structures are similar to the passive construction. They are used when we want to talk about something that someone else did for us, or for another person. It means that the subject has caused the action to happen, but did not do it themselves, as in the sentence *We will have the offices repainted next week*. The verb *get* can also be used, but it is a less formal equivalent of *have*.

<i>Passive voice:</i>	Subject (active object) + to be + -ed/past participle
<i>Impersonal passive:</i>	It + passive verb (to be + -ed/past participle) + that-clause Subject (active object) + passive verb (to be + -ed/pp) + to-inf.
<i>Causative 'have':</i>	Have/get + object + -ed/past participle

The verb *to be* in both passive and impersonal passive constructions is in the same tense as the verb in the active sentence.

(For more on passive voice, see Grammar Focus in Chapter 4, in *Business English 1*)

## EXERCISES

1. TURN THESE ACTIVE sentences into passive sentences, and make any necessary changes:

a) This powerpoint slide shows the manufacturing process of leather handbags.

---

b) We have always bought the rods from local suppliers.

---

c) Who checked the quality of the raw materials?

---

d) Can we avoid conflict with the unions by making small concessions?

---

e) My boss and several other managers had to warn the company about the risks.

---

f) As soon as the press secretary released the statement, a scandal erupted.

---

2. COMPLETE THE RESPONSES to the following statements explaining what **must have been** / **should have been** / **might have been** / **needn't have been** / **would have been** / **could have been** done in the following situations, using the verb in brackets:

a) We haven't received an acknowledgement for our order yet.

– I apologize. The order \_\_\_\_\_ (acknowledge) by June 30.

b) We haven't received an invoice yet.

– I'm sorry. You \_\_\_\_\_ (invoice) at the end of the month.

- c) We couldn't lease the company cars last year.  
– But the laws have changed and \_\_\_\_\_ (lease) at the beginning of the year.
- d) I have checked this bill and we have definitely paid too much.  
– Yes, there's been a mistake and you \_\_\_\_\_ (overcharge).
- e) We thought we had to pay in advance.  
– Not at all, the bill \_\_\_\_\_ (pay) in advance.
- f) We paid the invoice by credit card.  
– You should have seen in our payment terms that it \_\_\_\_\_ (pay) by wire transfer.
- g) I can't find any record of your order.  
– So do you think the order \_\_\_\_\_ (cancel)?
- h) We didn't receive the discount you offered.  
– To receive the discount, the goods \_\_\_\_\_ (re-order) within 15 days.

3. MATCH THE SENTENCE beginnings (1-6) with their endings (a-f), in order to make impersonal passive sentences:

- 1) It was rumored among UK branches...
  - 2) The PR team is known...
  - 3) Prospects won't be assumed...
  - 4) It had been rightly estimated...
  - 5) Spin doctors are considered...
  - 6) It is going to be soon announced...
- 
- a) ...that property values would show a slight fall.
  - b) ...that strict sanctions will be implemented.
  - c) ...to manage company reputation.
  - d) ...that our HQs were being relocated to Asia.
  - e) ...to improve until interest rates fall.
  - f) ...to exaggerate the positive sides of something.

4. REWRITE THESE SENTENCES using 'have'/'get' where needed, and putting the verbs in the correct form and position in order to form causative 'have' sentences:

a) The Prime Minister want / pass the new legislation / by next month.

---

b) The TV company still try / approve the joint venture / by the government.

---

c) Many still believe the only way to / bring business in line / is through global rules.

---

d) The City Council hope / elect the citizens / for a four-year term.

---

e) Some businesses are punished for illegal deals by / revoke their licences.

---

5. TURN THESE ACTIVE SENTENCES into passive and causative 'have' sentences, and discuss the differences in emphasis:

a) The press secretary wrote a statement, and then released it.

– passive: \_\_\_\_\_

---

– causative 'have': \_\_\_\_\_

---

b) Manufacturing companies have been facing major problems because of Brexit.

– passive: \_\_\_\_\_

---

– causative 'have': \_\_\_\_\_

---

### 3. Practice and revision

1. COMPLETE THE TEXT by filling in the gaps with an appropriate form of the word in brackets:

Famous for its elegantly-shaped green bottle, *Perrier* is the ultimate \_\_\_\_\_ (REFRESH) to satisfy people's thirst. In the 2000s, this water became available in 100% \_\_\_\_\_ (RECYCLE) bottles. At the end of the 20<sup>th</sup> century, *Perrier* was the market leader in \_\_\_\_\_ (BOTTLE) mineral water as it was claimed that the water was \_\_\_\_\_ (NATURAL) sparkling. The brand's image was built around the concepts of \_\_\_\_\_ (PURE) and quality. However, a US health authority detected traces of a chemical called benzene in a \_\_\_\_\_ (SHIP) of *Perrier* water from France. Different *Perrier* spokespersons in the US and France made \_\_\_\_\_ (STATE) to the media before the company had established the 'facts', which were later shown to be false. This immediately tarnished the company's reputation and \_\_\_\_\_ (CREDIBLE). Its image was further destroyed by the fact that at no time did the company board \_\_\_\_\_ (APOLOGY) to its \_\_\_\_\_ (FAITH) customers. What followed was immediate \_\_\_\_\_ (HOSTILE) through negative media \_\_\_\_\_ (COVER).

2. CHOOSE THE BEST OPTION (a, b or c) as a paraphrase to the sentence given, and discuss:

- i) No customer complaint is ever left unanswered.
  - a. We reply to most customer complaints.
  - b. We reply to all customer complaints.
  - c. We reply to certain customer complaints.
  
- ii) He had never taken responsibility for any crisis.
  - a. Never before he had taken responsibility for any crisis.
  - b. Never before had he taken responsibility for any crisis.
  - c. Never he had taken responsibility before for any crisis.
  
- iii) The media relations manager was rude and unapologetic on the phone.
  - a. The media relations manager was not only rude but also unapologetic on the phone.

- b. The media relations manager was not rude only but apologetic also on the phone.
  - c. The media relations manager not only was rude and apologetic on the phone.
- iv) Under no circumstances should a PR crisis be ignored.
- a. A PR crisis can be ignored.
  - b. A PR crisis should be ignored.
  - c. A PR crisis should never be ignored.

## *4. Translation*

TRANSLATE THE FOLLOWING TEXT from Macedonian into English:

Голем број луѓе ги сведуваат односите со јавноста на односи со медиумите. Оттука, не зачудува фактот што некои менаџери сметаат дека нивните односи со јавноста ќе бидат успешни и ефикасни доколку ангажираат новинар како свој гласноговорник. Но ваквото размислување е само заблуда. Новинарите сами по себе не се гаранција за успешноста на една организација во контекст на односите со јавноста. Тука станува збор за умешност, уметност, наука за познавање и анализа на општествените трендови. Затоа луѓето кои се вклучени во односи со јавноста треба да се добро образовани, да имаат одлично познавање на општествениот контекст, да поседуваат аналитички способности и вештини за лесна и убедлива комуникација со луѓето, да знаат да се уверливи и објективни, како и да почитуваат кратки рокови.

---



---



---



---



---



---



---



---



---



# *Chapter 5*

## *Business skills*

---

### *1. Reading and vocabulary*

RELATED TOPICS: presenting; negotiating; networking.

#### **Presenting**

*Presentation skills* and *public speaking skills* are very useful in many aspects of work, and life in general. Effective presentations and public speaking skills are essential in business, sales and selling, training, and generally feeling comfortable speaking to groups of people. Developing the confidence and ability to give good presentations are extremely helpful skills for self-development and social situations. Like most areas of expertise, this requires preparation and practice. The formats and purposes of presentations may differ, e.g. using multimedia (visuals, audio, etc.) or Powerpoint, short impromptu or long planned presentations, as well as training sessions/seminars/workshops/lectures, talks, press conferences or briefings, and product launches.

Presentation skills are key to both individual success and business success. Presenting information clearly and effectively is a valuable skill to get a message across. Even if you do not need to make regular presentations in front of groups, there are plenty of situations where good presentation and public speaking skills can help to advance your career and create a variety of opportunities. Initial fears may be reduced by good preparation, which will lay the groundwork for making an effective presentation. So, how can presentations be made effective and memorable? Below are some tips to achieve precisely that:

#### **Subject preparation**

Research and have facts to support your speech. Create an outline, and once you have prepared your presentation, do not be afraid to revise it. To develop your presenting skills and increase your confidence, it is important that you prepare, practice, and learn from each presentation. Rehearse what you are going to say out loud, since this will help you to eliminate any filler words.



### **Focus and enthusiasm**

No one is impressed by a presentation that moves without a definite purpose because this happens when the speaker is both unrestrained and disorganized. The purpose of the presentation must be specifically directed to the interests of your listeners or they will mentally shut you down. Also, if you are not interested in the subject, then you have no chance with the listeners. Try and feel the adrenalin from your nerves as an advantage, and use it as a boost.

### **Media only to enhance**

Powerpoint, visuals and videos are powerful presentation tools only when used correctly, but they can be terrible distractions when misused. They should never replace the speaker as the provider of expertise. A good speaker will always use their own notes to prompt the listeners, and keep them on track, while a bad speaker will use the slides as their notes. The slides are not supposed to be used as a crutch, since they are for the audience only.

### **Stay true to yourself**

It is very important to remember: the more you try to act like someone you are not on stage, the more people will see right through you. Gestures should be a reflection of what you are feeling, helping convey that to your audience. They should come naturally, and should be one of the only unplanned parts of your speech. The more you act like yourself, the more confident you will seem, and the more the audience will be able to relate to you, and take something away from the presentation.

## **Negotiating**

*Business negotiators* have recognized that the most effective negotiators are skilled at both creating and claiming value, that is, they both collaborate and compete. So, how can negotiations be successful? Here are some tips that may help achieve exactly that:

### **Negotiate the process**

Do not assume you are both on the same page when it comes to determining when to meet, who should be present, and what your agenda will be. Instead, carefully discuss how you will negotiate in advance. Discussing such procedural issues will clear the way for much more focused talks.

**Listen actively**

Once you start discussing substance, resist the urge to think about what you are going to say next while your counterpart is talking. Instead, listen carefully to their arguments, then paraphrase what you believe they have said to check that you have understood. Acknowledge any difficult feelings, like frustration, behind the message. Not only are you likely to get valuable information, but the other party may imitate your listening skills.

**Ask good questions**

You can gain more in negotiation by asking many questions, especially ones that are likely to get helpful answers. Avoid asking 'yes/no' questions, and leading questions, such as "Don't you think that's a great idea?" Instead, create neutral statements or questions that encourage detailed responses, such as "I'd like to hear more about the issues you're facing this quarter", or "Can you tell me about the challenges you're facing this quarter?"

**Search for smart tradeoffs**

Parties can often be stuck making compromises and demands on a single issue, such as price. In negotiation, you can take advantage of the presence of multiple issues to get both sides more of what they want. Specifically, try to identify issues that your counterpart cares deeply about, but that you value less. Then suggest making a compromise on that issue in exchange for a concession from them on an issue that is important to you.

**Plan for the implementation stage**

Another way to improve the long-term duration of a contract is to place points and deadlines in the contract to ensure that commitments are going to be met. You might also agree, in writing, to meet at regular intervals throughout the course of the contract to check in and, if necessary, re-negotiate. In addition, adding a dispute-resolution clause that calls for the use of mediation or arbitration if a conflict arises can be a wise move.

**Networking**

*Business networking* is the process of establishing a mutually-beneficial relationship with other business people and potential clients and/or customers. The primary purpose of business networking is to tell others about your business, and hopefully turn them into customers.

The most obvious benefit of networking is to meet potential clients and/or generate referrals, which you can then follow up on to potentially add to your client base. Networking can also help you identify opportunities for partnerships, joint ventures, or new areas of expansion for your business.

Additionally, you need to meet and communicate with potential clients and business partners on a regular basis to maintain your business relationships. Meeting people in person seems old-fashioned in the digital age, but wherever possible you should network face-to-face. Social media platforms are excellent ways to communicate, but they do not substitute for meeting people in person. A lot of local business is still done on a handshake basis.

The most important skill for effective business networking is *active listening* (and asking questions). Focusing on how you can help the person you are listening to rather than on how they can help you is the first step to establishing a mutually beneficial relationship.

It is vital that you do not spread yourself too thin. Business networking is about cultivating relationships, so you need to be an active participant in whatever networking group you join. It is contributing that will result in the benefits of networking, such as more business, hence, increased revenue. You need to not only attend the meetings of your networking group regularly, but to go prepared to offer something of value to the group.

In an ever-changing business climate it is important to keep up with the target market conditions, as well as the overall trends in the industry; knowing the market is essential to developing a successful marketing plan.

There are two kinds of networks in place in organizations – the *formal (organized) networks*, which the management explicitly encourages, and the *informal ('organizational grapevine') networks*, in which news information is exchanged in a more relaxed atmosphere. More often than not, the first people who are informed of impending announcements related to promotions and launches of new products are those who have their ears to the ground. Moreover, informal networks can be a good source of bonding and stress relief. However, the grapevine is not trustworthy as it does not follow an official path of communication, and is spread more by unconfirmed reports.

The conclusion is that the best networking comes from genuine relationships, not just a simple emotionless greeting and a business card exchange. No matter who you are trying to build a relationship with, treating that person as a friend rather than a business contact will take you much further.

## DISCUSSION

1. WHAT OTHER *DO'S* AND *DON'TS* for presenting, negotiating, and networking would you add to those given in the *Reading and vocabulary* section above?
2. EXPLAIN THE FOLLOWING words/phrases: 10/20/30 Rule, bargaining ploy, call someone's bluff, common ground, concede, death by Powerpoint, eleventh-hour negotiations, follow-up, impasse, non-negotiable, Pecha Kucha, rapport, sidetracking.
3. WHAT DOES *non-verbal communication* refer to, and how important is it when presenting?; Along those lines, how important is voice in the context of presenting?
4. IT IS TEMPTING to focus on analytical skills when discussing business qualities, but soft skills are as important. What are *soft skills*? (give examples to illustrate).
5. WHAT ARE SOME PHRASES used in these negotiating stages: starting, finding out the other side's position, making an offer, refusing an offer, compromising, and concluding?
6. WHAT TIPS should people keep in mind during salary negotiations?
7. WHAT ARE SOME networking questions that might be asked to find out more about a person's field of work, and their future plans?
8. WHAT DOES THE TERM *misconduct* encompass? (give examples in the context of networking)

## ASSIGNMENT

In 250–300 words, **elaborate on one of the following:**

1. WHAT IS THE IMPORTANCE of presentation and public speaking skills in life? Discuss and illustrate.
2. DISCUSS HOW cross-cultural differences can affect business negotiations, and ways with which to deal with potential issues that may arise to result in a negative outcome.
3. THERE IS A SAYING that “you don't get a second chance to make a first impression”. Do you agree or disagree? Discuss and exemplify.

