

Министерство образования и науки РБ
ГБПОУ «Бурятский лесопромышленный колледж»

Английский язык

Методические указания

к чтению специальных текстов для специальностей:

38.02.01 Экономика и бухгалтерский учет (по отраслям)

38.02.04 Коммерция (по отраслям)

27.02.02 Техническое регулирование и управление качеством

г. Улан-Удэ

2017г.

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Дисциплина Английский язык

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Методические указания по английскому языку предназначены для тех, кто занимается изучением вопросов экономики, предпринимательства, делопроизводства и стремится овладеть учебно-профессиональным общением на английском языке в этой области знаний. Сборник рассчитан на студентов групп ЭО, УК, КД, обладающих языковыми знаниями и речевыми умениями на среднем, продолжающем и продвинутом этапах обучения в социально- бытовой и социально- культурной сфере коммуникации.

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Введение

Сборник текстов предназначен для работы со студентами по специальностям: «Экономика и бухгалтерский учет», «Менеджмент», «Управление качеством».

Он также рекомендуется тем, кто обучается на курсах менеджеров и бизнеса, где цель обучения языку – приобретение навыков устной и письменной речи в сфере делового (коммерческого) общения.

Сборник текстов состоит из 10 блоков:

- 1) текстов с профессиональной направленностью;
- 2) новых слов и выражений к текстам;
- 3) различных упражнений на понимание текстов;
- 4) упражнений на разыгрывание ситуаций.

В сборнике использован достаточно интересный и современный текстовый материал и упражнения к ним. Все задания направлены на развитие лексического и грамматического материала, на развитие речевых знаний и умений и на дальнейшее развитие навыков устной речи.

В конце сборника прилагается словарь часто используемых экономических терминов.

Unit 1

RECRUITMENT

In life of any person there is a moment when he must take a very important decision – to find a job which will bring satisfaction and money simultaneously. And what is an ideal job for you? Choose the answers and give your reasons.

An ideal job for me is a job...

- that suits my personality
- that gives challenge and opportunity
- that gives independence
- well-paid
- risky
- exciting
- that encourages thinking and development
- calm and steady
- which is connected with communication
- prestigious
- part-time
- without long business trips

Read the article about a Japanese company which expansion has brought 30 jobs to the unemployment territory.

Press and Journal

Wednesday January, 21, 1998

p.8

Factory expansion brings 30 new jobs.

By Sarah-Kate Templeton

A Japanese electronics company yesterday announced a 350,000 expansion to its Arbroath factory, bringing 30 jobs to the unemployment blackspot.

Alps Electronic, which makes electronic equipment for televisions and video recorders, employs 150 staff at Arbroath Enterprise Park.

Its decision to build a new production line at the plant will increase its workforce in the town by 20%.

Arbroath has the third- highest unemployment rate in Scotland. It reached the highest level the month before Christmas when the Mackinnon of Scotland knitwear factory closed with the loss of 26 jobs.

Angus MP Andrew Welsh and local politicians hailed yesterday's announcement as a turning point for the town.

Mr. Welsh said: "This is a good news for Arbroath and a vote of confidence in the existing employees that Als are now expanding on their existing operation.

This is a modern industry and good news for the new year. This is one for the next century. Every new job helps to increase opportunity locally."

The new hi-tech production line will enable complete modulator and tuner units to be made at the expanded Arbroath plant.

Responsibility for manufacturing this new product has been transferred from Japan to Abroath.

Peter Woodland, director of Alps Electronic (Scotland), said the move reflected the increasing confidence of the company in its Abroath workforce.

He said: "This is an important milestone in the development of the company in Scotland. This investment underlines the key role Abroath plays in Alps European plants, which is also reflected in the decision to introduce the latest technology into the plant."

He said recruitment for the new jobs would start soon.

Ian McMillan, chairman of Scottish Enterprise Tayside, congratulated the Abroath Alps Electronic workforce for earning a reputation for high-quality work and promised training support for new recruits.

He said: "Scottish Enterprise Tayside will help Alps to ensure the firms new recruits can quickly acquire the skills they will need and we look forward to assisting the company's continued development in Abroath."

Vocabulary

recruitment – набор служащих, персонала

expansion – расширение, увеличение

unemployment – безработица

blackspot – территория

to employ – предоставлять работу. нанимать

rate – уровень

loss – потеря

knitwear factory – фабрика по производству трикотажных изделий

to hail – приветствовать

turning point – поворотный момент

a vote of confidence – дух уверенности

existing – существующий

to increase – увеличивать

hi-tech – высоко технический, высоко развитый

to enable – давать возможность

modulator and tuner units – понижающие частоту и настраивающие

ЭЛЕМЕНТЫ

to manufacture – производить, выпускать

to transfer – переносить

to reflect – отражать milestone – веха

to earn a reputation – завоевать репутацию

high-quality – высоко развитый

training support – поддержка в обучении

to ensure – обеспечивать, страховать; гарантировать

to acquire the skills – приобретать навыки, мастерство

to look forward to – с нетерпением ждать чего-либо

to assist – помогать

ASSIGNMENTS

Exercise 1. *Choose the right answer using the information from the article.*

1. The head electronic company is based in _____.
 - a) America
 - b) Japan
 - c) Scotland

2. Alps Electronic produces _____.
 - a) video recorders
 - b) televisions
 - c) electronic equipment for televisions and video recorders

3. Arbroath has _____ unemployment rate in Scotland.
 - a) the first
 - b) the third
 - c) the second

4. New recruits will be given _____.
 - a) training support
 - b) financial support
 - c) equipment support

Exercise 2. *Next to the sentences below, write a word or a phrase from the article which you can use instead of the word or words in italics.*

1. What does this factory produce?
2. She is so unprofessional, nobody will give her this job.

3. The generation of highly developed machines has recently appeared.
4. Due to its talented director the company became much bigger.
- 5) Shiela is very optimistic about her new job, she thinks it will give her an opportunity to succeed.
- 6) The knitwear factory manufactures products of a good quality.
- 7) The employment of the new staff will be in September.

