

**НАВЧАЛЬНО-НАУКОВИЙ ЦЕНТР ГУМАНІТАРНОЇ ОСВІТИ**

**Кафедра іноземних мов**

**МІЙ ФАХ – МІЖНАРОДНА  
ЗОВНІШНЬОЕКОНОМІЧНА ДІЯЛЬНІСТЬ**

**МЕТОДИЧНІ ВКАЗІВКИ**

**з розвитку навичок читання та комунікативної компетенції  
для студентів 2 курсу економічного факультету**

**(англійська мова)**

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Видання підготовлено відповідно до програми навчальної дисципліни і є складовою частиною навчально-методичного комплексу дисципліни «Англійська мова».

Основна мета методичних вказівок – подальший розвиток навичок усного мовлення, систематизація та розширення словникового запасу за темами «Міжнародна зовнішньоекономічна діяльність», «Типи міжнародних компаній», «Міжнародний менеджмент» та подальший розвиток усного спілкування.

Методичні вказівки призначені для студентів 2-го курсу економічного факультету.

Укладач

викл. О.В. Гаврилова

Рецензент

доц. С.І. Нешко

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# УКРАЇНСЬКА ДЕРЖАВНА АКАДЕМІЯ ЗАЛІЗНИЧНОГО ТРАНСПОРТУ

НАВЧАЛЬНО-НАУКОВИЙ ЦЕНТР ГУМАНІТАРНОЇ ОСВІТИ  
Кафедра “Іноземні мови”

## МЕТОДИЧНІ ВКАЗІВКИ

«Мій фах – Міжнародна зовнішньоекономічна діяльність» з  
розвитку навичок читання та комунікативної компетенції для  
студентів 2 курсу економічного факультету

(англійська мова)

автор:

зав. кафедри:

директор ННЦГО:

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## MANAGEMENT OF FOREIGN ECONOMIC ACTIVITY

**to operate (run) a business** – керувати фірмою

**to start business (to launch business)** – починати справу, відкривати фірму

**vital** – життєво важливий

**bookkeeping and audit** – облік та аудит

**bookkeeping accounting** – бухгалтерський облік

**entrepreneurial** – підприємницький

**to set objectives** – встановлювати цілі

**forecasting** – передбачення

**subordinate** – підлеглий

**activity** – діяльність

**exchange rates** – курси валют

**to acquire** – досягати

**foreseeable** – передбачуваний

**to pursue** – слідувати (курсом)

**inappropriate** – невідповідний

**adverse** – несприятливий

**to manage** – керувати

**deal** – угода

**to conclude a deal** – скласти угоду

**to deals with** – мати справу з

**to interact** - взаємодіяти

**stock exchange** – фондова біржа

**taxation** - оподаткування

**to run everyday activities** – керувати повсякденною діяльністю

**to run the risk** – піддаватися ризику

**to run out of business** – закрити справу

**to run out of capital** – збанкрутувати : He ran out of capital. У нього закінчились гроші.

**to share** – розподіляти; спільно брати участь

**share (stock)** – частка, частина, акція

**shareholder (stockholder)** – утримувач акцій, акціонер

### **EXERCISE 1. What parts of speech are these words?**

Actually, proprietorship, various, property, possible, exception, responsible, liable, liability, advantage, legally, additional, security, subsequent, equity, subscription, statutory, usually, majority, abbreviation, circumstance, production, currently, register, distribute, deal, contractual.

### **EXERCISE 2. Give equivalents to the following international words.**

Individual, operation, sphere, business, industrial, transport, commercial, legal, form, firm, license, result, secret, public, report, general, partner, creditor, collective, private, proportion, contract, investor, limit, basis, risk, market, dividend, company, corporation, act, capital, deposit, certificate, character, finance, bank, personal, liquidation, normal, resolution.

### **EXERCISE 3. Translate the derivatives.**

approve (схвалювати) → approval

access (доступ) → accessible, accessibility

full (повний) → fully

partner (партнер) → partnership

equal (рівний) → equally

decide (вирішувати) → decision

contribute (вносити вклад) → contribution, contributor

joint (спільний) → jointly

equip (оснащувати) → equipment

withdraw (виводити із складу) → withdrawal

found (засновувати) → founder, foundation

manage (керувати) → manager, management, managerial

add (додавати) → addition, additional

own (володіти) → owner, ownership

value (оцінювати) → valuation, devaluation, valuable

limit (обмежувати) → limitation, limited, unlimited

**EXERCISE 4. Match the opposites.**

A		B	
1	adverse	a)	to run out
2	to start	b)	proper
3	close	c)	false
4	inappropriate	d)	open
5	subordinate	e)	private
6	to find	f)	leading
7	advantages	g)	favourable
8	public	h)	to lose
9	general	i)	poor
1	to ignore	j)	to give
1	true	k)	to take away
1	to conclude	l)	harmful
1	important	m)	foreign
1	domestic	n)	to take into account
1	to obtain	o)	disadvantages
1	useful	p)	to break
1	to deliver	q)	foreign

**EXERCISE 5. Match a word in A with its synonym in B.**

A		B	
1	to offer	a)	businessman
2	to found	b)	significant
3	field	c)	care
4	vital	d)	by law
5	modern	e)	to suggest
6	to obtain	f)	agreement
7	to defend	g)	to go bankrupt
8	objective	h)	to establish
9	domestic	i)	to require
10	issue	j)	distinction
11	concern	k)	to go on
12	difference	l)	problem
13	to demand	m)	method
14	to continue	n)	contemporary
15	to disappear	o)	sphere
16	to manage	p)	internal
17	approach	q)	to get
18	legally	r)	to operate
19	entrepreneur	s)	aim

20	deal	t)	to vanish
21	to run out of capital	u)	to protect

**EXERCISE 6. Translate these attributive chains into your mother tongue. Do not forget that the noun is always the last word in word combinations of this kind:**

General educational and economic subjects; international economic relationship; basics of foreign economic activity; regarding international business; knowledge of other countries' infrastructures; foreign trade dynamics; international exchange rates; legal-political and sociocultural traits; contemporary international managers; current global management theory; international finance and currency matters; cross-cultural communication; foreign legal requirements; poor labor-management relations; adverse currency fluctuations.