## ***2. Grammar focus: conditional sentences (I. II. III. mixed). inversion: 'wish' sentence constructions***

**Conditional sentences** are used to express the fact that the action in the main clause (clause without *if*) can only take place if a certain condition (in the *if*-clause) is fulfilled. There are different types of conditional sentences, and each one can usually be transformed into an inverted construction (for more emphasis).

**I conditional** indicates what will happen provided that a certain situation is given.

structure: *if* + present simple — *will* + infinitive

*e.g. If the product is a success in China, we will introduce it in other Asian markets.*

*(inv.) Should the product be a success in China, we will introduce it in other Asian markets.*

**II conditional** indicates what would happen if a present situation were different.

structure: *if* + past simple — *would* + infinitive

*e.g. If markets weren't so tough, we'd definitely invest more.*

*(inv.) Were markets not so tough, we'd definitely invest more.*

**III conditional** indicates what could have happened in the past if a situation had been different.

structure: *if* + past perfect — *would* + *have* + -ed/past participle

*e.g. If you had informed them of the delay in production, they wouldn't have cancelled the order.*

*(inv.) Had you informed them of the delay in production, they wouldn't have cancelled the order.*

**Mixed conditionals** indicate hypothetical or alternative past situations and their probable effects in the present (past condition + present result).

structure: *if* + past perfect — *would* + infinitive (mixture of II and III conditional)

*e.g. If Karen hadn't taken time off to raise her children, she might be a CEO now.*

*(inv.) Had Karen not taken time off to raise her children, she might be a CEO now.*

In all cases, a comma is used after the *if*-clause when the *if*-clause comes before the main clause. In addition, other modal verbs can be used in the main clause besides *will* and *would*.

(For more on conditionals, see Grammar Focus in Chapter 7, in *Business English 1*)

**‘Wish’ sentence structures:** past tense forms to talk about *wishes*, *hypothetical states*:

– Modal verbs *would* and *could* are used to talk about wishes for the present/future when the speaker does not expect that things will change:

*e.g. I don't like my work. I wish I could get a better job.*

– *Past simple* is used to talk about wishes for the present:

*e.g. I wish I had more free time between projects.*

– *Past perfect* is used to talk about wishes/regrets about the past:

*e.g. She wishes she had reported the misconduct to Human Resources.*

## EXERCISES

1. CHANGE THE FOLLOWING conditional sentences into inverted constructions and state/discuss the type of conditional used:

a) If a customer wishes to renew a contract, they must notify the company before the expiry date.

---

b) The company shall be entitled to terminate the agreement if the customer does not contact the company before the expiry date.

---

c) If the customer subsequently decided to renew the policy, the company would charge an introductory fee.

---

d) If the partners had refused to follow the prescribed rules, the company could end any further collaboration.

---

e) If the partners had refused to follow the prescribed rules, the company could have ended any further collaboration.

---

2. MATCH THE SENTENCE BEGINNINGS (i-ix) with their endings (a-i) to make conditional sentences which might be said during a negotiating session between staff and management. Discuss the types of conditional sentences:

- i) As long as we keep talking, ...
  - ii) Had you offered us that percentage last year, ...
  - iii) Were it not for the economic downturn, ...
  - iv) If you agree to raise productivity by 5%, ...
  - v) Should you give all our members permanent contracts, ...
  - vi) If you had given more reasonable demands, ...
  - vii) In the event of a deadlock in these negotiations, ...
  - viii) Provided our members vote in favor, ...
  - ix) Unless you accept a 5% cut in the workforce, ...
- 
- a) ... we won't be able to meet your demands.
  - b) ... industrial action will, unfortunately, be inevitable.
  - c) ... we might have accepted it, but inflation is higher this year.
  - d) ... I'm sure we'll be able to find a solution which is acceptable to both parties.
  - e) ... we'd be making more profits and we'd be in a position to make you a more generous offer.
  - f) ... we might now be collaborating, but you were quite rigid.
  - g) ... we'll accept some of your flexibility proposals.
  - h) ... everyone's salary shall be raised by 3%.
  - i) ... we'll certainly sign the contract.

3. COMPLETE EACH SENTENCE so that the meaning of the 'wish' structure is clear:

- a) I wish I could prepare the product launch speech \_\_\_\_\_  
\_\_\_\_\_.
- b) I wish I prepared the product launch speech \_\_\_\_\_  
\_\_\_\_\_.
- c) I wish I had prepared the product launch speech \_\_\_\_\_  
\_\_\_\_\_.

4. FOR EACH OF THESE three situations, there are two reasonable options (a/b). Work in pairs and decide on which option is better. Make appropriate conditional sentences:

A) You run a small business. One of your business customers has told you that she'll order twice as many of your products if you allow her to pay in 90 days. This may cause you cashflow problems. Do you...

- a. sell the goods and give her 90 days?
- b. insist she pay in cash and sell her fewer products?

B) In the event of a recession, it could be quite risky for your company to be employing so many customer service staff. Recently one member of the management team suggested axing the customer service department and outsourcing their function. Do you...

- a. keep the function in-house?
- b. outsource?

C) One of your best customers has run into cashflow problems and is unable to settle their account with your company. This could give you similar problems with your suppliers. Do you...

- a. go to the bank for a loan?
- b. become a late-payer yourself?

Read on to find out the consequences of each decision. Make appropriate conditional sentences and sentences with 'wish':

One year later...

A - a) You sold her the goods and she went bankrupt. You lost a lot of money.

A - b) She went to one of your rivals and bought the goods. Then she went bankrupt and your rival lost a lot of money.

B - a) When the downturn came, your company survived.

B - b) When the downturn came, you had to make a lot of employees redundant, which was expensive, causing severe financial difficulties for the company.

C - a) The bank felt you were being too easy on your customer and refused to give you a loan. You lost the customer, and are still waiting for their payment.

C - b) Unfortunately, your suppliers put you on a blacklist and it's been very difficult to get machine parts as a result.



### 3. Practice and revision

1. COMPLETE THE TEXT by filling in the gaps with the most appropriate phrase. Two phrases are not used:

*along with / by all accounts / combining / in terms of / for instance / much less / take into account / to be exact / unlike / you can see*

Right, well, I've got two main points to make in this presentation: firstly, the Chinese market, \_\_\_\_\_ markets here in Europe and the USA, is growing steadily and rapidly, so it represents a major business opportunity. Last year, \_\_\_\_\_, the total market \_\_\_\_\_ ice cream sales was 23 billion yuan, which is about 2.3 billion euros, so pretty considerable. China is likely to overtake the USA as the leading market for consumer goods within the next 25 years, and when you \_\_\_\_\_ that the market growth is a steady 10% a year, \_\_\_\_\_ that there's an opportunity there, if we can get in. Now, my second point: at the moment there are five major players selling in the Chinese market, \_\_\_\_\_ a lot of smaller local companies. These big ones have a market share between them of more than half, or 57%, \_\_\_\_\_, and that's split up among our three usual competitors. \_\_\_\_\_, they seem to hold the greatest power.

2. THERE ARE 12 WORDS in this text that are not necessary. Cross out the words that should be omitted:

By studying of the strength of your customers' emotional connection to your brand, you can be determine where to invest resources to get the best ROI. Research by *Harvard Business Review* showed that moving a customer from the satisfied to fully connected resulted in a 52% increase in customer value. Strengthening for the customer experience for emotional motivators that result in a fully connected customer was more shown in the Harvard research to result in the highest ROI. Those specific motivators should be a driver for much customer experience investments. Should locations of fully connected customers have be mapped, brands can make such better determinations about store locations, leading to a higher ROI. Since analyzing point-of-sale data for fully connected customers can help brands identify opportunities for merchandising improvements. Pursuing emotional motiva-



---

---

---

---

---

---

---

---

---

---

# Chapter 6

## Securities

---

### 1. Reading and vocabulary

RELATED TOPICS: security; equity and debt; securities markets; regulation.

#### Security

A *security* is a negotiable financial instrument that holds some type of monetary value. It represents an ownership position in a publicly-traded corporation (via stock), a creditor relationship with a governmental body or a corporation (represented by owning that entity's bonds), or rights to ownership as represented by an option. Simply defined, it is any proof of ownership or debt that has been assigned a value and may be sold. Today, evidence of ownership is likely to be a computer file, while in the past, it was a written piece of paper. For the holder, a security represents an investment as an owner, creditor or rights to ownership on which the person hopes to gain profit. Examples are stocks, bonds and options.

The entity that creates the securities for sale is known as the *issuer*, and those who buy them are *investors*. Generally, securities represent an investment and a means by which municipalities, companies, and other commercial enterprises can raise new capital. Companies can generate a lot of money when they go public, selling stock in an initial public offering (IPO), for example. City or state governments can raise funds for a particular project by floating a municipal bond issue. Depending on an institution's market demand or pricing structure, raising capital through securities can be a preferred alternative to financing through a bank loan. On the other hand, purchasing securities with borrowed money, an act known as *buying on a margin*, is a popular investment technique. In essence, a company may deliver property rights, in the form of cash or other securities, to pay its debt or other obligations to another entity.

#### Equity and debt

Securities can be broadly categorized into two distinct types: *equities* and *debts*.

An *equity security* represents ownership interest held by shareholders in an entity (a company, partnership, or trust), realized in the form of shares of capital stock, which includes shares of both common and preferred stock. Holders of equity securities are typically not entitled to regular payments (though equity securities often do pay out dividends), but they are able to profit from capital gains when they sell the securities (assuming they have increased in value). Equity securities do entitle the holder to some control of the company on a pro-rata basis, via voting rights, meaning that a holder of a majority of the equity is usually entitled to control the issuer. In the case of bankruptcy, they share only in residual interest after all the obligations have been paid out to creditors.

A *debt security* represents money that is borrowed and must be repaid, with terms that stipulate the size of the loan, interest rate and maturity or renewal date. Debt securities, which include government and corporate bonds, certificates of deposit (CDs), and collateralized securities (such as CDOs and CMOs), generally entitle their holder to the regular payment of interest and repayment of principal (regardless of the issuer's performance), along with any other stipulated contractual rights (which do not include voting rights). They are typically issued for a fixed term, at the end of which they can be redeemed by the issuer. Debt securities can be secured, i.e. backed by collateral, or unsecured, and, if unsecured, may be contractually prioritized over other unsecured, subordinated debt in the case of bankruptcy.

Then, there are also *hybrid securities*, which, as the name suggests, combine some of the characteristics of both debt and equity securities. Examples of hybrid securities include *equity warrants* (options issued by the company itself that give shareholders the right to purchase stock within a certain time-frame and at a specific price), *convertible bonds* (bonds that can be converted into shares of common stock in the issuing company), and *preference shares* (company stocks whose payments of interest, dividends or other returns of capital can be prioritized over those of other stockholders).

Although *preferred stock* is technically an equity security, it is often treated as a debt security, because it 'behaves like a bond' in that it offers a fixed dividend rate and is a popular instrument for income-seeking investors. It is, essentially, a fixed-income security..

## Securities markets

*Securities markets* are markets in which securities, or financial assets, are traded. There are two different types of securities markets. A *primary market* is used for trading newly issued securities, while a *secondary market* is

used for trading securities that have already been issued. Primary and secondary markets are generally used for trading equity securities.

Primary markets, or primary financial markets, are where new financial assets are issued. There are two main types of primary-market issues. The first type of issue is known as an *initial public offering (IPO)*, and these issues are the very first shares a company offers to the public. Investment bankers serve as underwriters for these issues: they facilitate the process of selling them. Following an IPO, any newly-issued stock, while still sold in the primary market, is referred to as a *secondary offering*. The second type of issue is known as a *seasoned new issue*. These issues are new shares that are issued by a company that already has publicly traded shares on existing stock exchanges. A seasoned new issue is the way a company sells more shares to the investing public.

Secondary markets, or secondary financial markets, trade existing securities, i.e. previously owned shares of stocks, bonds, and other financial assets. In the secondary market, also known as the aftermarket, securities are simply transferred as from one investor to another: shareholders can sell their securities to other investors for cash and/or capital gain. The secondary market, thus, supplements the primary one. The secondary market is less liquid for privately-placed securities since they are not publicly tradable and can only be transferred among qualified investors.

Secondary markets consist of both *organized exchanges*, such as the New York Stock Exchange (NYSE), and *over-the-counter or electronic markets*, such as the National Association of Securities Dealer Automated Quotation System (NASDAQ). Organized stock exchanges are markets that are used to facilitate the trading of financial instruments. The main organized stock exchanges are the New York Stock Exchange and the American Stock Exchange. There are also regional stock exchanges, such as the Pacific, Chicago, Philadelphia, Cincinnati, Intermountain, Spokane, and Boston Stock Exchanges, but these are very small.

The largest stock exchange in the United States is the NYSE. This stock exchange is more than 200 years old, and it is still limited to 1,366 seats (the number of individuals/institutions that can trade), which is the same number of seats it has had since 1953. The NYSE includes over 3,000 listed companies. Generally, 80% of the daily trading volume in the US is done on this stock exchange.

The *over-the-counter (OTC) market* is an electronic network of dealers that allows investors to carry out trades without going through specialists or intermediaries. That is, there is no single physical location where stocks are traded; rather, these trades are executed through the NASDAQ, which links

various dealers and brokers through a computer- or telephone-based system. Usually the bigger companies are traded on an exchange rather than on the OTC market. These trades are also executed through the National Market System, a system under the sponsorship of the National Association of Securities Dealers (NASD), which trades stocks of specific sizes, profitability, and trading requirements. The NASD also trades 'pink sheets', or lists of small companies not listed on any exchange; these stocks are traded by brokers through a network of phone and computer systems, and may be significantly more risky.

## Regulation

In the United States, the *Securities and Exchange Commission (SEC)*, which is an independent agency of the US federal government, regulates the public offer and sale of securities. It holds primary responsibility for enforcing the federal securities laws, proposing securities rules, and regulating the securities industry, the nation's stock and options exchanges, and other activities and organizations, including the electronic securities markets in the country. The SEC provides investors with access to registration statements, periodic financial reports, and other securities forms through its comprehensive electronic, data gathering, analysis and retrieval (EDGAR) database. It was created by Congress (1934) as the first federal regulator of securities markets.

Public offerings, sales and trades of US securities must be registered and filed with the SEC's state securities departments. Issues of securities offered in interstate commerce, through the mail or on the internet must be registered with the SEC before they can be sold to investors. Financial services firms, such as broker-dealers, advisory firms and asset managers, as well as their professional representatives, must also register with the SEC in order to conduct business. Self Regulatory Organizations (SROs) within the brokerage industry often take on regulatory positions as well. Examples of SROs include the National Association of Securities Dealers (NASD) and the Financial Industry Regulatory Authority (FINRA).

In the United Kingdom, the national competent authority for financial markets regulation is the *Financial Conduct Authority (FCA)*, which operates independently of the UK Government, and is financed by charging fees to members of the financial services industry. The FCA regulates financial firms providing services to consumers and maintains the integrity of the financial markets in the United Kingdom. It focuses on the regulation of conduct by both retail and wholesale financial services firms.

## DISCUSSION

1. HOW DO YOU THINK securities affect the economy?
2. HOW ARE STOCKBROKERS and investment advisors connected to securities?
3. HOW CAN SECURITIES be bought and sold?
4. WHEN DOES *short selling* occur?
5. EXPLAIN WHAT an *inflation-protected security (IPS)* refers to.
6. WHAT IS AN IPO, and what are some advantages and disadvantages of it?
7. WHAT IS THE CONNECTION between Wall Street and the NYSE?
8. IN THE *Reading and vocabulary* section, it was said that the NASD also trades 'pink sheets'. Color idioms are often used in business English. What do the following idioms mean: black market, blue-chip stock, get the green light, golden parachute, in the black, in the red (out of the red), pink slip, red tape, white-collar/blue-collar worker.
8. THE FCA Handbook lists the following as investments: share, debenture, warrant, personal pension scheme, pension scheme which provides safeguard benefits, and emission allowance. What do these concepts refer to, and what would be their Macedonian equivalents?

## ASSIGNMENT

In 250–300 words, **elaborate on one of the following:**

1. "In your own words, explain, describe, and illustrate how the NYSE and NASDAQ work.
2. Describe the government securities market in the Republic of Macedonia in terms of regulations, regulatory authority, responsibility, etc.
3. "The stock market is filled with individuals who know the price of everything, but the value of nothing." (Phillip Fisher) Discuss this quote, and express your personal opinion, whether you agree or disagree.

### *2. Grammar focus: relative clauses*

*Relative clauses* are a very common way of supplying more specific information about a noun referring to a person, thing or group. They are most commonly positioned immediately after the noun they refer to. Relative clauses can be sub-divided into *defining* and *non-defining*.



*Defining relative clauses* supply essential information needed to identify a particular person or thing, and they do not require commas.

*Non-defining relative clauses* are usually separated by commas, and give additional information about a person or thing. This information is not absolutely necessary in order to identify who or what is being talked about; it does not define, but adds information.

Relative clauses often begin with a *relative pronoun*, such as *who* (people), *that* (people or things), or *which* (things). These pronouns do not have masculine, feminine, or plural forms.

The relative pronoun *whom* is rather formal and is only used in written English or formal spoken English (the relative pronoun *who* is often used instead). However, if the relative pronoun occurs immediately after a preposition, *whom* must be used, as in *the man with whom (~~who~~) business was conducted*. This tends to be avoided, however, by using *who*, and placing the preposition at the end of the clause, or by omitting the pronoun altogether, as in *the man who business was conducted with*.

The relative pronoun *whose* can be used to talk about something which belongs to a person or an animal, or something or someone that is associated with a person. *Whose* should not be confused with *who's*, which is a contracted form of *who is* or *who has*, as in *a colleague whose sales pitch was great* vs. *a colleague who's been pitching a new book*.

Present participle forms (-ing) and past participle forms (-ed) can be used without a pronoun or auxiliary verb to form a *participle relative clause*, which has the same meaning as the relative clause it replaces, as in *Do you know the company deciding to buy us out?* (*Do you know the company which is deciding to buy us out?*)

(For more on relative clauses, see Grammar Focus in Chapter 5, in *Business English 1*)

## EXERCISES

1. DISCUSS THE RELATIVE CLAUSES in the following sentences in terms of the type of relative clause it is, the information it conveys, the (lack of) relative pronoun, and punctuation:

- a) The person who can give you the required information is out of the office at the moment.
- b) Pat Smith, who heads the HR Department, will meet you on your next visit.

- c) I've already spent this morning with Mr. Greene, whom we're going to lay off soon.
- d) The employees with whom I have discussed the compensation package have all accepted it.
- e) I'd also like to acknowledge a woman whose efforts have helped this company move forward.
- f) We're not interested in machines we can't regularly maintain ourselves.
- g) I'm afraid I won't be around when the annual company party takes place.
- h) I hate attending networking events, which always make me more anxious than I am.
- i) The CEO, who's negotiating the merger at the moment, is the person you need to talk to.
- j) The press release, written by our PR team, came out at the perfect time.

2. DECIDE WHICH interpretation is correct (a/b) in the sentences below, and discuss why:

- i) The branch we established in Singapore has 250 employees.
  - a. There is only one branch in Singapore.
  - b. There is more than one branch in Singapore.
- ii) The agent making the highest sales average will receive a special bonus.
  - a. Only one agent will receive a special bonus.
  - b. Only some agents will receive a special bonus.
- iii) The employees, who have been employed for more than 10 years, are entitled to an additional six days of annual holiday leave.
  - a. All the employees have been employed for more than 10 years, and they are all entitled to an extra 6 days of annual holiday leave.
  - b. Only the employees that have been employed for more than 10 years are entitled to an extra six days of annual holiday leave.
- iv) I'm going to complain to the Jay Stok that we both know.
  - a. There is only one person named Jay Stok, and we both know him.
  - b. There is more than one person named Jay Stok, and we both know the same Jay Stok.

v) We cannot do business with companies whose offices are not in the UK.

a. We can do business only with those companies which have offices in the UK.

b. We can do business with any company which has offices both in the UK and abroad.

3. MAKE ONE SENTENCE (including an appropriate relative clause) from each pair:

a) The Finance Department is overambitious with its timeframes. This sometimes presents an issue for the other Departments.

---

---

b) We might consider informing the shareholders. They have the right to be informed.

---

---

c) I have to accept the validity of her points. She made these specific points during her pitch.

---

---

d) The share price reached a peak before slightly falling, then levelling off. A peak means “the highest point”.

---

---

e) Neither of the applicants impressed me much. They were even late for the interview.

---

---

f) I just finished talking to Mr. Pierce. He sends you his regards.

---



---

g) To remain competitive, we have to forget all about the old bureaucratic empires. Their functioning in the past was strictly divided into separate departments.

---



---

4. UNDERLINE THE participle relative clause in each sentence, and transform it into a relative clause with a suitable relative pronoun:

a) This estimation was drawn up on the basis of the documents sent to us by email.

---



---

b) I finally worked out the payment terms with David Sith, known as the best negotiator around.

---



---

c) With reference to recent legislation affecting securities, I'll inform you of changes in due time.

---



---

d) We are unable to offer you the needed facilities, made available to you in the past.

---



---

e) Other rival banks have expressed an interest, opening new windows for opportunities.

---

---

f) Why did you reject all the offers for access proposed?

---

---

g) An IPO is underwritten by one or more investment banks, also arranging for the shares to be listed on one or more stock exchanges.

---

---

h) This refers to an amendment to the draft, considered by the Ministry and not disclosed to the public yet.

---

---

### *3. Practice and revision*

1. COMPLETE THE TEXT by filling in the gaps with one word:

Securities lending still continues to be full (1) \_\_\_\_\_ complexity. Have we ever (2) \_\_\_\_\_ to ask ourselves what clients really want and need? (3) \_\_\_\_\_ lenders really need ten collateral schedules? Do borrowers really care about getting (4) \_\_\_\_\_ cheapest borrow, or would they (5) \_\_\_\_\_ to optimise its stability and visibility? Instead of simplifying and standardizing our offering, we have created a selection of different offerings (6) \_\_\_\_\_ try and attract new participants, (7) \_\_\_\_\_ substantially increasing the operational risk and cost-per-trade. Can this be (8) \_\_\_\_\_ viable strategy in where the standardization and the supply (9) \_\_\_\_\_ offerings is

inherent in most aspects of our lives? Frank D'Agnese, State Street's head of product and technology (10) \_\_\_\_\_ securities finance, points out in a piece in the Securities Lending Times (11) \_\_\_\_\_ every securities lending program has (12) \_\_\_\_\_ own set of client-driven parameters relating to commercial terms and conditions.

2. PUT THE WORDS, which have been scrambled up, in order to form grammatically correct sentences:

a) opening / the beginning / day / the / mark / and / bells / the NYSE's / trading / and / end / each / closing / of

---



---

b) financial context / a / other / can be / has / or / certificate / is / traded / a / security / value / in / financial instrument / a / monetary / that / and

---



---

c) investors / the primary / that / the sale / ways / operations / companies / for / new capital / securities / one of / to / is / drive / of / publicly-traded

---



---

d) activities of / deception / to prevent / oversees / mutual / the SEC / transactions / intentional / and / fund / securities / professionals / fraud / financial / trading / and

---



---



---



# *Chapter 7*

## *Accounting and auditing*

---

### *1. Reading and vocabulary*

RELATED TOPICS: accounting; auditing; business risks.

#### **Accounting**

*Accounting* is the systematic and comprehensive recording of financial transactions relating to a business. Accounting also refers to the process of summarizing, analyzing and reporting these transactions to oversight agencies, regulators, and tax collection entities. The financial statements summarize a company's operations, financial position and cash flows over a particular period, and are a concise summary of hundreds of thousands of financial transactions.

Accounting is one of the key functions for almost any business. It may be handled by a bookkeeper or an accountant at a small firm, or by sizable finance departments with dozens of employees at larger companies. The reports generated by various streams of accounting, such as *cost accounting* and *management accounting*, are crucial in helping management make informed business decisions. While basic accounting functions can be handled by a bookkeeper, advanced accounting is typically handled by qualified accountants who possess titles such as Certified Public Accountant (CPA) in the United States, or Chartered Accountant (CA), Certified General Accountant (CGA) or Certified Management Accountant (CMA) in Canada. All accounting designations are the culmination of years of study and exams, combined with a minimum number of years of practical accounting experience.

In most cases, accountants use *Generally Accepted Accounting Principles* (GAAP) when preparing financial statements. The GAAP is a set of standards related to balance sheet identification, outstanding share measurements, and other accounting issues, and its standards are based on double-entry accounting, a method in which each expense or incoming revenue is entered in two places on a company's balance sheet. An example of double-entry accounting would be the following: a business issues an invoice to one of its



clients; an accountant using the double-entry method enters a debit under the accounts receivables column on the balance sheet and a credit under the income statement's revenue column. When the client pays the invoice, the accountant credits accounts receivables and debits cash. Double-entry accounting is also called *balancing the books*, as all of the accounting entries are balanced against each other. If the entries are not balanced, the accountant knows there must be a mistake somewhere in the ledger.

*Financial accounting* refers to the processes accountants use to generate the annual accounting statements of a firm. *Management accounting* uses much of the same processes but makes use of the information in different ways. Namely, in management accounting, an accountant generates monthly or quarterly reports that a business's management team can use to make decisions about how the business operates. Just as management accounting helps businesses make decisions about management, *cost accounting* helps businesses make decisions about costing. Essentially, cost accounting considers all of the costs related to producing a product. Analysts, managers, business owners, and accountants use this information to determine what their products should cost. In cost accounting, money is set as an economic factor in production, whereas in financial accounting, money is considered to be a measure of a company's economic performance.

## Auditing

An *audit* is an objective examination and evaluation of the financial statements of an organization to make sure that the records are a fair and accurate representation of the transactions they claim to represent. The audit can be carried out internally by employees of the organization, or externally by an outside firm. The International Revenue Service (IRS) can perform audits to verify the accuracy of a taxpayer's returns or other transactions. When the IRS audits, it usually carries a negative connotation and is seen as evidence of some type of wrongdoing by the taxpayer.

Audits performed by outside parties on private companies can be extremely helpful in removing any bias when it comes to the state of a company's finances. Audits look for what can be called a 'material error' in statements on any specific object. They help provide stakeholders with a sense of accuracy when regarding the state of the subject being audited, and can help enable them to make better, more informed decisions regarding the subject being audited. When audits are performed by third parties, the opinion on whatever is being audited (a business's books, an organization as a whole, or a system) can be open and honest without it affecting daily work relationships. Almost

all companies receive an audit once a year, while larger companies can even receive audits monthly.

When it comes to external auditing, there are two different categories of auditors. First, there are *external* or *statutory auditors*, who work independently to evaluate financial reporting, and then there are *external cost auditors*, who evaluate cost statements and sheets to see if they are free of misstatements or fraud. Both of these types of auditors follow a set of standards different from that of the company or organization hiring them to do the work. *Internal auditors* are employed by the company or organization for whom they are performing the audit. They provide information to the board, managers, and other stakeholders on the accuracy of their books, and the effectiveness of their internal systems.

In the US, as in other countries, an audit has to meet a general set of accepted standards, established by their respective governing bodies. Standards for external audits, called the *Generally Accepted Auditing Standards (GAAS)*, are set out by the American Institute of Certified Public Accountants. A separate set of international standards, called the *International Standards on Auditing*, have been set up by the International Auditing and Assurance Board.

Audit planning includes deciding on the overall audit strategy, and developing an audit plan, which is expected to describe the planned nature, extent, and timing of the procedures for risk assessment, and the tests to be done on the controls and substantive procedures. Internal auditors need to understand the business, operations, and unique characteristics of the department/unit being audited, and to develop an audit plan that defines the procedures needed to do an efficient and effective audit.

Constraints in resources (e.g. hiring internal or external auditors can be expensive) demand that an audit provide only reasonable assurance that statements are free from significant errors. Due to the high cost of audits, and the fact that auditors cannot possibly verify every single transaction that has taken place, auditors use statistical sampling and make a determination (with management) as to key focus areas. An audit is not a guarantee that financial statements provide a perfect representation of the organization, but only a reasonable assurance that the statements are free of material misstatements.

There are a few personal characteristics that are important for an auditor to have, such as: a) a strong ethical framework so as to report on issues immediately as they come across them; b) good communication skills, which allow auditors to have rapport with a variety of employees, managers, directors, and external parties; c) strong interpersonal skills, which are important due to the variety of informational requests; d) being a team player; and e)

possessing ‘professional skepticism’, an important trait, especially when reviewing a company’s internal controls.

## Business risks

*Business risks* exist quite independently of the financial statements and they do not depend on audit procedures. A business risk is where the directors make wrong decisions, or where events have occurred which threaten the business’s future. They are often classified as: *strategic risks* (e.g. investing in out-of date technology); *operational risks* (e.g. manufacturing products which have faults); *regulatory risks* (e.g. the fines and damages that might be payable as a consequence of breaching health and safety regulations); and *financial risks* (e.g. an inability to pay interest or rent because of poor cash flow).