**EXERCISE 7. Translate the word combinations.**

To be proud of long history; to offer training; leading higher educational establishment; the most important branch of national economy; bookkeeping and audit; business economy; vital role in modern economies; to obtain deep knowledge; basics of economic theory; bookkeeping accounting; world trends in transportation market; to manage organization; special abilities and skills; to set objectives; forecasting and planning; levels of management; domestic managers; to demonstrate a higher level of skill; to acquire skills; foreseeable future; cross-cultural communication; international competition; to ignore issues; to open the door to risks; to successfully manage; to extend marketing reach; to deal with economic operations; to interact with representatives; to obtain a degree; to take a major decision; to found a company.

**EXERCISE 8. Read and translate the text.**

**My Speciality Management of Foreign Economic Activity**

I am a second-year student of Ukrainian State Academy of Railway Transport. I am proud of my Academy because it has long history and rich traditions. Nowadays the Academy counts five faculties and offers training in about twenty specialities. It is the leading higher educational establishment which trains specialists for



one of the most important branches of Ukraine's national economy – Railway Transport.

I have chosen the Railway Transport Economics Faculty. It was founded in 1934. Students of our faculty can specialize in the field of bookkeeping and audit, finance and credit, business economy, management of organization, marketing, and management of foreign economic activity. I'll become a specialist in the field of Management of Foreign Economic Activity. It seems to me that it is one of the most interesting, useful and challenging professions nowadays, because management plays a vital role in modern economies all over the world.

Any future specialist must obtain deep knowledge in general educational and economic subjects such as mathematics, foreign languages, basics of economic theory, money and credit, bookkeeping accounting, entrepreneurial and labour law, basics of management and marketing, state regulation and forecasting. Besides, students of our speciality are delivered such specialized courses as international economic relationship, basics of foreign economic activity, world trends in transportation markets, etc.

All organizations, whether small or large, have to be managed. This means that there is a need for people with special abilities and skills. Managers should carry out the following: setting objectives, forecasting and planning, directing subordinates, coordinating and guiding various activities so that all parts of the business are working towards the same goal. There exist three levels of management: top level, middle level and lower level or first-line managers.

Managers must be trained regarding international business that is not normally the concern of domestic managers. On a broad scale, these issues include knowledge of other countries' infrastructures, business practices, and foreign trade dynamics. In addition, international managers must be knowledgeable about international exchange rates and the legal-political and sociocultural traits of other countries.

Contemporary international managers will need to demonstrate a higher level of skill than those exhibited by traditional managers in the past. They must be multilingual, sensitive to cultural differences, and knowledgeable about current global management theory, philosophy, psychology, and their practical applications. Acquiring the skills

needed to become a successful international manager is a demanding, though necessary, process, especially since the global market will continue to expand for the foreseeable future.

As trade barriers disappear and businesses increasingly pursue market opportunities abroad, competency and effectiveness in international management are paramount skills at many companies. The issues involved in international management cover the whole range of those concerning management in general, but there are several areas of special interest. They are international finance and currency matters, cross-cultural communication and understanding, foreign legal requirements and accounting practices, [global strategy](#) and [international competition](#).

To ignore such issues in international business is to open the door to risks like inappropriate marketing approaches, poor labor-management relations, adverse currency fluctuations, and other problems. Conversely, companies that are able to successfully manage these issues have greater potential to extend their marketing reach, increase market share, improve efficiency and profitability, decrease costs, and enjoy other competitive advantages.

Therefore, graduates of our speciality may deal with a great variety of economic operations and can work for different international companies. They can establish relations and interact with representatives from various countries, work at different railway enterprises, and work as chief executive officers (CEO), chief financial officers (CFO), directors of investment, insurance and other companies, in private and public banks, stock exchanges, taxation institutions, etc.

My aim is to obtain bachelor's degree and then to apply for specialist or master courses, successfully defend my diploma and to find a good well-paid job in the sphere of international management where I can apply all my knowledge and skills obtained at the Academy.

### **EXERCISE 9. Answer the questions.**

- 1 What specialities does the transport economic faculty train?
- 2 What knowledge and skills are important in the manager's professional activity?
- 3 Why is managerial profession of crucial importance for any business?
- 4 What is the difference between

traditional managers and international managers? 5 What is 'sociocultural traits' of a country? Give some examples. 6 Why does the role of international managers in companies increase? 7 Where can specialists in the field of foreign economic activity work? 8 Why have you chosen a speciality of international manager? 9 Do you know about any international or multinational organizations working in the field of railway transport where graduates of your speciality can work?

**EXERCISE 10. Translate the following word combinations and make sentences with them.**

Пропонувати навчання; готувати спеціалістів; спеціалізуватися у сфері; міжнародні економічні відносини; рівні керування; інфраструктура країни; високий рівень; торгові бар'єри; економічний факультет; облік та аудит; економіка підприємства; зовнішньоекономічна діяльність; виконувати свою професійну діяльність; ефективно взаємодіяти; економічна діяльність; відмінні знання; національні та психологічні особливості; зовнішньоекономічні відносини; успішно керувати; частина ринку; покращувати ефективність; велика кількість економічних операцій; застосовувати знання.

**EXERCISE 11. Your friend is studying at the Ukrainian State Academy of Railway Transport. And you want to know more about the Academy. Ask your friend:**

- where he/she study;
- what faculty he/she chose;
- when this faculty found;
- why he/she chose this faculty;
- what subjects he/she study;
- what specialists train this faculty;
- what speciality he/she chose;
- at what sphere will he/she work;
- where he/she going to work.

**EXERCISE 12. Your friend is going to enter Ukrainian State Academy of Railway Transport. Advise him to choose:**

- The Railway Transport Economics Faculty

- Speciality “Management of foreign economic activity”.

**EXERCISE 13. What parts of speech are the words in bold type?**

- 1 People **need** capital **to start** a business.
- 2 Any legal person or **an individual** can be a founder of the company.
- 3 Owners **share** the responsibilities and profits of a business.
- 4 Businesses **close** down if their owners run out of capital.
- 5 Proprietors are the most common **form** of business ownership in trade, transport, banking.
- 6 **Individual** proprietors carry out business activities mainly in the sphere of services and retail trade.
- 7 At least one full member and one investor can **form** a limited partnership.
- 8 Do you have any **shares** of stock in this company?
- 9 Any company in Great Britain should be registered under the Companies **Act** and **act** in compliance with its Charter.
- 10 In companies of some types a shareholder **needs** the consent of other shareholders to assign his or her rights to third persons.
- 11 This circumstance **limits** financial rights and production opportunities of private limited companies.
- 12 The initial capital is **formed** by way of selling shares.
- 13 You are not **right**, I’m afraid.
- 14 What are the personal **rights** of the shareholders? – Personal rights **mean** the right to vote.

**EXERCISE 14. Where possible, supply the comparative and superlative degrees of these adjectives:**

Few, major, average, chief, executive, good, wealthy, central, poor, middle, rich, great, foreign, cheap, little, late, bad, young, low, many, rapid, temporary, medical, significant, reasonable, just, enormous, physical, fair, meaningful, recent, costly, inefficient, single, small.

**EXERCISE 15. Underline comparative constructions and translate the phrases into your mother tongue. Then compose your own sentences with patterns of comparison and adjectives from Exercise 14.**

- ❖ to be worth more than \$20 bn
- ❖ to own a greater percentage of the nation's wealth than at any time since 1920s
- ❖ the most important issue at the conference
- ❖ the poor are getting poorer
- ❖ they earned so little that they couldn't buy a house
- ❖ as bad as the current situation is
- ❖ fifty years later
- ❖ more than one-third of graduates – twice as many as 5 years ago
- ❖ more and more of the new jobs
- ❖ the number of employees has doubled
- ❖ a little over half that figure (21%)

**EXERCISE 16. Define the functions of HAVE in the following sentences:**

- 1 Foreign producers *have* accepted the paper money in return for real goods and services.
- 2 The United States does not *have to* redeem it for other goods or services.
- 3 No other country in the world *has* these large amounts of currency.
- 4 By 1996 the Secret Service *had* confiscated \$10 million of the notes.
- 5 The Secret Service *had* 20 officials abroad.

**EXERCISE 17.** Fill in the table with the following verb forms:

Present Simple		Past Simple		Future Simple		Present Perfect		Past Perfect	
Active	Passive	Active	Passive	Active	Passive	Active	Passive	Active	Passive
e				e					e

Became; are known; is; were introduced; joined; have joined; collapsed; contributes; were announced; carries; are; began; were withdrawn; present; is decorated; will fluctuate; put; were agreed; are denominated; has been tried; have been; tried; were followed by; imposed; tend; circulated; were; were united; brought.

**EXERCISE 18. Change Active Voice into Passive Voice or vice versa making necessary changes.**

- 1 Owners of any business evaluate the results of operations.
- 2 The analysis of the information is performed by accountants.
- 3 A CPA is authorized by the state to certify the accuracy of business records.
- 4 CPA firms are usually hired to perform audits.
- 5 Entries are made in the journal at the time of each transaction.
- 6 Nowadays, computers are used to keep accounting records.
- 7 The income statement totals revenues and expenses.
- 8 The balance sheet lists assets, liabilities and capital.

**EXERCISE 19. Using Sequence of Tenses put the sentences in the Past Tense.**

- 1 He asks if the car-manufacturing plant expanded its international operations.
- 2 He reported that the firm is holding talks about an automobile plant in the district.
- 3 I think that the organization has already started its work.
- 4 The engineer says that he doesn't think that the office work will be interesting for him.
- 5 He asks me if I know about the largest contracts concluded by the firm.
- 6 He says he is no longer interested in the discussion of that problem.

**EXERCISE 20. Translate into English.**

- 1 Попит та пропонування займають важливу роль в економіці кожної країни.
- 2 Люди можуть інвестувати надлишки свого доходу в нові підприємства.
- 3 Зниження цін призводить до зниження продуктивності.

4 В цьому місяці ми можемо одержати значні знижки на деякі товари.

5 На світовому ринку автомобілів конкуренція дуже велика.

6 Обсяг продажу у відгалуженні фірми різко впав, незважаючи на додаткові знижки, які пропонує фірма.

7 Крива попиту та пропонування на цей товар змінюється кожного місяця.

8 Продажи по Інтернету – це нова послуга, яку пропонують деякі великі фірми.

### **EXERCISE 21a. Read and translate the dialogue.**

A: - Good morning! How are you?

B: - Fine, thanks. And how are you getting on?

A: - Very well, thank you. Let me tell you about our company. As you know, we produce processing equipment. Our firm consists of 6 departments: Production, Sales, Export, Financial, Personnel and Research & Development. The last one is the newest at the company. It was created five years ago... Currently we employ about 1600 people. Our turnover is more than £300 million.

B: - You will work with our Export Department. We export our equipment to 5 countries. We also have two subsidiary companies in Holland and Germany with head-quarters in those countries.

A: - Are they your subsidiaries or branches?

B: - They are our subsidiaries. Each company trades under its own name. We are looking for new partners in Eastern Europe as well, as we would like to expand our activities.

A: - All right. Let us get down to business. Today and tomorrow we were going to talk about terms of payment and delivery.

B: - Right. And the day after tomorrow we'll be talking about packing and transportation.

A: - Then I plan to go to London for three days. As you know, there will be an exhibition. Will you join me?

B: - Yes, with pleasure. It would be very helpful for the purpose of my visit.

A: - I hope so. And after that you'll have enough time for a visit to our factory.

B: - That suits me fine. I expect to submit the Draft Contract to my Director by fax not later than next Wednesday.