Although drafting financial statements does not affect them, understanding the business risks can give insights into where the financial statements might contain material misstatements. For example, investing in out-of date technology could cause going concern problems and queries about the impairment of the out-of date, though possibly relatively new, machinery. Regulatory risks can give rise to problems over assessing and presenting liabilities or contingent liabilities.

The risk of material misstatement refers to the risk that a material misstatement is present in the financial statements that are being audited. It is the purpose of the audit to ensure that these misstatements do not appear in the published financial statements, or, if they do, that there is an appropriately modified audit opinion. Misstatements can refer to the treatment of the transaction, event or balance, including its presentation and disclosure being incorrect, or the amount of the transaction, event or balance being incorrect.

The auditor must create suitable procedures to collect sufficient appropriate audit evidence about the assertions lying behind both of these aspects of items in the financial statements.

## DISCUSSION

1. WHERE DO THE FIELDS of accounting and auditing intersect?
2. WHAT IS THE DIFFERENCE between the following: an accountant, an auditor, a bookkeeper, a financial analyst, a financial planner?

3. DISCUSS THE FIVE basic principles that form the foundation of modern accounting practices: the revenue principle, the expense principle, the matching principle, the cost principle, and the objectivity principle.

4. DISCUSS THE BENEFITS and limitations of technology and its use in accounting.

5. WHAT IS MEANT by the phrase *accounts receivable*?

- a) Money owed to a company by its debtors;
- b) Money owed by a company to its creditors;
- c) Money owed to a company by its employees;
- d) Money owed by a company to its vendors.

6. *ACCOUNTS PAYABLE* is classified as a/an \_\_\_\_\_ in the \_\_\_\_\_.

- a) current asset; balance sheet;
- b) current liability; balance sheet;
- c) expense; income statement;
- d) revenue; income statement.

7. WHAT PROVISIONS DOES the *Audit Law* of the Republic of Macedonia cover?

8. WHAT IS A *PR audit*, what does it consist of, and what is its importance?

9. CASE STUDY: Oaks Co. received a grant of \$35m in relation to the re-development of its main manufacturing site. The government is providing grants to companies for capital expenditure on environmentally-friendly assets. Oaks Co. has spent \$25m of the amount received on solar panels, which generate electricity, and intends to spend the remaining \$10m on upgrading its production and packaging lines. Evaluate the business risks faced by Oaks Co., and identify and explain the risks of a potential material misstatement to be considered in planning the audit of Oaks Co.

## ASSIGNMENT

In 250–300 words, elaborate on one of the following:

1. DISCUSS POTENTIAL ethical issues that might arise in the field of accounting or auditing. (choose one to discuss in more detail).

2. IT HAS BEEN SAID that accountancy is a necessity, while auditing is a luxury. Discuss this stance and provide arguments to support your opinion.

3. DISCUSS THE IMPACT of blockchain on the profession of auditing.

## 2. Grammar focus: *reported speech (reporting verbs)*

*Reported speech* is a sentence structure used to report someone else's words. The verb tenses, word order, and pronouns are different from those in the original sentence. Direct speech expresses the exact words used, which in written language is shown through the use of quotation marks, as in "I'm sorry for attaching the wrong document in the email," said Mark.

Reported speech focuses more on the content of what has been said rather than on the exact words used, thus omitting the quotation marks, and generally putting the reporting verb in the past simple tense, as in the sentence *Mark said he was sorry for attaching the wrong document in the email. / Mark apologized for attaching the wrong document in the email.*

The reporting verbs *say* and *tell* are most frequently used to report statements in direct speech, while *ask* is used to report *wh-* and *yes/no questions*. However, there are other reporting verbs that can be used, which add an expressive value to the statement they are reporting, such as: *accept, add, admit, advise, agree, announce, answer, beg, claim, command, comment, complain, confess, confirm, congratulate, continue, decline, demand, deny, discuss, emphasize, enquire, explain, hint, inform, insist, interrupt, invite, maintain, note, observe, offer, order, point out, promise, propose, protest, reassure, recommend, refuse, remind, repeat, reply, report, reveal, shout, state, stress, suggest, threaten, warn, wonder, etc.*

E.g. "Has the government policy changed?" the reporter asked.

*The reporter **asked** if the government policy had changed.*

E.g. "When are you going to post the call for bids?" the official asked.

*The official **asked** when we were going to post the call for bids.*

(For more on reported speech, see Grammar Focus in Chapter 6, *Business English 1*)

Reporting verbs followed by an INFINITIVE:	Reporting verbs followed by a GERUND:	Reporting verbs followed by a THAT-CLAUSE:

## EXERCISES

1. TURN THESE DIRECT SPEECH sentences (from a public meeting about a pollution problem) into reported speech, by using the reporting verb in brackets:

a) "Nitrate levels in the local water supply are slightly higher than normal." (announce)

---

b) "It is possible that the factory nearby is responsible." (admit)

---

c) "There was a small chemical leak last Friday." (explain)

---

d) "We have taken measures to ensure that this situation cannot reoccur." (reassure)

---

e) "Believe me – we are in the midst of negotiating a settlement with the town council." (insist)

---

f) "We will announce full details in a press statement in a few days' time." (promise)

---

g) "Has there ever been a problem like this before?" (ask)

---

h) "No, there haven't been any other leaks in 30 years at the factory." (deny)

---

i) "When do you plan to re-open the factory?" (enquire)

---

j) "As soon as possible, but some staff may be laid off for a few months." (warn)

---

2. REPORT THE PHRASES in italics with a verb from these below. Two verbs are not needed:

*accept / agree / complain / emphasize*

*explain / propose / report / suggest*

a) "Well, I don't see eye to eye with you on several points, but *yes, I have to say that you are quite right that productivity should be a concern.*"

---

b) "I've heard there's a similar project *in Asia where it's been said that they've actually improved productivity.*"

---

c) "I'm not a believer of team-work, but *I'm pretty sure corporate culture will be much better when open plan offices are incorporated.*"

---

d) "I've said it before, and I'll say it again: *my company does everything it can to limit the impact of our activities on the environment.*"

---

e) "I think there's a slight misunderstanding here. Yes, *we do make fair profits, but we've never exploited our employees.*"

---

f) "Yes, that's a fair point: *we can, and we will do more to develop sources of alternative energy, such as wind and solar power.*"

---

3. PUT THE FOLLOWING TEXT into direct speech:

Minutes of the Management Committee meeting (Jan Navratile, Ines Caba, Christopher Tabbs):

JN reported that the plan had been well received at Head Office. She also stressed that group management were aware of the need for good relations with local communities, and would support Mirratec's decision. IC agreed that it was important to improve public relations, but emphasized the risks involved for production, e.g., absenteeism and quality issues. She claimed that the project could become an excuse to take time off work, especially during the construction phase in the

summer. CT reminded the meeting that only a small number of employees would be concerned. Finally, it was agreed that the project should be approved.

---



---



---



---



---



---



---



---



---



---

4. READ THESE EXTRACTS from reports, then decide who made the statements below:

**A:** CEO Klaas Roos announced an end to manufacturing in Europe, informing shareholders that labor costs could not be justified, and explaining that Asian textile imports could no longer be matched for price.

**B:** Speaking to our reporter on the spot, Ms Gronko explained that all villagers forced to leave their homes by the new road would be compensated. Asked to what level, she replied that she was unable to give a figure, but added that discussions were being held with local representatives.

**C:** Journalists are reported to have been refused entry to Plazachem's Tashkent plant after leakages of toxic chemicals were described by workers. Employees claimed that health and safety regulations had not been applied for the last five years, and that several fatal accidents had occurred. Plazachem management declined to comment.

**D:** Asked how the company intended to compensate the victims of the accident, Mr Sanchez answered that no decision had yet been reached. Emphasizing the complexity of the legal situation, he suggested negotiations may be prolonged.



“It’s just too expensive.”    “It’s dangerous: people have died.”    “We’re still talking.”  
 “It’s too early to say.”    “We’re closing down.”    “It could take years.”  
 “They will be paid.”    “Your request has been denied.”    “I don’t know.”  
 “We can’t compete.”    “I’m afraid he’s unavailable.”    “It’s really not simple.”

### *3. Practice and revision*

#### 1. CHOOSE the correct option:

The seventh principle of corporate governance, outlined in what is (1) \_\_\_\_\_ as the ‘Brussels Code’, (2) \_\_\_\_\_ the process by which a company’s auditor is appointed in Belgium. The auditor is appointed by the supervisory board, and a minimum of two independent board members should support the appointment decision. The board may appoint an audit committee, (3) \_\_\_\_\_ mainly of independent board members, to monitor the company’s financial situation and its accounting system. In (4) \_\_\_\_\_ code there are some interesting provisions, which (5) \_\_\_\_\_ to help ensure auditor neutrality. These (6) \_\_\_\_\_ appointing a new auditor every five years, and publishing the financial (7) \_\_\_\_\_ of services provided by the auditor, or its subsidiaries and affiliates, in the accounting year. It should be noted that (8) \_\_\_\_\_ appointing a new audit firm, the company may continue to use the same firm with a change of personnel to (9) \_\_\_\_\_ a completely different audit team.

1. a) familiar    b) known    c) named    d) referred
2. a) respects    b) applies    c) relates    d) concerns
3. a) composed    b) contained    c) combined    d) made
4. a) these    b) a    c) the    d) one
5. a) will design    b) have designed    c) are designed    d) designs
6. a) contains    b) include    c) consist    d) show
7. a) worthy    b) profits    c) value    d) rate
8. a) rather than    b) except by    c) even so    d) just as
9. a) achieved    b) create    c) cause    d) provide

2. MAKE GRAMMATICALLY COMPLETE sentences from each headline below, then discuss the differences (headline vs. sentence):

a) China's Annual Growth Slowest in Decades

---

b) \$500 Competition Breach Fine

---

c) U.S. Government Shutdown Shaking Stability of Jobs

---

d) Why Switzerland Worries about Brexit

---

e) Country Built on Trade Barriers?

---

## *4. Translation*

TRANSLATE THE FOLLOWING TEXT from English into Macedonian:

The future of accountancy is certain to be more structured, governed by global standards and under more examination from a variety of national and international bodies. Therefore, accountants, particularly those working in small and medium practices, must change their mindset. They must start by leading change, continuously improving their skills, and demonstrating a fundamental commitment to professional ethics. Future accountants will increasingly need education in digital technology, while universities will need to develop new units for accounting students. Professional accounting organizations should consult with universities to bring together experts/lecturers in the new areas, and run new courses.

---



---



---



# *Chapter 8*

## *Money supply*

---

### *1. Reading and vocabulary*

RELATED TOPICS: money supply; interest rates; digital currency.

#### **Money supply**

*Money supply* (or *money stock*) refers to the entire stock of currency and other liquid instruments circulating in a country's economy at a particular time. The money supply can include cash, coins, and balances held in checking and savings accounts. It does not include other forms of wealth, such as investments, home equity, or physical assets that must be sold to convert to cash. It also does not include various forms of credit, such as loans, mortgages, and credit cards. Although people use these as money to improve their standard of living, they are not considered part of the money supply. Economists analyze the money supply and develop policies revolving around it through controlling interest rates and increasing or decreasing the amount of money flowing in the economy. The money supply reflects the different types of liquidity each type of money has in the economy.

Money supply data is collected, recorded and published periodically, typically by the country's government or central bank. Public and private sector analysis is performed because of the money supply's possible impacts on price level, inflation and the business cycle. In the USA, the Federal Reserve policy is the most important deciding factor in the money supply, while for the UK, it is the Bank of England. These institutions regulate the money supply to stabilize their respective economies. The Federal Reserve Board, for example, can buy or sell government securities, in this way expanding or contracting the money supply.

An increase in the supply of money typically lowers interest rates, which, in turn, generates more investment and puts more money in the hands of consumers, thus stimulating spending. Businesses respond by ordering more raw materials and increasing production. The increased business activity raises

the demand for labor. The opposite can occur if the money supply falls, or when its growth rate declines.

Historically, the measure of money supply has shown that relationships exist between certain economic factors and inflation, which was used as a determinant of the future direction of price levels and inflation. Although money supply measures are still widely used, they are no more important than the wide range of economic data that economists and the Federal Reserve collect and review.

## Interest rates

The term *interest rate* refers to the amount charged, expressed as a percentage of principal, by a lender to a borrower for the use of assets. Interest rates are typically noted on an annual basis, which is known as the *annual percentage rate (APR)*. The assets borrowed may include cash, consumer goods, and large assets such as a vehicle or a building.

Interest is essentially a rental, or leasing charge to the borrower, for the use of an asset. In the case of a large asset (a vehicle or a building), the interest rate is sometimes known as the *lease rate*. When the borrower is low risk, they will usually be charged a low interest rate; if the borrower is high risk, the interest rate that they are charged will be higher. In terms of borrowed money, the interest rate is typically applied to the principal, which is the amount of money lent. The interest rate is the cost of debt for the borrower and the rate of return for the lender.

Interest rates are applied in a number of situations where lending and borrowing is concerned. People borrow money to buy homes, fund projects, start businesses, pay college tuition, etc. Businesses take out loans to fund capital projects and expand their operations by purchasing fixed and long-term assets such as land, buildings, machinery, trucks, etc. The money that is lent has to be repaid either in a lump sum at some pre-determined date or in monthly installments, which is usually the case. The money to be repaid is usually more than the borrowed amount since lenders want to be compensated for their loss of use of the money during the period that the funds are loaned out; for example, the lender could have invested the funds instead of lending them out. The difference between the total repayment sum and the original loan is the interest charged, which is, essentially, an interest rate that is applied on the principal amount.

Interest rate levels are, in essence, determined by the laws of supply and demand. In an economic environment in which demand for loans is high,

lending institutions are able to command more profitable lending arrangements. On the contrary, when banks and other institutions find that the market for loans is weak (or worse), interest rates are typically lowered accordingly to encourage businesses and individuals to take out loans.

Another key factor in determining interest rates is the lending agency's confidence that the money – and the interest on that money – will be paid in full and in a reasonable timeframe. Default risk encompasses a wide range of circumstances, from borrowers who completely fail to fulfill their obligations to those who are simply late with a scheduled payment. If lenders are uncertain about the borrower's ability to stick to the specifications of the loan arrangement, they will often demand a higher rate of return or risk premium. Borrowers with an established credit history, on the other hand, qualify for what is known as *prime interest rate*, which is a low interest rate.