**EXERCISE 21b. Read and translate the dialogue, fill in the gaps.**

Mr. Stark: - Let me introduce our Sales Trainee to you. His name is Max. He examines packaging and checks transportation documents.

Max: - How do you do!

Mr. S: - By the way, how do you personally understand the term the term “marketing”?

Max: - The origin of this word is the Latin word “mercuri”, meaning “to track and barter”. Marketing, therefore, is made up, on the one hand, of such physical activity as transporting, storing, and selling goods, and, on the other hand, of a series of decisions that must be reached by any organization undertaking any part of the process of moving goods from the producer to the customer. It’s also necessary to have a “hot line” for consumer inquiries and complaints to facilitate feed-back from market to the producer.

Mr. S.: - Thank you, Max. I would like to have such a competent trainee as you in our company. Now I must talk to the Advertising Manager.

Mr. S.: - Can I . . . today?

Secretary: - Unfortunately Mr. Franklin is off. Will you . . . for him?

Mr. S.: - Yes, please. I would like to listen to his ideas as to how to train our advertising agents. What time . . . ?

S.: - At . . . I suppose. Here is an Agency’s Executive, Mr. Corn. He is waiting for Mr. Franklin too and could tell you about his work, if you are interested.

...

Mr. S.: - . . . , Mr. Corn. I’m . . . .

Mr. Corn: - . . . .

Mr. S.: - Your position is something new for me. Would you tell me . . . ?

Mr. C.: - As the agency has contacts with the advertiser I need the aptitudes of both a salesman and a manager. I work with the client



to determine the advertising objectives and to obtain final approval of a campaign. I also work with the agency's personnel to develop advertising messages, media, and find facts to implement these objectives.

Mr. S.: - I see. I find your profession . . . . .

Mr. C.: - Certainly. If . . . you should come to our agency. I could arrange an appointment for you with the Manager.

Mr. S.: - . . . . .

### **EXERCISE 21c. Translate the dialogue.**

A: - Доброго ранку. Я хотів би ознайомитися з заводськими приміщеннями, де ви тестуєте ваше обладнання.

B: - Це робиться в нашому тестовому відділі (Test Department). Ми ретельно перевіряємо наше обладнання перед тим, як його продавати, та зазвичай одержуємо схвальні відгуки від клієнтів.

A: - Я хотів би сходити туди та подивитись своїми очима. Я бачив тільки готову продукцію.

B: - Я можу супроводжувати вас та показати усі виробничі приміщення.

A: - Крім того, це наш перший заказ та ми б хотіли, щоб на тестуванні був присутній наш експерт.

B: - Це питання вам слід обговорити з нашим директором.

A: - Коли я можу з ним зустрітись?

B: - Він зараз у відрядженні. Ви можете зустрітись наступного тижня. А зараз ми можемо оглянути наші приміщення.

## **TYPES OF BUSINESS OWNERSHIP**

### **WORD LIST**

**affect** (v.) – впливати, діяти

**approve** – схвалювати, стверджувати

**assign one's right (to smb.)** – передавати, перепоступатися своїм правом (кому-небудь)

**Articles of Association** – Статут акціонерної компанії

**statutory book** – статутна книга товариства з обмеженою відповідальністю, в якій вказується фінансове положення, учасники, керівництво та протоколи

**to keep a book** – вести книгу

**Companies Act** – Закон про структуру компанії (товариства з обмеженою відповідальністю), прийнятий в Англії

**concession (of the share of participation)** – поступка (частки участі)

**contribution** – вклад

**to make contribution** – вносити вклад

**debenture** – боргове зобов'язання компанії

**secured debentures** – боргові зобов'язання, забезпечені активами (UK)

**unsecured debentures / naked debentures (US)** – боргові зобов'язання, незабезпечені активами

**debt** – борг

**to go into debt** – залізи в борги

**devaluation** – девальвація, знецінювання

**distribute** – розподіляти

**dissolve** – розпускати

**at the expense of** – за рахунок чого-небудь

**capital goods** – основні засоби виробництва

**interest** – процент

**majority interest** – контрольний пакет акцій

**issue** – видавати, випускати

**joint** – спільний

**joint venture** – спільне підприємство

**legal** – законний, юридичний

**liable** – відповідальний, зобов'язаний; що підлягає

**to be liable for the debts** – нести відповідальність за борги

**to be liable to income tax** – оподатковуваний прибутковим податком

**liability** – відповідальність, зобов'язаність, заборгованість

**lose** – втрачати

**loss** – втрата

**losses** – збитки

**means (n.)** – засіб, засоби, способ

**mean (v.)** – означати

**mutual** – взаємний

**third party** – третя сторона

**property** – статки, власність

**real property / real estate** – нерухоме майно

**proprietor** – власник

**provide for** – передбачати, вживати заходів

**register** – журнал обліку

**retailing** – роздрібна торгівля

**(be) subject to** – підлягати (чому-небудь), залежати (від чогось)

**be subject to agreement** – підлягати узгодженню

**be subject to contract** – за умови підписання контракту

**be subject to public report** – підлягати публичній звітності

**withdraw** – вилучення

## **PRE- READING TASKS**

**EXERCISE 22. Scan Text A to find word combinations with the following key words:**

- partner
- business
- company
- liability

**EXERCISE 23. Scan Text A again to find out if these statements are true or false:**

- Third party is a person who is not one of the two main people involved in an arrangement, a dispute, etc. but is affected in some way.
- Starting is a process of establishing a new company.
- Debenture is a long-term loan, with a fixed rate of interest and usually repaid at a fixed date. Company's assets often secure a debenture.
- The equity capital of the private limited company is formed by way of receiving government subsidies.

## **TEXT A**

### **TYPES OF BUSINESS OWNERSHIP**

*Sole Proprietorship (UK). Single Proprietorship (US).*

*Індивідуальне підприємництво*

Proprietorships are businesses owned and operated by one person. The owner makes all decisions, concludes commercial deals, receives all profits, and is legally responsible for any business debts. Proprietors/ *sole traders* (US) can start a business with a small amount of capital and few business formalities.