All other factors being equal, higher interest rates in a country increase the value of that country's currency relative to countries offering lower interest rates. However, such simple straight-line calculations rarely exist in foreign exchange. Although interest rates can be a major factor influencing currency value and exchange rates, the final determination of a currency's exchange rate with other currencies is the result of a number of interrelated elements that reflect the overall financial conditions of a country in respect to other countries.

Higher interest rates tend to attract foreign investment, increasing the demand for and value of the home country's currency. Conversely, lower interest rates tend to be unattractive for foreign investment and decrease the currency's relative value.

Interest rates alone do not determine the value of a currency. Two other factors - political and economic stability, and the demand for a country's goods and services - are often even more important. Factors such as a country's balance of trade between imports and exports can be a crucial factor in determining currency value.

## Digital currency

The term *digital currency* refers to a payment method which exists only in electronic form and is not tangible. Digital currency can be transferred between entities or users with the help of technology like computers, smartphones and the internet. Although it is similar to physical currencies, digital money allows a borderless transfer of ownership, as well as immediate transactions. Digital currencies can be used to purchase goods and services, but

can also be restricted to certain online communities, such as gaming or social networks.

At the moment, digital currency has only a limited user base, and the regulatory framework, as well as tax treatments of digital currencies are still evolving. The infrastructure needed to support digital currency is still being determined and developed. *Cryptocurrencies* and *virtual currencies* are categories of digital currencies. As payments are made directly between payors and payees, digital currencies can eliminate intermediaries, process steps and costs related to infrastructure, unlike traditional payment methods which cannot bypass banks. They can also help make the funds flow more simply and transparently.

There are many benefits associated with digital currencies, such as the ability to easily make payments on time, as well as lower transaction costs. Another way in which digital currencies can help an organization is by reducing or eliminating the exposure risks by using them as a transport currency. At present, digital currencies are not accepted by banks, and as a result, interest cannot be earned on them by individuals or organizations. There are also risks associated with digital currencies, such as security, currency volatility, and payment beneficiary identification. Some areas of uncertainty, like following regulations and customer identification, along with the risk, also limit digital currencies being accepted in the payment industry.

*Cryptocurrencies* are a special case of digital currencies. The term itself came about with Bitcoin, as it was the first to use cryptographic digital signatures to make transactions valid. Cryptocurrencies are the class of digital currencies that has grown immensely in recent years, and that growth is probably the main reason for the recent increase in research and public debate on the nature of digital currencies. So, it is a digital currency where transactions are recorded on a public digital ledger called a *blockchain*, and every process along the way is secured by cryptography. The main difference between cryptocurrency and bank credit is that instead of banks and governments issuing the currency and keeping ledgers, an algorithm does. Meanwhile, cryptocurrencies are traded on online cryptocurrency exchanges, like stock exchanges.

Cryptocurrency works in the following way: transactions are sent using software called *cryptocurrency wallets*. The person creating the transaction uses the wallet software to transfer balances from one account (or a public address) to another. To transfer funds, knowledge of a password (or a private key) associated with the account is needed. Transactions are encrypted and then broadcast to the cryptocurrency's network and lined up to be added to the public ledger. Transactions are then recorded on the public ledger via a process called *mining*. The transaction amounts are public, but who sent the

transaction is encrypted (it is pseudo-anonymous). Each transaction leads back to a unique set of keys. Whoever owns that set of keys owns the amount of cryptocurrency associated with those keys (just like whoever owns a bank account owns the money in it). Many transactions are added to a ledger at once. These 'blocks' of transactions are added sequentially by miners. That is why the ledger and the technology behind it are called 'block' and 'chain' - it is a 'chain' of 'blocks' of transactions.

## DISCUSSION

1. WHAT IS THE CORRELATION between money supply and: a) inflation; b) GDP?

2. a) IF AN INDIVIDUAL takes out a \$300,000 loan from the bank and the loan agreement stipulates that the interest rate is 15%, how much will the borrower have to pay back to the bank?

b) IF A COMPANY secures a \$1.5 million loan from a lending institution that charges it 12% interest, how much must the company repay?

3. HOW DOES WAR affect interest rates?

4. WHAT MAKES A CURRENCY strong? What are the strongest currencies in the world? Why?

5. WHAT DO THESE WORDS/PHRASES refer to: accrued interest, broad money, circulation, compound interest, economic bubble, Ethereum, exchange rate, Federal Reserve discount window, Fiat money, ICO, lump sum, narrow money, nominal interest, quantitative easing.

6. IF THE GOVERNMENT HAS a national debt, why would it not just print more money and pay off the debt?

7. PROVIDE EXAMPLES of financial crimes. What punishments would be suitable for them?

8. DISCUSS THE RISKS associated with digital currencies in more detail?

## ASSIGNMENT

In 250–300 words, **elaborate on one of the following:**

1. COMPARE the Federal Reserve to the Bank of England.

2. AT THE END OF 2018 and the beginning of 2019, there was a government shutdown in the USA. What effect would a shutdown have on the US economy and institutions?



– OR – DISCUSS WAYS in which Brexit could affect the global economy.

3. WHAT KIND OF POTENTIAL for the future does digital currency have as a monetary instrument? Will society become cashless one day? What would be the advantages/disadvantages of a cashless society?

– OR – OPINIONS ARE DIVIDED on the Bitcoin, its use, security, etc. What is your opinion concerning the Bitcoin? Would you invest in it? Explain and support your answer.

## ***2. Grammar focus: sentence connectors: commonly confused words***

*Sentence connectors* or *linking words (phrases)* are used to show relationships between ideas. They can be used to join two or more sentences or clauses, which means that they serve as a transition between the sentences/clauses. The functions of connectors in English vary, but what they all have in common is that they express a certain relationship between the elements they are connecting. Using them in speaking and writing adds maturity and sophistication, as well as clarity, so that the listener or reader can easily follow the speaker's/writer's stream of thoughts.

*Coherence* refers to the connection of ideas at an idea level, while *cohesion* means the connection of ideas at a sentence level. Basically, coherence refers to the 'rhetorical' aspects of speaking/writing, which include developing and supporting, as well as organizing and clarifying ideas. Cohesion, on the other hand, focuses on the 'grammatical' aspects of speech/writing.

(For more on connectors, see Grammar Focus in Chapter 9, in *Business English 1*)

The following paragraph is an example that illustrates ideas which are not well connected:

*This hotel is top-class. It is one of the most well-known hotels in the country. The latest regional PitchFest was held at the hotel. The hotel spent loads of money to advertise the event. Because the hotel wanted to gain international reputation. But not many people attended the event.*

However, they are much better linked in the paragraph below:

*The latest regional PitchFest was held at this top-class hotel, which is one of the most well-known hotels in the country. The hotel spent loads of money on advertising the event since it wanted to gain international reputation; however, not many people attended the event.*

## EXERCISES

1. PLACE THE SENTENCE CONNECTORS in the categories below, in terms of their function, and then translate them into Macedonian and discuss the differences in both languages:

accordingly – all in all – also – alternatively – as a consequence – as a result – as far as – besides – consequently – conversely – correspondingly – despite – essentially – firstly – for example (e.g.) – for instance – furthermore – given – hence – however – in addition – in brief – in conclusion – in contrast – in fact – in other words – in particular – in regards to – in spite of – indeed – inevitably – likewise – moreover – namely – nevertheless – on the contrary – on the other hand – otherwise – overall – particularly – provided – regarding – regardless – similarly – so – specifically – to illustrate – that is to say (i.e.) – then – therefore – thus – until – whereas – while – with respect to.

a) Cause/effect (result): \_\_\_\_\_

b) Comparison: \_\_\_\_\_

c) Contrast: \_\_\_\_\_

d) Similarity: \_\_\_\_\_

e) Emphasis: \_\_\_\_\_

f) Clarification: \_\_\_\_\_

g) Exemplification: \_\_\_\_\_

h) Addition: \_\_\_\_\_

i) Condition: \_\_\_\_\_

j) Ordering and listing: \_\_\_\_\_

k) Transition: \_\_\_\_\_

l) Summary: \_\_\_\_\_

2. Connect each pair of sentences with the most appropriate sentence connector(s) (the function of the connector is given in brackets):

a) Fluctuation in exchange rates causes instability. It makes forecasting more difficult. (addition)

---



---

b) The product was launched ten years ago, when competition was fierce. It was tough for us to get the commitment of the senior management. (cause and effect)

---

---

c) The system lacked originality, efficiency and ingenuity. It was a complete failure. (summary)

---

---

d) The recession in the building industry hit us hard. Our competitors saw an increasing load of orders. (contrast)

---

---

e) Good business people should be able to read between the lines. They should be able to make inferences about information that is conveyed indirectly or given only partially. (clarification)

---

---

f) I am making a large order, which we will pay up front. We should be given a considerable discount. (condition)

---

---

g) Our Head is going to present the figures in detail. He is going to take on any questions you might have. (ordering and listing)

---

---

**3. CHOOSE THE CORRECT OPTION:**

Budgets are most commonly used by organizations to exercise control. They are, (1) \_\_\_\_\_, barriers to changes, and fail to do well what most managers think they do well, (2) \_\_\_\_\_, provide order and control. They are barriers for many reasons. (3) \_\_\_\_\_, they

reinforce the command-and-control management model and (4) \_\_\_\_\_ undermine attempts at organizational change, such as delegation and empowerment. (5) \_\_\_\_\_, they tend to set a ceiling on growth potential and a floor for cost reductions, thus stifling real improvement breakthroughs. Strong brands, skilled people, excellent management processes, strong leadership, and loyal customers are assets that are outside the measurement orbit of the accounting system. (6) \_\_\_\_\_, budgets are typically extrapolations of existing trends, with little attention being paid to anticipatory models.

- |    |               |                |                |             |
|----|---------------|----------------|----------------|-------------|
| 1) | a) besides    | b) until       | c) in fact     | d) while    |
| 2) | a) i.e.       | b) likewise    | c) similarly   | d) e.g.     |
| 3) | a) As far as  | b) Besides     | c) Firstly     | d) Given    |
| 4) | a) until      | b) however     | c) despite     | d) thus     |
| 5) | a) Namely     | b) In addition | c) Provided    | d) Although |
| 6) | a) Conversely | b) Regardless  | c) In contrast | d) Indeed   |

4. BELOW ARE PAIRS / GROUPS of words that are commonly confused in regards to their meaning. All of them have appeared in this textbook. First, explain and translate the words, then use each word in an example, i.e. in a sentence in a business context:

account / bill	hard / hardly
accounting / accountability	hope / wish
advise / advice	i.e. / e.g.
anticipate / predict / foresee	late / lately
appraise / apprise	lend / borrow
asset / income	loan / credit / mortgage
broke / bankrupt	motto / tagline / phrase
capitol / capital	overpriced / exorbitant
client / customer	policy / politics / political / politic
cost / value / price	principal / principle
council / counsel	safety / security
date / appointment	save money / invest money
discount / refund / exchange	than / then
economic / economical	travel / trip
effect / affect	wage / salary / fee / commission
ensure / insure / assure	whose / who's
estimate / evaluate	work / job / profession
former / latter	worthless/priceless/valueless/invaluable

### *3. Practice and revision*

1. PARAPHRASE THE SENTENCES below, using the given beginning or the word/structure in brackets, keeping their meaning as similar as possible:

a) It is rare for me to complain about the product's quality, but this time I have to. (SELDOM)

---

b) The fire resulted in damage to their retail premises. (RESULT)

---

c) Lower tax revenue has arisen from increased numbers of business failures. (RISE TO)

---

d) We regret that this machine is unable to provide all the goods you require. (INCAPABLE)

---

e) In the event of loss of raw materials, you must immediately inform your contractual partner.

If \_\_\_\_\_

f) I was most annoyed by the fact that I had never been promoted in my previous workplace.

What \_\_\_\_\_

g) Conducting business negotiations in Norway is easier than in Sweden. (AS... AS)

---

h) The service we receive is not good enough for us to continue with that supplier. (SO... THAT)

---

i) There won't be a confidentiality clause, nor a dispute resolution clause. (NEITHER)

---

2. SUMMARIZE THIS TEXT in a paragraph of 50-60 words::

Regardless of whether your organization is legally obligated to have a code of conduct (as public companies are), every organization should have one. A code has value as both an internal guideline and an external statement of corporate values and commitments. A well-written code of conduct clarifies an organization's mission, values and principles, linking them with standards of professional conduct. The code articulates the values the organization wishes to foster in leaders and employees, such as accountability, and, in doing so, defines desired behavior. As a result, written codes of conduct or ethics can become benchmarks against which individual and organizational performance can be measured. Additionally, a code is a central guide and reference for employees to support day-to-day decision making. A code encourages discussions of ethics and compliance, empowering employees to handle ethical dilemmas they encounter in everyday work. It can also serve as a valuable reference, helping employees locate relevant documents, services and other resources related to ethics within the organization.

---



---



---



---



---



---



---



---

## *4. Translation*

TRANSLATE THE FOLLOWING TEXT from Macedonian into English:

Каматната политика на банките во РМ долго време беше оценувана како политика на високи и нефлексибилни каматни стапки. Ниското ниво на штедење и, следствено, ниската понуда на кредити, недоволната конкуренција во банкарскиот систем, незадоволителната ефикасност и профитабилност на банките, неизвесноста во економското опкружување, наследениот послаб квалитет на



# *Chapter 9*

## *Fundamentals of monetary policy*

---

### *1. Reading and vocabulary*

RELATED TOPICS: monetary policy; fiscal policy; taxation; tax treaty.

#### **Monetary policy**

*Monetary policy* is a set of economic policies that manages the size and growth rate of the money supply in an economy. It consists of the process of drafting, announcing and implementing the plan of actions taken by the central bank or other competent regulatory authorities of a country that determines the scope and impact of the key drivers of the economic activity in that country. Activities which are integral to such policy consist of management of money supply and interest rates, which are aimed at achieving macroeconomic objectives, like controlling inflation, consumption, growth and liquidity. These are achieved by measures/instruments, such as modifying the interest rates, buying or selling government bonds, regulating foreign exchange rates, and changing the amount of money that banks are required to maintain as reserves.

The monetary policy impacts the important aspects of the economy, which include attempts to achieve stability in GDP growth rate, maintain low rates of unemployment, support overall economic growth, and maintain foreign exchange rates in a predictable range. Monetary policy is different from fiscal policy as the former relates to borrowing, consumption and spending by individuals and private businesses, while the latter refers to taxes, government borrowing and spending.

Central banks use a number of tools to shape and implement monetary policy. The most popular option is to modify the interest rates. Another option is to change the reserve requirements, which refer to the funds that banks must keep as a proportion of the deposits made by their clients. A third option (open market operations) is used to expand or contract the money supply in the country's banking system. It involves buying and selling of government securities like bonds or foreign currencies in the open market.