Proprietors must be registered in the trade register, obtain a license to carry out business activities and keep the books reflecting the results of the latter. The contents of the books are a commercial secret.

Sole/single proprietors are not subject to public report, therefore it is not possible to get true information of their activities.

The proprietor is fully liable with his property by the obligations of his firm. Most of these businesses close down if the owner dies or runs out of capital.

Proprietors are the most common form of business ownership in farming, construction, trade, transport, banking, etc.

*Partnerships* consist of two or more owners who share the responsibilities and profits of a business. In most cases, each partner is liable for all business debts.

Partners may sign a legal agreement that specifies the amount of work, the contribution of capital, and the percentage of profits for each partner. Most partners together can raise more capital and handle more business than a single proprietor. However, nearly all partnerships are small businesses. They are most common in law, medicine, real estate, and retailing. A partnership can be dissolved by mutual agreement or by the withdrawal of any of the partners.

*Unlimited Partnership (UK). General Partnership (US). Повне товариство*

In unlimited partnerships every partner is equally and collectively responsible for the property. In other words, creditors can be paid at the expense of the partnership's property or private property of the members. Besides, the agreement can not provide, except for property, liability of any of the members before a third party. The

property of the unlimited partnership is a joint property of its members.

Concession of the share of participation can be made only with the consent of the members. The number of the members of the partnership is not limited.

Unlimited partnerships are not subject to public report.

*Limited Partnership (UK, US). Командитне товариство (Товариство з обмеженою відповідальністю)*

The limited partnership is a contractual union of entrepreneurs who make contributions but do not take direct part in the management (investors); and those who, apart from contributing, carry out direct management of the partnership and are fully liable by the partnership's obligations with their own property (full members).

At least one full member and one investor can form a limited partnership.

The name of the partnership includes the names of one or two full members; if an investor's name is included into the firm's name, then the investor becomes equally and jointly liable by the partner's obligations.

*Master Limited Partnership. Акціонерно-Командитне Товариство*

Master limited partnerships carry out business activities on the basis of a Charter. One or more full members and shareholders as investors make a partnership. Shares can either be sold to or distributed among the investors or quoted on the stock exchange. Full members run the partnership and are liable by the partner's obligations. The shareholders run the risk of devaluation of their shares. A legal person acts as a full member. Thus, a master limited partnership has characteristics both of a limited partnership and a public limited company.

The advantage of a master limited partnership is that additional income is obtained through an issue and sale of securities. Dividends are tax exempt, the investors pay only income tax.

Corporations are owned by stockholders, who have shares of stock in these companies. Certain major decisions on business operations are taken by the majority of stockholders. However,

professional managers actually run the everyday activities of a corporation. Profits are distributed among the stockholders as dividends or reinvested in the corporation.

A corporation is larger and more difficult to establish and operate than a single proprietorship. The decisions of a corporation are also subject to the approval of both the stockholders and the managers. However, corporations have three chief advantages over other types of business ownership. First, large amounts of capital can be raised through the sale of stock. Second, the owners – that is, the stockholders- have limited liability. If the corporation goes into debt, they can lose no more than their investment. And third, business operations are not affected by an owner's death or withdrawal from the company.

*Private Limited Company (UK). Close Corporation (US). Акціонерна Компанія з Обмеженою Відповідальністю. Закрита компанія. (Компанія з Обмеженою Відповідальністю Закритого Типу)*

A private limited company should be registered under the Companies Act and act in compliance with its Charter. The company is a legal person fully liable by the company's obligations. The equity capital of the company is formed at the expense of deposits. The shareholders get a certificate of deposit, which is not a security. As a rule, a shareholder needs the consent of other shareholders to assign his or her rights to third persons. There are private limited companies with a single shareholder.

Private limited companies are not allowed to issue debentures and announce public subscription for their shares. This circumstance limits their financial rights and production opportunities.

Private limited companies keep statutory books, which are not subject to public report. The number of members of the company is not large and usually consists of close relatives or people knowing each other well, who united for business.

*Public Limited Company (UK). Corporation (US). Відкрита Акціонерна Компанія. Корпорація. (Акціонерне Товариство Відкритого Типу)*

Public limited company is the main legal form of large firms. A public limited company is a union of investors called shareholders. It carries out business activities on the basis of the Articles of Association and must be registered under the Companies Act. Any legal person or an individual can be a founder of the company. The shareholders are not liable by the company's obligations. The investor has a right to sell his shares without consent of other shareholders.

The initial capital is formed by way of selling shares. The means obtained are used for the purchase of plots of land, industrial premises and offices, equipment, raw materials, etc. to launch manufacturing activities. Another way to receive an income is to issue debentures and secure bank loans.

Thus a number of advantages make a public limited company the most effective means of concentration and centralization of capital goods and capital. The shareholders can return their capital only by way of selling shares at the price currently quoted on the stock exchange.

The shareholders have property and personal rights. Property rights are realized in case of liquidation of a company and in case of getting dividends. Personal rights mean the right to vote; normally a share gives a right for one vote. The decisions are to be taken by a large majority, so the person or a legal person holding the majority interest is the one who makes resolutions.

**EXERCISE 24. Chose the correct answer:**

A SOLE TRADER is...

- a) the managing director of the company.
- b) an individual carrying out economic operations and concluding business deals on his or her own behalf.
- c) an employee who is in charge of the operation of the company.

A PARTNER is...

- a) any person who signs any kind of legal document/
- b) a person or group of people who take part in a legal agreement.
- c) one of two or more people who runs a business.

The INVESTOR OF THE PUBLIC COMPANY has the right to sell his shares...

a) only with the consent of the Chairman of the Board of Directors.

b) without the consent of other shareholders of the company.

c) only to the shareholders of the same company with the resolution of the shareholders' meeting to follow.