## Fiscal policy

Generally speaking, the aim of most government *fiscal policies* is to target the total level of spending, the total composition of spending, or both in an economy. The two most widely used means of affecting fiscal policy are changes in government spending policies or in government tax policies. If a government believes there is not enough business activity in an economy, it can increase the amount of money it spends, often referred to as *stimulus spending*. If there are not enough tax receipts to pay for the spending increases, governments borrow money by issuing debt securities such as government bonds and, in the process, accumulate debt; this is referred to as *deficit spending*.

By increasing taxes, governments pull money out of the economy and slow business activity. But typically, fiscal policy is used when the government seeks to stimulate the economy. It might lower taxes or offer tax rebates in an effort to encourage economic growth. Influencing economic outcomes via fiscal policy is one of the core principles of Keynesian economics. The idea is to find a balance between tax rates and public spending. For example, stimulating a slow economy by increasing spending or lowering taxes runs the risk of causing inflation to rise. This is because an increase in the amount of money in the economy, followed by an increase in consumer demand, can result in a decrease in the value of money -- meaning that it would take more money to buy something that has not changed in value.

When a government spends money or changes tax policy, it must choose where to spend or what to tax. In doing so, government fiscal policy can target specific communities, industries, investments, or commodities to either favor or discourage production – and sometimes its actions are based on considerations that are not entirely economic. For this reason, the numerous fiscal policy tools are often hotly debated among economists and political observers.

## Taxation

*Taxation* is a term for when a taxing authority, usually a government, imposes a tax. Though taxation can be a noun or verb, it is usually referred to as an act, and the resulting revenue is usually called *taxes*. Taxation is different from other forms of payment, such as market exchanges, in that taxation does not require consent, and it is not directly tied to any given services. The government obliges taxation through an implicit or explicit threat of force. Taxation is legally different from extortion or a protection racket because the imposing institution is actually a government.

Tax systems have varied considerably across jurisdictions and time. In most modern systems, taxation occurs on both physical assets, such as property, and specific events, such as a sales transaction. The formulation of tax policies is one of the most critical and debatable issues in modern politics. The most basic function of taxation is to fund government expenses. Supporters of progressive levels of taxation on high-income earners argue that taxes encourage a society which is more fair. Higher taxes on specific products and services, such as tobacco or gasoline, have been justified as one way to restrict their consumption.

Taxation applies to all different types of levies. These include (but are not limited to): *income tax* (governments impose such taxes on financial income generated by all entities within their jurisdiction, including individuals and businesses); *corporate tax* (imposed on the profit of a business); *capital gains* (imposed on any capital gains or profits made by people or businesses from the sale of certain assets, including stocks, bonds, or real estate); *property tax* (calculated based on the property and land values); *inheritance tax* (imposed on individuals who inherit the estate of a deceased person); and *sales tax* (consumption tax imposed by a government on the sale of goods and services, which can take the form of a VAT).

Economists specializing in public finance have stated four objectives of tax policy: *simplicity*, *efficiency*, *fairness*, and *revenue sufficiency*. While these objectives are widely accepted, they are often in conflict, and different economists have different views of the balance among them.

*Simplicity* means that the obedience by the taxpayer and the enforcement by the revenue authorities should be as easy as possible. Further, tax responsibility should be certain. A tax whose amount is easily manipulated through decisions in the private marketplace can cause a number of difficulties for taxpayers, who attempt to reduce what they owe, and for revenue authorities, who attempt to maintain government receipts.

*Efficiency* means that taxation should get in the way as little as possible in the choices people make in the private marketplace. Super-efficient tax is a head tax, by which all individuals are taxed the same amount, regardless of income or any other individual characteristics. A head tax would not reduce the incentive to work, save, or invest. The problem with such a tax, however, is that it would take the same amount from a high-income person as from a low-income person. It could even take the entire income of low-income people. And even a head tax would shape people's choices somewhat, by giving them an incentive to have fewer children, for example.

*Fairness*, to most people, requires that equally-situated taxpayers pay equal taxes (horizontal equity), and that better-off taxpayers pay more tax

(vertical equity). Although these objectives seem clear enough, there is little agreement over how to judge whether two taxpayers are equally situated. For example, one taxpayer might receive income from working while another receives the same income from inherited wealth. Most people believe that fairness dictates that taxes be progressive, meaning that higher-income taxpayers pay not only more, but also proportionately more.

*Revenue sufficiency* may conflict with efficiency and fairness. Economists who believe that income taxes strongly reduce incentives to work or save, and economists who believe that typical families already are unfairly burdened by heavy taxes, might resist tax increases that would move the federal budget toward balance.

## Tax treaty

A *tax treaty* (also called *Double Tax Agreement* or *DTA*) is a bilateral agreement made by two countries to resolve issues involving double taxation of passive and active income. Tax treaties determine the amount of tax that a country can apply to a taxpayer's income, capital, estate, and wealth. Countries with tax havens are the only countries that typically do not enter into tax treaties. A *tax haven*, or offshore financial center, is any country or jurisdiction that offers minimal tax liability to foreign individuals and businesses.

When an individual or business invests in a foreign country, the issue of which country should tax the investor's earnings arises. Both countries – the source country and the residence country – may enter into a tax treaty to agree on which country should tax the investment income in order to prevent the same income from getting taxed twice. The source country, or the capital-importing country, is the country that hosts the inward investment. The residence country, or capital-exporting country, is the investor's country of residence. One of the most important aspects of a tax treaty is the policy on withholding taxes, which determines how much tax is levied on income (interest and dividends) from securities owned by a non-resident.

## DISCUSSION

1. WHAT DO THE PHRASES *loose (expansionary) monetary policy* and *tight (contractionary) monetary policy* mean? What are their effects on interest rates?
2. HOW ARE monetary policy tools used to fight inflation and unemployment?
3. WHAT ARE THE DIFFERENCES between *monetary policy* and *fiscal policy*?

4. IN THE CONTEXT OF taxes, explain the differences between the following words: credit, deduction, duty-free, exemption, IRS, non-taxable income, tax avoidance, tax break, tax evasion, tax-free, tax rebates, the Boston Tea Party, VAT.

5. THE AMERICANS BELIEVE that there are two things that cannot be avoided – death and taxes. What do you think about this in the context of Macedonia?

6. A FORMER DIRECTOR of the Macedonian IRS once suggested that those who have committed tax evasion should be pardoned, in a show of good will, so that they start paying taxes. What is your opinion concerning this? How should tax evasion be sanctioned?

7. HOW DO GOVERNMENTS earn money from tax havens?

## ASSIGNMENT

In 250–300 words, **elaborate on one of the following:**

1. UK historian Thomas Fuller has said that “debt is the worst poverty.” Discuss this quote.
2. What events lead to banking crises? Discuss and exemplify.
3. Which goods/services in the Republic of Macedonia should be taxed more heavily, and which should not be taxed at all? Discuss and exemplify.

## *2. Writing focus: describing visuals*

When describing a chart, graph or diagram, a variety of parts of speech can be used (nouns, verbs, adjectives, adverbs) that not only describe the movement, but also accurately emphasize the changes, similarities and differences in the data shown. Such visuals are: bar graphs, single line graphs, multiple line graphs, paired bar charts, single bar charts, stacked bar charts, percentage bar charts, pie charts, bubble diagrams, diagrams, and flow charts.

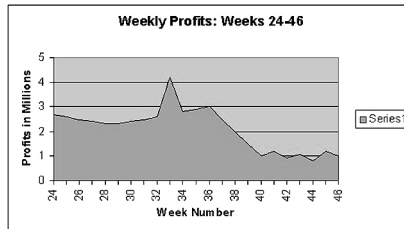
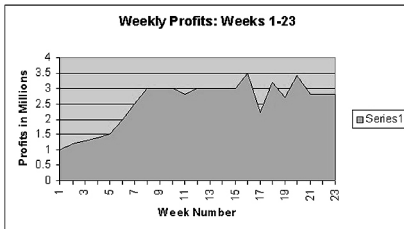
## EXERCISES

1. PUT THE WORDS/PHRASES in the right box and state whether they are a noun or a verb:

be constant – bottom out – bounce back – climb – collapse – crash – cut – decline – decrease – dip – drop – escalate – expand – expansion – extension – fall – flatten out – fluctuate – go down – grow – growth – hold steady – improve – improvement – increase – keep – leap – level off – maintain – maximum – minimum – peak – pick up – plummet – plunge – push down – recover – raise – reach a peak – reduction – remain stable – rise – shoot up – sink – skyrocket – slide – slump – spike – soar – stability – stabilize – stagnation – stay at – step up – surge – take off.



2. COMPLETE THE TEXT by filling in the gaps with a word/phrase from Exercise 1 above. Make any other necessary changes:



From week 1 to week 5, profits (1) \_\_\_\_\_ slightly. Then from week 6 to week 8, profits (2) \_\_\_\_\_ dramatically and (3) \_\_\_\_\_ at 3 million at week 8. From week 8 to week 15, profits (4) \_\_\_\_\_ with a slight (5) \_\_\_\_\_ at week 11. Then, from week 15 to week 21, profits (6) \_\_\_\_\_ wildly with a (7) \_\_\_\_\_ of 3.5 million at week 16, and a (8) \_\_\_\_\_ of 2.2 million at week 17. From week 21 to week 23, profits (9) \_\_\_\_\_ at 2.8 million. From week 24 to 28, profits



### 3. *Practice and revision*

1. IDENTIFY AND CORRECT the mistake in each sentence:

- a) She recommended me that I take a few days off from work.
- b) I tried to explain him the problem, but he had difficulty understanding me.
- c) Kate might to have been considered for the position.
- d) Kevin says he stopped to go on business trips because of his children.
- e) We regret to inform you that your application has been being denied.
- f) I'm so glad that my colleague spoke in my behalf at the session.
- g) It was a frustrating situation because we were incapable of helping the team.
- h) The Head insisted at paying the dinner.
- i) They had managed a few crisis in the past, so they were able to handle this situation.
- j) We actually have less people now than we did two years ago.
- k) Unfortunately, the company was bankrupt in 2008 due to unreasonable spending.
- l) She is use to presenting in front of such a large audience.
- m) Let's make compromise and never do harm again.
- n) We may have to work longer hours to set the deadline.

2. CHOOSE the correct option:

Governments or central banks can use (1) \_\_\_\_\_ (or changing interest rates and the level of the money supply) to influence the level of economic activity. They can (2) \_\_\_\_\_, or increase, economic activity if the economy is in a downturn by reducing interest rates and allowing the rate of growth of the money supply to increase. Alternatively, if the economy is growing too fast and causing inflation, they can slow it down by increasing (3) \_\_\_\_\_ and reducing the rate of growth of the money supply. If the economy is expanding too quickly, it means that the industry is working at (4)

\_\_\_\_\_ capacity and producing as much as it possibly can. Since demand is greater than supply, leading to rising prices and (5) \_\_\_\_\_, the government might have a deflationary fiscal policy. This means reducing the amount of economic activity by raising tax rates or cutting government expenditure.

1. a) revenue    b) expenditure    c) consumption    d) monet. policy
2. a) peak        b) boost            c) slump            d) consume
3. a) recession    b) fiscal policy    c) interest rates    d) tax cuts
4. a) full          b) least            c) slight            d) small
5. a) projects     b) spending        c) inflation        d) outflow

## *4. Translation*

TRANSLATE THE FOLLOWING TEXT from Macedonian into English:

Заради остварување на ценовната стабилност, како примарна цел на монетарната политика, НБРМ располага со различни инструменти за монетарно регулирање. Имајќи предвид дека меѓу инструментите и крајната цел на монетарната политика постои сложена и индиректна поврзаност со временско задоцнување, НБРМ го следи движењето на одредени економски варијабли - оперативни и посредни цели. Преку управувањето со нивото на каматните стапки, а со тоа и нивото на ликвидните средства во банкарскиот систем, како оперативна цел, НБРМ настојува да влијае врз нивото на девизниот курс. Од инструментите на НБРМ, најфлексибилни се операциите на отворениот пазар, коишто можат да се спроведуваат преку емисија на хартии од вредност на НБРМ – аукции на благајнички записи, или преку купување или продажба на хартии од вредност.

---



---



---



---





# *Chapter 10*

## *Business correspondence*

---

### *1. Reading and vocabulary*

RELATED TOPICS: types of correspondence; language and register.

#### **Types of correspondence**

*Business correspondence* is a form of written communication used for business purposes, an essential tool for the day-to-day operations of a company. It is usually carried out between organizations, within the organization, or between clients and the organization. Emails can be considered a form of business correspondence when used to represent a company, or for the purpose of the business.

Written communication is important for a company, and in business, in general, for a number of reasons, such as:

- To maintain a good reputation and be seen as friendly. Acting as an ambassador of your country on behalf of your company, it aims at building goodwill between different organizations, whether local, national, or international.

- Correspondence is useful as it is a record or reference for any previous transactions that have ever been made before. Being in the business industry, it is impossible to remember all the transactions and communications that have occurred with many clients. Here, business correspondence acts as a useful tool for any future reference.

- It is, indeed, very beneficial in building and maintaining a business relationship with different parties, like manufacturers, distributors, support services, and also consumers.

- Since it is very difficult to send representatives everywhere, a business letter/email can be very easily sent to all the desired places. Although sometimes executives, professionals, politicians, etc. are difficult to be approached in person, a business letter/email easily accesses everybody.

– It can also serve as a purpose of evidence, meaning that it becomes a written commitment between both parties concerned. This is the best way clients can be obliged to follow the rules and regulations as mentioned elsewhere in the correspondence.

There are different kinds of business correspondence that are typically used in organizations. The five most common types include: *internal correspondence*, *external correspondence*, *sales correspondence*, *personalized correspondence*, and *circulars*.

### **Internal correspondence**

*Internal correspondence* is a written communication between the employees, units, departments, and branches of one and the same organization. Internal correspondence can either be formal or informal. Routine internal correspondence is usually less formal, such as quick instructions between a supervisor and a staff member, and, in this case, it usually appears in the form of an email. There are other more formal types of internal correspondence, such as promotion letters, written reprimands, memoranda, formal requests for approval, and letters of approval/dismissal. These types of communication are ideally printed on paper, signed by the sender, and physically received by the recipient.

### **External Correspondence**

*External correspondence* takes place between different organizations, or between an organization and their individual clients. This is a form of written communication made by a company to those who do not belong to their organization. External correspondence is commonly made to vendors, creditors, suppliers, existing customers, prospective clients, financial institutions, government offices, law and accountancy firms, business affiliates, sponsors or donors, and other offices that have either a direct or indirect business relationship with the company.

### **Sales Correspondence**

*Sales correspondence* refers to sales-related communications. It is not limited to just selling a product or service, but it also includes other activities relating to sales. Sales correspondence includes marketing letters, offer and discount letters, sales proposals, invoices, sales reports, order confirmations, purchase orders, letters of authorization, and collection letters, among others. For the purpose of selling, it is important to know how to write quality sales letters to be able to communicate effectively. Also, marketing and offer letters should reflect truthful and non-misleading information. Other kinds of sales corre-

spendence – such as invoices, purchase orders, and collection letters – must contain accurate information.

### Personalized Correspondence

*Personalized correspondence* involves personal and emotional factors. Despite being classified as 'personalized', this type of correspondence can also be used for business purposes. Examples of personalized correspondence include letters of gratitude, letters of favours or requests, appreciation notes, letters of congratulations, of commendation, and such. This particular type of correspondence does not need to have a very formal tone. Although this can be done via email, writing an actual, physical letter is preferable because it has the sense of a personal touch.

### Circulars

*Circulars* are notices that are communicated to a large number of people within the organization. They are also referred to as *office instructions* or *announcements*. Often, general announcements, such as changes in contact information, details about meetings with shareholders, instructions about certain protocols, etc., are communicated via circulars.

## Language and register

Running a business requires being aware of how you communicate with customers, staff, investors, and suppliers. Your written materials, from your business plan to your marketing, are often the first encounter a person outside the company has with your company. It is, therefore, important to make sure that the writing is effective, clear, and relatable. Maintaining professionalism, choosing the right words, and staying courteous and sincere when communicating will make a big impact on one's business image. You need to get your message across quickly, and in a way that is easy to understand. This is where the principles of plain language come into play. Plain language means keeping your writing clear and concise, removing anything that detracts the recipient's attention from the message conveyed. For example, "*His report outlined three issues: a lack of high paying clients, conversions, and return customers*" is much more effective than "*His report to upper management delineated that the issues of the day were threefold. These included observations about the influx of low level prospects, a lack of effective conversions, and an inability to attract return patronage.*"

It is important to keep the following points in mind:

– *Remember your audience.* Does your audience know as much as you do about your area of expertise? Probably not, so remember to keep things simple. With this in mind, you should:

– *Drop the jargon.* Remove phrases like 'burn rate', 'touch base', and 'paradigm shifters'.

– *Replace inflated language with simple words.* For example, 'transpired' means 'happened'; 'paradigm' means 'ideal'; and 'conundrum' is just a fancy word for 'problem'.

– *Organization.* Your message should always be presented in a sequential, logical, step-by-step manner to make it easy to follow.

– *Use active voice.* Make it clear who is doing what. Sentences should be formulated in a 'we will do this to achieve X' construction rather than 'the company will achieve X by doing Y'.

– *Use a clean design.* The presentation of your message is just as important as the words you use. Effective use of white space, headlines, subheadings, colour, font, and images are all elements that can either support your message, or distract from it.

– *Minimize long blocks of text.* Help the recipient of your message understand the information you are presenting in small chunks whenever possible. Break long paragraphs into shorter ones with subheadings, and make sentences no longer than 20 words.

**Register** refers to the level of formality used in writing and speaking. There are five basic levels that describe different types of register or formality: high formal, formal, neutral, informal, and vulgar.

– *High formal* refers to the register used to address the Queen, an Archbishop, a President, or a Prime Minister.

– *Formal* is used when writing to your boss, a client, or in a transactional letter.

– *Neutral* is the register used when preparing reports, business plans, and marketing presentations.

– *Informal* is used in emails to friends, family or work colleagues.

– *Vulgar* is the register used when talking to immediate family or very close friends.

## ***2. Writing focus: register: revision of grammar***

The following are two examples of a letter concerning the same subject, but written in different registers. Discuss the differences in register and language:

*Example: Formal letter*

Thank you for your letter we received on 14 September. A copy has been sent to company headquarters in addition to a memorandum concerning your financial situation. A meeting has been scheduled for 3 October at 11 am to discuss your request for a further bank loan. Therefore, please inform us of your availability for this meeting at the earliest opportunity. A number of issues concerning your income and expenditure may be queried prior to a loan being granted.

Furthermore, the General Manager needs to be contacted in order to authorise bank loans of this nature. Moreover, your previous failure to meet payment arrangements will first have to be considered.

Nevertheless, in the interim, you are required to complete the enclosed business plan, which should be brought to the meeting.

*Example: Informal letter*

Thanks for your letter. We got it on 14 Sept. We've sent a copy to comp. H.Q. along with a memo re. your financial situation. I've set a meeting for 3 Oct at 11 am to talk about another bank loan. So, please let us know if you can make it a.s.a.p. But, we might ask you a few things to do with your inc. and exp. before giving you a loan. Also, I need to get in touch with the G.M. to okay it. Plus, we'll first have to think about the last time you didn't keep up with your payments. Anyway, in the meantime, you need to fill in this business plan. Bring it to the meeting with you.

## EXERCISES

Below are ten examples of emails that have been written by former students in connection to the following exercise:

*Profile:* Your company has employed an external consultant to organize an exhibition of your products, which is planned to be held next month. However, the consultant's work has been unsatisfactory, and your boss has now decided that you should take full responsibility instead. Your boss has asked you to write to the consultant to explain why she has been suddenly replaced.

*Instructions:* Write an email (200-250 words) to the consultant. Your email should be structured in paragraphs, it should have an appropriate beginning (introduction) and ending, and you must include the following information:

- give two reasons why she has been replaced;
- tell her that she will be paid for her work up to that point;
- ask her to brief you on the current situation.

From the ten emails below, choose the best and the worst, while considering the response itself (whether the points have been addressed or not), the register of the email, and the grammar/vocabulary used. Discuss your choices, and discuss the other emails as well. In addition, the emails contain various mistakes that you need to identify and correct:

(1) Dear Mr. Walker,

I would like to inform you that you have been replaced from your job as a consultant in our company. This decision was made suddenly, because we notify come irregularities in the way you have done your job.

We have concluded that this is the best decision for us, because we notify some weaknesses in the way you had organized the exhibition of our products.

The first reason for our dissatisfaction was the way your were working. We gave you a longer period of time to do the job best you can, but the deadline wasn't respected by your side.

The second reasons is that we weren't satisfied with the way you organize the exhibition. You didn't accept our advice during the engagement.

Despite all this things, we will fulfill our promise and you will be paid for the job you have done before. You will receive the full amount of money that was concerted at the beginning of the assignment.

It will be of a big use for us if you can deliver us the information you have gathered during the assignment you have been on. If it is possible please inform us about the previous accomplishments and the steps that you will take further. It will be helpful for us if you can provide us the information, because that will help us to finish the job you have started.

Sincerely yours,

(2) Dear Ms Fox,

I am writing to inform you about the exhibition which you take the responsibility to organize for the next month. While checking your preeliminary checklist we decided that your plan does not satisfy the needs of our company for this exhibition. Having in regard that a trade fair is just one of the promo-

tion means, and its achievements depend at the start on its correct positioning and focus we would like to discard the agreement from the beginning. We have found that the problem is the lack of a careful and pragmatic analysis which will affect the budget. Firstly, the fairground you have chosen requires a lot of money and we will not be able to support that expenses. On the other hand, we think that you have not given a meticulous attention to detail and effective time management. Since n unsuccessful event may have a boomerang negative effect in the perception of the market, we are sorry to inform you that the contract will be dismissed. You will be paid for your work within the next month. I would also ask you ou to brief me on the current situation so I will take over the full responsibility for the exhibition.

Sincerely,

(3) Dear Ms. Christine,

I am writing this email about your work in our company as an outside consultant. We hired you to organize an exhibition of our products that it is planned to be held next month.

I am sorry to inform you that your efforts are under our expectation. We were looking to someone truly dedicated and committed to our company, who will take care of the company's objectives and organize an attractive exhibition of our products. With all respect i am announcing you that not only your efforts, but also your ideas on the previous meetings, does not match with our company ideas and goals. Thank you for your work with our company, but we are sorry to tell you that our cooperation will stop here. We assume you that the payment will be on your account as the agreements required. I would like if it is possible to get a report on your work so far.

Thank you for your cooperation with our company, we will keep in touch if in the future we need your services.

I look forward to hearing from you soon about your brief report.

Once again, i apologize for any inconvenience.

Regards,

(4) Dear Mrs. Johnson,

With this letter I would like to inform you that I am deeply sorry with the recent replacement that you have faced with. I am fully aware of your disappoint-



ment and I would use this letter to explain you the reasons for the replacement.

The Chairman of the company, Mr. Rogers, was concerned with the little amount of time that you have been dedicating to the preparations for the exhibition and he decided to make specific personnel changes regarding the exhibition of the products. I was the only one eligible to succeed you on that position. The second main reason is the fact that Mr. Rogers was deeply unsatisfied with the exhibition reports that you had presented to him. He expected to see more detailed and well-structured research reports.

As you may already know, your engagement with the company, and your contribution to the company would be regularly paid according to the deal that we signed two weeks ago. The amount of money that you are supposed to get would remain unchanged, despite the problems that have recently occurred. I would also like to ask you to give me some important information regarding the current situation of the exhibition preparations.

I am really looking forward to hearing from you, and I sincerely hope that we would cooperate again at some point in the future in a more successful project.

Yours sincerely,

(5) Dear Mr. Johana Iskonsin

I am writing this e-mail in order to inform you about our boss latest decision connected with your replacement. Unfortunately I was given two things, one of them is to announce you this bad news and the other thing is that I will replace you for the following exhibition. Of course there are reasons that prompted this decision. I was told that one of them is the fact that you have always been late at work and the other and main, for this decision was that you have damaged one of the paintings. I would also like to inform you that every hour you have spent for our company will be fully paid. Because we are running out of time, and I am the one who should take whole responsibility for organizing this exhibition I will be very grateful if you give me a short brief on the current situation. I am looking forward to hearing from you any kind of information about the exhibition.

Thanks in Advance.

Very truly yours,

Matthew Maxim

(6) Dear Ms. Doe,

I am sorry to inform you that we have decided not to continue with your services as our exhibition coordinator.

We have carefully considered the process you maintained so far and felt that you haven't shown to us you are ready to handle further completion of the product exhibition. Moreover, we are unsatisfied with the overall progress of the provided assignments. You are dismissed because, despite repeated feedback and performance coaching from the manager, your work performance has not improved. You also failed to meet the target dates in any of the areas specified within the plan that you wrote and agreed to together with our company.

This final decision was reached after a meeting between board members.

Payment for your operating days will be included in your final paycheck which you will receive on our regular pay day, Friday. We can mail your final paycheck to your home or you can make arrangements with our accounting department to pick it up.

However, you will need to keep the company informed about the latest activities regarding completed and uncompleted tasks for the upcoming event. Please keep me informed as soon as possible about the above issues.

We wish you the best in your future work endeavours.

Best regards,

(7) Dear Mrs. Brown

I am writing to inform you that our company decided to replace you. We consider that this section of work can be done better by someone who currently works at the company, by our employee. In our opinion we need person who knows our products better with their strengths and weaknesses. Also I should mention that the work you have done, was not what we expected from you considering your experiences in this specific field. The things that you offered was not inventive and creative enough.

However, for the work you have done, you will receive your fee. I should inform you that the fee will be paid only for the period you worked for us and it will be lower compared to the fee that we agreed to pay you for finishing this job.

I would be grateful if you give me a short information and details of the work you have done. That will be really helpful for me because I will know what to change and from where I should start my work.

Thank you in advance.

I hope that we will collaborate in the future and this experience will not happen again.

Your sincerely,

(8) Dear Mrs. Avramovska,

I am sorry I have to inform you that our company decide to stop the cooperation with you.

Unfortunately, our team was not satisfied with your efforts so far. It was observed breach of agreement that we signied up.

Furthermore, the department of finance in our company noted that there have been incurred more costs than the projected for this exhibition, hence the boss decided to engage me for organizing the following exhibition.

I should inform you that you will be fully paid for everything you finished by now.

Additionally, I would like to ask if you could give me some more details for the preparation for the next exhibition that are completed by now.

I am looking forward to hearing from you,

Yours sinceraly,

(9) Dear Mrs. Johnson,

I am writing in reference to your job as an outside consultant for Arlene Company. I am sorry to inform you that you have been replaced. The Manager of Arlene Company has found your work unsatisfactory. The reason why he is not satisfied with your work is that you have passed the planned budget for over two thousand dollars even thought the allowable budget was specified as a significant point in your contract. Moreover, you did not succeed to organize the exhibition of our new products on the desired location. Another problem is that the exhibition should be held next month and there is still much unfinished business that should have been done by now. Of course you will be paid for your completed work regardless the termination of the agreement. Considering the fact that I am going to take responsibility for organizing the exhibition of our new products I would be very grateful if you could inform me on the current situation. I would appreciate it if you send me the needed

information as soon as possible. Could you please also fax me the results of the market survey you have made about the exhibition?

I look forward to hearing from you in very near future.

Yours faithfully,

(10) I hope this email finds you well. I am writing to inform you that since our last meeting in our office there have been new developments and that I have been asked by our CEO to inform you that we won't be needing your services any longer.

Namely, the terms of our contract clearly stated that you were to arrange a suitable venue for the exhibition of our products and provided us with a list of 100 notable invitees by March 20-th. Since you have failed to do both in the stipulated time we are left with no choice but to end our collaboration.

I will be taking over the responsibilities that were initially assigned to you so I would kindly ask you to brief me on the current situation so I can continue taking the necessary steps. It goes without saying that you will be compensated for the work you have done so far for our company and still more we are willing to give you permission to ad the name of our company to your reference list. I take this opportunity to wish you all the best in your future endeavours.

### *3. Practice and revision*

#### **WRITING TASK 1:**

*Profile:* You work for an accountancy firm and one of your clients is a small airline. This airline is considering purchasing a new aircraft within the next six months to expand its operations. The airline has asked your firm for advice concerning this purchase.

*Instructions:* Write a report for the airline (200-250 words), structured in paragraphs, with an appropriate beginning (introduction) and ending, and in the report you should:

- summarize the airline's current financial position;
- outline two potential risks of expansion;
- advise the airline on what steps to take next.

**WRITING TASK 2:**

*Profile:* Your manager is insisting on introducing new practices in the company. She has asked you to write a report including details of three practices from the competition, which you would suggest adopting in the company you are currently employed in.

*Instructions:* Write a report for your manager (200-250 words), structured in paragraphs, with an appropriate beginning (introduction) and ending, and in the report you should include:

- what you admire about the other companies;
- specifically which three of their practices you would adopt;
- why your company would benefit from them.