**EXERCISE 25. Fill in the blanks with the prepositions from the box:**

among	from (x 2)	out
at (x 2)	in	to (x 2)
by (x 3)	into	with (x 3)
for (x 2)	of (x 3)	

- 1 to carry ... business activities
- 2 ... compliance .. the Charter
- 3 to withdraw smbd. ... a company
- 4 to assign rights ... a third person
- 5 to pay ... the expense ... property
- 6 to distribute shares ... investors
- 7 to run ... everyday activities ... a company
- 8 to require ... the approval of the Board of Directors
- 9 to take a decision ... a large majority
- 10 public subscription ... shares
- 11 to form ... capital ... way ... of selling shares
- 12 to keep ... statutory books
- 13 ... the consent ... other shareholders
- 14 to raise ... funds
- 15 to be liable ... one's property ... the obligations of the firm
- 16 to be subject ... changes
- 17 to go .. debt
- 18 to be legally responsible ... debts
- 19 apart ... getting information
- 20 to launch ... manufacturing activities
- 21 to sell ... a price



**EXERCISE 26. Give English equivalents to the following word combinations. Then make sentences of your own with them.**

Різні сфери ділової активності	
Укласти угоду	
Бути зареєстрованим в торговому реєстрі	
Придбати дозвіл	
Вести торгові книги	
Зацікавлені особи	
Підлягати публічній звітності	
Достовірна інформація	
Роздрібна торгівля	
Індивідуальне підприємство не є юридичною особою	
Переваги повного товариства	
Майно товариства з обмеженою відповідальністю	
Особисте майно	
Необмежена і солідарна відповідальність	
Отриманий прибуток	
Пропорціональний розподіл прибутку	
Поступка частки участі без згоди інших пайовиків	
У разі виходу з товариства одного з учасників	
Відповідати необмежено всім своїм майном по зобов'язанням фірми	
Котуватися на фондовій біржі	
Акціонери піддаються ризику знецінення своїх акцій	
Отримувати додаткові кошти за рахунок емісії акцій	
Акціонерний капітал компанії	
Спричинити ліквідацію компанії	

Найбільш стійка форма об'єднання капіталів	
Тримач контрольного пакету акцій	
Приймати рішення більшістю голосів	
Право на один голос	

**EXERCISE 27. Make up your own sentences using the phrases from Exercise 26.**

**EXERCISE 28.** Fill in the blanks with a proper adverb from the box.

actually	equally	normally
at least	fully	only
besides	however	rather
collectively	legally	
currently	nearly	

- 1 The sole trader is ... responsible for his/her business debts.
- 2 ... all partnerships are small businesses.
- 3 In a partnership every partner is ... and ... responsible for the property.
- 4 The property of the unlimited partnership is a joint one. ..., liability of any member of the unlimited partnership is not provided by the agreement.
- 5 A limited partnership can be formed by ... one full member and one investor.
- 6 A corporation is ... difficult to establish and operate. ..., a corporation has advantages over other types of companies.
- 7 Everyday activities of a corporation are ... run by professional managers.
- 8 A private limited company is a legal person ... liable by the company's obligations.
- 9 ... , a share gives a right for one vote.
- 10 Shareholders of a public limited company can return their capital ... by selling their shares.
- 11 Shares can be sold at price ... quoted on the stock exchange.

**EXERCISE 29. Answer the following questions:**

- 1 What is a sole proprietorship?
- 2 Are people hired to work in the sole proprietorship considered to be proprietors?
- 3 In what cases can the books of the sole proprietorship be made public?
- 4 Why is it not possible to get true information of the activities of the sole proprietorship?
- 5 What spheres are typical for single proprietorships?
- 6 What is the difference between the limited and the unlimited partnership?
- 7 In what case is the unlimited partnership dissolved?
- 8 How many people does it take to form a limited partnership?
- 9 What is the advantage and disadvantage of including an investor's name into the name of the firm?
- 10 For the master limited partnership, list the features of the limited partnership and the joint stock company.
- 11 What are the advantages of the master limited company?
- 12 What is the private limited company?
- 13 How is the equity capital of the private limited companies formed?
- 14 What factor provides for the close character of the private limited company?
- 15 What factors limit financial rights and production opportunities of the private limited company?
- 16 What is the public limited company?
- 17 Who can be the founder of the public limited company?
- 18 Are the shareholders liable by the company's obligations?
- 19 What are the methods to finance business for the public limited company?
- 20 What are the advantages of the public limited company?
- 21 What are the rights of the shareholders in a public limited company?
- 22 What is the difference between the private limited company and the public limited company?

**EXERCISE 30. Scan Text B to find answers to the following questions:**

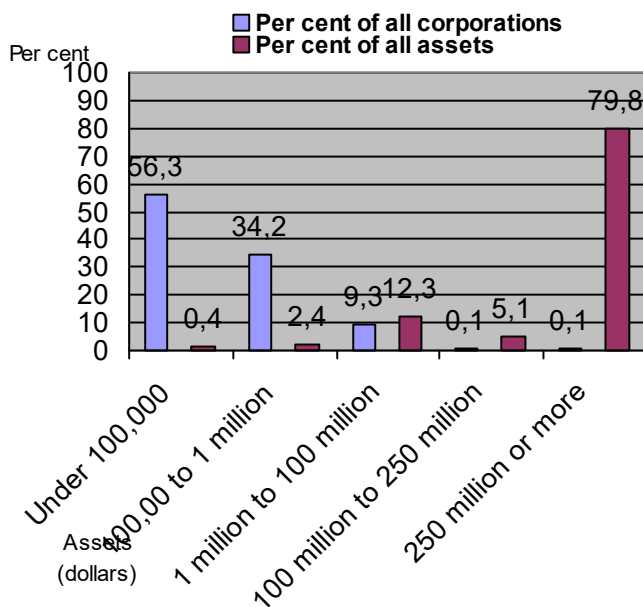
- 1) What is the difference between a conglomerate, a small and a giant corporation?
- 2) What is the usual size of their assets?