### WRITING TASK 3:

*Profile:* You have been asked to write a press release for a product launch that will take place next week. As the PR manager, you have been gaining momentum for the product for quite a while, and the press release is to be sent to journalists, who should post it on online media on the day of the launch.

*Instructions:* Write a press release for journalists (200-250 words), structured in paragraphs, with an appropriate beginning (introduction) and ending, and in the release you should include:

- an attention-grabbing headline;
- the five Ws and one H regarding the product's background and launch (who? what? when? where? why? how?);
- what makes this product unique in the marketplace.

# References

---

## Bibliography

- ATKINSON, S. (2014): *The Business Book*, New York: DK Publishing.
- BOYES, W. & MELVIN, M. (2009): *Fundamentals of Economics*, Boston: Houghton Mifflon Company.
- BRIEGER, N. & SWEENEY, S. (2002): *The Language of Business English: Grammar & Functions, Workbook*, Pearson Education Limited.
- BROOK-HART, G. (2007): *Business Benchmark*, Cambridge: CUP.
- CARSTAIRS-MCCARTHY, A. (2002): *An Introduction to English Morphology – Words and Their Structure*, Edinburgh University Press.
- CORDELL, J. (2000): *Cambridge Business English Activities*, Cambridge: CUP.
- CRYSTAL, D. (1997): *The Cambridge Encyclopedia of Language*, 2<sup>nd</sup> ed, Cambridge: CUP.
- DONNA, S. (2000): *Teach Business English*, Cambridge: CUP.
- DOWNING, A. & LOCKE, P. (2005): *English Grammar: A University Course*, 2<sup>nd</sup> ed, Routledge.
- EASTWOOD, J. (2002): *Oxford Guide to English Grammar*, Oxford: OUP.
- FARRALL, C. & LINDSLEY, M. (2008): *Professional English in Use: Marketing*, Cambridge: CUP.
- GREENBAUM, S. & QUIRK, R. (1990): *A Student's Grammar of the English Language*, London: Longman.
- GREENBAUM, S. (2006): *The Oxford English Grammar*, Oxford: OUP.
- HUGHES, J. & MCLARTY, R. (2016): *ETpedia Business English: 500 Ideas for Business English Teachers*, UK: Pavilion Publishing.
- JONES, L. & ALEXANDER, R. (2000): *New International Business English*, Cambridge: CUP.
- KOTLER, P. (2003): *Marketing Insights from A to Z*, New Jersey: John Wiley & Sons.
- LEECH, G., DEUCAR, M. & HOGENRAAD, R. (1982): *English Grammar for Today*, London: Mac-Millan.
- LEECH, G. & SVARTVIK, J. (2003): *A Communicative Grammar of English*, 3<sup>rd</sup> ed, Pearson Education ESL.
- LIPEC, M. (2005): *Poslovni i protokolarni engleski*, Zagreb: Mozaik knjiga.
- MACKENZIE, I. (2007): *Professional English in Use: Finance*, Cambridge: CUP.
- MASCULL, B. (2003): *Business Vocabulary in Use*, Cambridge: CUP.
- MISH, F. C. (ed.) (2003): *Merriam-Webster's Collegiate Dictionary*, 11<sup>th</sup> ed, Springfield, Massachusetts: Merriam-Webster, Inc.
- NAUMOSKA-SARAKINSKA, B. & NAUMOSKA, A. (2018): *Business English 1*, Skopje.
- POWELL, M. (2010): *Dynamic Presentations*, Cambridge: CUP.
- QUIRK, R., GREENBAUM, S., LEECH, G. & SVARTVIK, J. (1972): *A Grammar of Contemporary English*, London: Longman.
- ROGERS, J. (2006): *Market Leader*, England: Pearson Education Limited.
- THOMPSON, D. (ed.) (1998): *Oxford Dictionary of Current English - new revised edition*, Oxford: OUP.
- TREFFRY, D. (ed.) (1998) *Collins English Dictionary - Millennium Edition*, Glasgow: Harper-Collins.



WANKEL, C. (ed.) (2009): *Encyclopedia of Business in Today's World*, USA: SAGE Publications.

WILLIAMS, J. D. (2005): *The Teacher's Grammar Book*, Routledge.

## *Online sources*

[www.macengdictionary.com](http://www.macengdictionary.com)

### **Unit 1.**

<https://www.entrepreneur.com/topic/marketing>

<http://marketingmix.co.uk/>

<https://economictimes.indiatimes.com/definition/marketing-mix>

<https://www.smartinsights.com/marketing-planning/marketing-models/how-to-use-the-7ps-marketing-mix/>

<https://www.cleverism.com/understanding-marketing-mix-concept-4ps/>

<https://www.forbes.com/sites/forbesagencycouncil/2018/01/03/evolution-of-the-four-ps-revisiting-the-marketing-mix/#201384441120>

<https://www.professionalacademy.com/blogs-and-advice/marketing-theories---the-marketing-mix---from-4-p-s-to-7-p-s>

<https://www.marsdd.com/mars-library/the-marketing-mix-in-marketing-strategy-product-price-place-and-promotion/>

<https://www.entrepreneur.com/watch/elevatorpitch>

<https://toughnickel.com/industries/PrinciplesofMarketingPart1BasicConceptsandFundamentals>

### **Unit 2.**

[https://www.researchgate.net/publication/319085560\\_Market\\_Segmentation\\_Targeting\\_and\\_Positioning](https://www.researchgate.net/publication/319085560_Market_Segmentation_Targeting_and_Positioning)

<https://www.referenceforbusiness.com/encyclopedia/Man-Mix/Market-Segmentation.html>

<https://yourbusiness.azcentral.com/examples-price-promotion-methods-21128.html>

<https://www.marketingweek.com/2017/09/07/pricing-a-product/>

<https://mba.marketingweek.com/>

<https://www.entrepreneur.com/article/247575>

<https://marketingexperiments.com/conversion-marketing/4-tips-product-pricing>

<https://www.theedesign.com/blog/2017/discounted-price-or-free-shipping>

<https://www.investopedia.com/terms/m/marketsegmentation.asp>

<https://www.forbes.com/sites/alejandrocremades/2018/07/24/how-to-create-a-business-plan/#1daf6f0b7391>

<https://hbr.org/2018/05/when-should-entrepreneurs-write-their-business-plans>

### **Unit 3.**

<https://www.britannica.com/topic/advertising>

<https://yourbusiness.azcentral.com/different-types-advertising-2946.html>

<https://www.entrepreneur.com/article/64738>

<https://www.thebrandingjournal.com/2015/10/what-is-branding-definition/>

<https://www.brickmarketing.com/define-branding.htm>  
<http://www.marketingjournal.org/brand-purpose-to-beneficence-philip-kotler/>  
<https://www.lifehack.org/articles/productivity/7-ways-creative-absolutely-all-the-time.html>  
<https://www.teachingenglish.org.uk/article/meetings-1-getting-down-business>

#### Unit 4.

[https://en.wikipedia.org/wiki/Public\\_relations](https://en.wikipedia.org/wiki/Public_relations)  
<https://www.forbes.com/sites/robertwynne/2013/09/04/public-relations-explained/#3bdf34f31ded>  
<https://internetmarketingpress.com/marketing/understanding-the-basics-of-public-relations/>  
<https://www.thoughtco.com/spin-communication-1691988>  
<https://marketing-insider.eu/major-pr-tools/>  
<https://www.briansolis.com/2008/04/pr-20-putting-public-back-in-public/>  
<https://www.deirdrebreakenridge.com/pr-20-defined/>  
<https://www.investopedia.com/terms/c/crisis-management.asp>  
<https://www.forbes.com/sites/forbesagencycouncil/2017/06/20/13-golden-rules-of-pr-crisis-management/#474f46271bcf>  
<https://www.bernsteincrisismanagement.com/5-crisis-pr-right-way-examples/>  
<https://www.entrepreneur.com/article/207530>

#### Unit 5.

<https://www.businessballs.com/communication-skills/presentation-skills-and-techniques/>  
<https://www.forbes.com/sites/forbescoachescouncil/2016/06/13/10-ways-to-improve-your-presentation-skills/>  
<https://careerwise.ie/the-importance-of-presentation-skills-in-business/>  
<https://www.pon.harvard.edu/daily/negotiation-skills-daily/top-10-negotiation-skills/>  
<https://www.forbes.com/sites/alisoncoleman/2018/07/21/seven-tips-for-stronger-negotiating-skills-in-business/#26b3504b7723>  
<https://www.briantracy.com/blog/sales-success/the-top-3-negotiation-skills-of-persuasive-people-self-confidence/>  
<https://www.entrepreneur.com/article/301087>  
<https://www.thebalancesmb.com/what-is-business-networking-and-what-are-the-benefits-2947183>  
<https://www.managementstudyguide.com/informal-networks-in-organizations.htm>  
<https://medium.com/@tedbauer2003/the-biggest-issues-of-professional-networking-nowadays-126c10b913b8>

#### Unit 6.

<https://www.investopedia.com/terms/s/security.asp>  
[https://en.wikipedia.org/wiki/U.S.\\_Securities\\_and\\_Exchange\\_Commission](https://en.wikipedia.org/wiki/U.S._Securities_and_Exchange_Commission)  
<https://www.thestreet.com/topic/47042/securities.html>  
<https://www.investopedia.com/articles/stocks/11/securities-market-introduction.asp>  
<https://www.thebalance.com/securities-definition-and-effect-on-the-u-s-economy-3305961>  
<https://study.com/academy/lesson/securities-markets-and-investment-bankers.html>

<https://personalfinance.byu.edu/sites/default/files/files/Chapter-Files/19-Investments-3.pdf>  
<https://www.businessnewsdaily.com/3403-nasdaq.html>  
<https://www.fca.org.uk/>  
<https://www.sec.gov/>

### Unit 7.

<https://www.investopedia.com/terms/a/accounting.asp>  
<https://www.nysscpa.org/professional-resources/accounting-terminology-guide#sthash.mnFyBsTn.dpbs>  
<https://www.investopedia.com/terms/a/accounting-principles.asp>  
<https://www.accounting.com/resources/gaap/>  
<https://www.accountingedu.org/what-is-auditing.html>  
<https://www.investopedia.com/articles/financial-careers/08/career-auditor-auditing.asp>  
<https://businessdegrees.uab.edu/blog/5-important-principles-of-modern-accounting/>  
<https://economia.icaew.com/opinion/january-2017/the-biggest-challenges-facing-the-future-auditor-blockchain-brexiteu-robotics-automation>  
<http://www.yourarticlelibrary.com/auditing/top-35-interview-questions-on-auditing/78667>  
<https://www.accaglobal.com/sg/en/student/exam-support-resources/professional-exams-study-resources/p7/technical-articles/accounting-issues.html>

### Unit 8.

<https://www.investopedia.com/terms/m/moneysupply.asp>  
<https://www.economicshelp.org/macroeconomics/inflation/money-supply/>  
<https://www.thebalance.com/federal-reserve-discount-rate-3305922>  
<https://www.econlib.org/library/Enc/MoneySupply.html>  
<https://www.forbes.com/sites/elyrazin/2018/08/08/how-brexiteu-could-affect-finance-real-estate-and-the-global-economy/#877fe940dfd>  
[https://www.cesifo-group.de/ifoHome/facts/DICE/Banking-and-Financial-Markets/Banking/Monetary-Policy/Comparison-ECB-FED-Bank\\_of\\_England/fileBinary/Comparison-ECB-FED-Bank\\_of\\_England.pdf](https://www.cesifo-group.de/ifoHome/facts/DICE/Banking-and-Financial-Markets/Banking/Monetary-Policy/Comparison-ECB-FED-Bank_of_England/fileBinary/Comparison-ECB-FED-Bank_of_England.pdf)  
<https://www.referenceforbusiness.com/small/Inc-Mail/Interest-Rates.html>  
[https://helda.helsinki.fi/bof/bitstream/handle/123456789/15564/BoFER\\_1\\_2018.pdf](https://helda.helsinki.fi/bof/bitstream/handle/123456789/15564/BoFER_1_2018.pdf)  
<https://cryptocurrencyfacts.com/how-does-cryptocurrency-work-for-beginners/>  
<https://www.fastcompany.com/3056736/what-happens-when-we-become-a-cashless-society>

### Unit 9.

<https://www.investopedia.com/terms/t/taxation.asp>  
<https://www.econlib.org/library/Enc/Taxation.html>  
<http://www.economicdiscussion.net/taxes/principles-of-taxation-economics/26212>  
[http://www.ase.ro/upcpr/profesor/758/Scan\\_OECD\\_Principles%20of%20Taxation.pdf](http://www.ase.ro/upcpr/profesor/758/Scan_OECD_Principles%20of%20Taxation.pdf)  
<https://www.macmillandictionary.com/thesaurus-category/british/relating-to-tax-and-taxation>  
<https://www.thebalance.com/what-are-interest-rates-and-how-do-they-work-3305855>  
<https://investinganswers.com/financial-dictionary/economics/interest-rate-978>

<https://mozo.com.au/interest-rates/guides/calculate-interest-on-loan>  
[https://www.economicsonline.co.uk/Global\\_economics/Monetary\\_policy.html](https://www.economicsonline.co.uk/Global_economics/Monetary_policy.html)  
<https://www.khanacademy.org/economics-finance-domain/ap-macroeconomics/ap-financial-sector/monetary-policy-apmacro/v/monetary-policy-tools-ap-macroeconomics-khan-academy>

### Unit 10.

<http://foundersguide.com/5-common-types-of-business-correspondence/>  
<https://www.marstranlation.com/blog/how-is-writing-an-effective-business-letter-important-for-business-correspondence>  
<https://work.chron.com/10-types-business-letters-9438.html>  
<https://smallbusiness.chron.com/purposes-business-letters-3067.html>  
<https://www.businessworld.ie/news/10-Reasons-Why-Business-Writing-Skills-Are-So-Important-569924.html>  
<https://justpublishingadvice.com/control-register-in-your-writing/>  
<https://smallbusinessbc.ca/article/effective-business-writing-importance-plain-language/>  
<https://www.thebalancecareers.com/business-letter-examples-samples-and-writing-tips-2059673>

CIP - Каталогизација во публикација  
Национална и универзитетска библиотека „Св. Климент Охридски“,  
Скопје

81.11:33(035)

NAUMOSKA, Aneta

Business English 2 / Aneta Naumoska, Biljana Naumoska -Sarakinska. -  
Skopje : B. Naumoska-Sarakinska, 2019. - 131 стр.; 25 см

Библиографија: стр. [127]-131

ISBN 978-608-66248-1-1

1. Naumoska-Sarakinska, Biljana [автор]

а) Англиски јазик, деловен - Прирачници

COBISS.MK-ID 109571082



ISBN: 978-608-66248-1-1