**TEXT B  
CORPORATIONS IN THE USA**

Corporations account for about three-fourths of all business income produced in the United States. Corporations vary tremendously in size and in the extent of their business activities. The firms range from small companies whose products or services reach only a few consumers to huge organizations that produce most of the goods and services in a particular field. Corporations at the two extremes of size differ so greatly that they may be considered as separate types of corporations. A third type is a *conglomerate* – that is, a giant corporation that controls many smaller companies producing

***Distribution of assets of U.S. corporations by size***

This graph shows the distribution of the assets of U.S. corporations in five categories according to size. There are about 3,600,000 corporations. Their assets amount to more than \$ 6 trillion. The largest corporations make up only 0.1 per cent of the total number, but they have about 80 per cent of the assets.



different and unrelated goods and services.

*Small corporations* are generally defined as those with assets of less than \$100,000. About 2 million corporations, or about 56 per cent of all U.S. corporations are in this group. However, small corporations control less than 1 per cent of the total corporate assets in the United States.

Source: *Statistics of Income, 1988: Corporate Income Tax Returns*, United States Internal Revenue Service, 1991

*Giant corporations* have assets greater than \$250 million. They represent only about a tenth of 1 per cent of the corporations in the United States. But these corporations control about 80 per cent of the country's corporate assets. They dominate such industries as banking, insurance, petroleum, public utilities, and transportation. Some of their operations extend around the world. A corporation of this size controls more productive resources than many countries do.

Conglomerates own a number of companies and mostly operate in unrelated industries. Many conglomerates are formed to protect total sales from changes in the economy or in consumer demand. For example, if the member companies differ sufficiently in their activities, the conglomerate can usually offset losses in some of its operations with profits in others.

An example of a highly diversified conglomerate is the ITT Corporation. It consists of more than 150 companies, including the Sheraton Corporation, Hartford Insurance, and ITT Rayonier, a wood pulp and timber company. During a period of high unemployment, relatively few people may be able to afford to stay at a Sheraton hotel. However, many people might still be able to buy insurance from Hartford or paper goods that are made from materials sold by ITT Rayonier.

consumer	- споживач
unrelated goods	- товари, не пов'язані з основною продукцією
assets	- активи
consumer demand	- споживчий попит
loss	- втрата

**EXERCISE 31. Give examples of any corporation you know.**

**EXERCISE 32. Look at the diagram and describe it. Write no more than 250 words.**

**EXERCISE 33. Scan Text C and copy all abbreviations.**

**TEXT C  
TYPES OF ABBRIVIATIONS**

The abbreviation *Ltd.* after the company's name tells you that the company has *limited liability*, which means that the individuals who own the company, or part of it, i.e. the shareholders, are only responsible for their holding (the capital) they have contributed) and no more than that if the company goes bankrupt. It is a warning to people giving the company credit that in bankruptcy they can only get what the company owns, not the personal possessions of its shareholders. The abbreviation *Plc. (Public Limited Company)* is used to show that the company's shares can be bought by the public; *Ltd.* continues to be used for private limited companies whose shares are not available. In the USA the term *Incorporated (Inc.)* is used.

SOUNDSONIC Ltd.

SP Wholesalers PLC

Hartley-Mason Inc.

The abbreviation *& Co.* tells you that the company is a *partnership* between two or more people. If it is a family concern, the word *Son, Sons, Bros. (Brothers)* or, very occasionally, *Daughter(s)* may be added. Partnerships may have limited liability or unlimited liability.

F. Lynch & Co. Ltd.

R.Hughes & Son Ltd.

If neither *Ltd.* nor *& Co.* appear after the company's name, then it may be a *sole trader*, a single person doing business in his own name and on his own account.

If the company is a *joint stock company*, the names of the directors will appear on the letterhead.

**EXERCISE 34. What information can you receive from the names of the following companies:**

The Walt Disney Co, PepsiCo, Barnes&Noble, Inc., Cooper Industries Ltd, Marshall&McLennan Companies Inc., Sara Lee Corp, Tiffany&Co, Tramp Hotels&Casino Resorts Inc., Xerox Corp, Forest Products Inc.

**EXERCISE 35. Read the following interview about the structure of a major chemicals multinational.**

**TALKING ABOUT CORPORATE STRUCTURE**

A: You work for one of the major European chemical multinationals. Could you tell us a little about how your company is organized?

B: Yes, well two years ago we moved over to an American style structure with what we call the Board of Management headed by the Company President, then what we call the Corporate Staff division, which consists of ten divisions headed by ten Vice Presidents reporting directly to the Board of Management.

A: And what do each of these actually do?

B: As I said, there are ten Vice Presidents, each in charge of a division. These include Corporate Planning, Law, Patents and Insurance. I look after the patent section.

A: That's one division, Law, Patents and Insurance?

B: Yes, Law, Patents and Insurance, then Public Relations and a few others.

A: Such as?

B: Such as Finance, R and D ...

A: Research and Development?

B: Yes, they're responsible for new product development and then there's Logistics, Environmental Protection...

A: Environmental Protection? I'm surprised.

B: Yes, our company is a leader in the field.

A: Really?

B: Yes. We can trace our first actions back to 1901, and our clean air committee first met in 1913. We're proud of that.

A: So you place a great deal of importance on environmental protection?

B: And at the highest levels, yes.

A: And what other divisions are there? Human Resources?

B: Yes, and ... is that ten?

A: No, I don't think so.

B: No, where were we? There are ten ... er ... Finance, R and D, Logistics, Environmental Protection, Human Resources, Law, Patents and Insurance and Corporate Planning, of course, then Sales and Marketing and Plant Administration.

A: And a Vice President takes care of each of these?

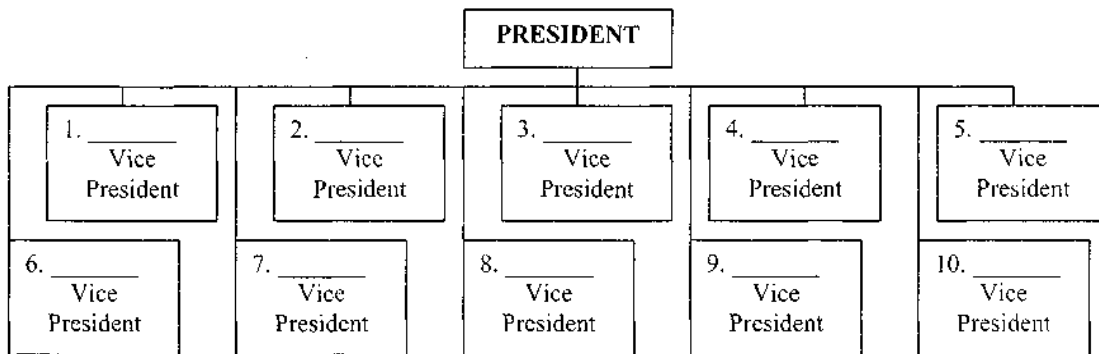
B: That's right.

A: And below that?

B: Well, below that there are various departments that deal with the day-to-day running of the organization, the sales function, invoicing, distribution and so on.

A: I see. Well, thank you.

a) complete the organigram below with the names of the divisions from the above interview.



b) explain the corporate structure of a company you know well, draw an organigram and describe its work relationships. Use words and expressions from the note below.

**Note:** The most common verbs for describing company structure are:

*consist of is made up of, is composed of, includes, contains, is divided/split into.*

Other verbs used to describe company organisation include: *to be in charge of, to be responsible for, to support/ to be supported by, to assist, to be assisted by.*

c) check yourself. Match the verbs in the box A to the prepositions in box B.

A	B
be headed	by
be responsible	after
be in charge	to
be accountable	into
be supported	of
be assisted	with
be composed	for
report	
take care	
look	



deal	
divided	
consist	
work	

**EXERCISE 36. Writing practice. Write a short summary of the text ‘Company Structure’.**

**EXERCISE 37. Complete the tips below with the correct form of the words in the box.**

*behave ▪ decide ▪ effect ▪ lose ▪ patient ▪ punctual ▪ share*

### **Tips for managing an international team**

- The first step is to be aware of your own ..... , values, ways of working and preferences. Remember, what’s ‘normal’ for you isn’t necessarily normal for everyone.

- Have ..... . Try to learn as much as you can about the working practices, customs and nuances of the cultures that you’re working with, but at the same time, recognise that you’re never going to know everything.

- Pay particular attention to your own attitudes and those of others in terms of:

- relationships (e.g. how you relate to older or senior staff);
- meetings (e.g. do you expect to be involved in ..... -making?);
- time (e.g. are ..... and sticking to deadlines highly valued?);
- communication (e.g. are people frank and direct / is there a culture of ..... information?);
- social values (e.g. attitudes to risk, ..... of face, sense of individuality, etc.).

- Know what positive and negative perceptions people from other cultures have about you and your culture.

- Adapt your communication style to work ..... with people from other cultures.

**EXERCISE 38. Discuss these aspects of business culture. How do they vary from what you would consider to be ‘normal’ in your culture?**

- Titles are important. Older and senior staff are addressed in a highly respectful way.
- Social activities after work are very important in business relationships.
- It is common for meetings to be cancelled or changed at the last minute.
- Meetings are frequently interrupted, with other people wandering in and out.
- Punctuality is highly valued.
- Deadlines are often viewed as fluid, rather than firm commitments.
- It's important to avoid saying no to any proposal. You risk causing offence, so always be indirect.
- There is a strong tendency to avoid giving bad news.
- Personal dignity is very important, and people work hard to save face and to avoid others losing face.
- Strong individuality is generally tolerated.

## JOKES

☺ One day a businessman was boasting to a friend about how successful he was. “When I became a chairman of my firm a year ago, it was on the edge of a precipice. Now it's taken a giant step forward”.

\* \* \* \* \*

☺ *Boss* – “You are twenty minutes late again. Don't you know what time we start work at this office?”

*New Employee* – “No, sir, they're always at it when I get here.”

\* \* \* \* \*

☺ “What is your chief worry?”

“Money.”

“Oh, I didn't know you had any!”

“I haven't”

\* \* \* \* \*

☺ A certain firm had the following legend printed on its salary receipt forms:

“Your salary is your personal business, and should not be disclosed to anyone.”

The new employee, when signing the receipt, added: “I won’t mention it to anybody. I’m just as much ashamed of it as you are.”

\* \* \* \* \*

☺ An American newspaper, giving the biography of a United States millionaire, stated that “he was born without a cent in his pocket”.

\* \* \* \* \*

☺ “Have you ever been offered work?”

“Only once. Apart from that, I’ve met with nothing but kindness.”

\* \* \* \* \*

☺ The owner of a large business concern bought a number of signs reading “DO IT NOW”, and had them hang around in the office, hoping to inspire his people with energy in their work. In his private office one day soon afterward a friend asked him how the scheme affected the staff. “Well, not just the way I thought it would,” answered the proprietor. “The cashier skipped with thirty thousand dollars, the head book-keeper eloped with the private secretary, three clerks asked for an increase of salary, and the office boy became a bandit.”

\* \* \* \* \*

☺ *A successful businessman* – “Yes, when I first came to New York I had only a dollar in my pocket with which to make a start.”

*Interviewer* – “How did you invest that dollar?”

*Businessman* – “Used it to pay for a telegram home for more money.”

\* \* \* \* \*

☺ *Professor* – “Time is money: how do you prove it?”

*Student* – “Well, if you give twenty-five cents to a couple of people, that is a quarter to two.”

\* \* \* \* \*

☺ Advertisement in a newspaper: ” Wanted – Man to manage Accounting Department in charge of 20 girls. Must like figures.”

\* \* \* \* \*

☺ *Banker*: “What do you mean by telling me that you had seven years’ experience in a bank when you never had a job there before?”

*A young man*: “ Well, you advertised for a man with imagination”.