Exercise 3. *Translate into English the following words and phrases from the text.*

Расширение; предоставлять возможность; завоевать репутацию; набор служащих; объявлять; безработица; нанимать; штат служащих; рабочая сила; производить; приобретать навыки; помогать; высоко технический; переносить; обеспечивать; ответственность; отражать; поддержка в обучении; потеря; подчеркивать; поворотный момент.

Exercise 4. *Split into pairs and act out the following dialogues. Don't forget to use the active vocabulary.*

1. One of you has recently lost your job but heard about recruitment in Arbroath Factory. Try to get as much as possible from your acquaintance who has read an article about it in the local newspaper.

2. You are Peter Woodland, director of Alps Electric, and your aim is to persuade your partners that it is reasonable to expand Arbroath factory. Peter's partners think that it's a serious step and try to find out why the expansion is necessary.

You know that there are special newspapers dealing with recruitment. These are some job ads from such a newspaper. Look them through and choose an advert which attracts your attention at once.

Robert Gordon's College

(HMC INDEPENDENT – Coeducational 1400 pupils)

School nurse

Applications are invited from suitably qualified candidates who have recent experience of working with children and in healthcare administration.

The school nurse is required only during the school term and salary is paid pro rata in accordance with national scale rates.

School teachers

The school is updating its list of supply teachers in all subjects. Candidates should be registered with the General Teaching Council for Scotland or eligible for such registration.

There are no specially printed forms of application. Letters of application should be accompanied by a full Curriculum Vitae and should include the names of two referees.

Application should be made in writing by 14th October 1997 stating qualifications and experience to:

The Headmaster

Robert Gordon's College

Schoolhill, Aberdeen, AB10 1FE

From whom further information may be obtained. Robert Gordon's College is recognized as a charity for the provision of education for children.

Vocabulary

.....
subsidiary – филиал

to be related – быть связанным

key people – руководящие должности

salary – заработная плата

commission – комиссионное вознаграждение

to require – нуждаться в чем-либо, требовать

to drive the business forward – продвигать, развивать бизнес

to thrive – процветать, преуспевать

fast-paced environment – быстро меняющаяся обстановка

customer – заказчик, покупатель, клиент

variety – разнообразие

retail – розница

essential – существенный, важный

desire to succeed – желание добиться успеха, преуспеть

outgoing personality – общительный характер

to apply – обращаться за работой

remuneration – вознаграждение, зарплата

customer service department – отдел по обслуживанию клиентов

self motivated – инициативный

female – женщина

male – мужчина

maturity – зрелость

positive attitude – положительное отношение

ethnic minority – этническое меньшинство

background – происхождение

benefit – выгода, польза, прибыль

advantage – преимущество

pro rata – в соответствии, пропорционально

to update – обновлять

eligible – подходящий, желательный

to accompany – сопровождать (-ся)

referee – судья, человек, который может вас порекомендовать

ASSIGNMENTS

Exercise 1. Answer the following questions:

1. What kind of experience is needed?
 - a) experience of working with children
 - b) experience of working with elderly people
 - c) experience of working at school

2. How long will a school nurse work?
 - a) during the academic year
 - b) only during the school term
 - c) during three months

3. How many pupils are there in Robert Gordon's College?
 - a) 1500
 - b) 1300
 - c) 1400

Exercise 2. You know that your sister is looking for a job. She is good at languages, a perfect communicator and has some sales experience. Phone her and tell her about the job ads which you think will suit her.

Unit 2.

THE PERFECT INTERVIEW

So you choose a job ad, send your resume to the company and they invited you to the interview. Are you nervous? Now try to imagine that you are a director of a company. What kind of person would you employ? Tick the most essential features and give your reasons. Add your own variants.

- positive minded
- hard working
- with a good sense of humor
- intelligent
- sociable
- competitive
- self-motivated
- dedicated
- talkative
- experienced
- active
- determined to succeed
- enthusiastic
- brave

Select 3 traits of character you consider to be the most important and say if you possess them.

Read the story about Samantha Bailey's job interview and say why she got this position though there were a lot of other applicants.

MY TRUE STORY

Samantha Bailey, 22, from Maythorne Close, Barnsley, South Yorkshire knew that her job interview would be tough but didn't think so tough. This is her true story.

What I really wanted was to work in retail fashion – the glam side of the business. But, with no experience, it was difficult.

I spotted the advert for a fashion assistant at Etam in the job centre one lunchtime. I spent ages filling in the application form and made my boyfriend, Don, check it for mistakes. I crossed my fingers as I posted it.

The manageress, Gina Farrel, rang. They wanted to interview me. It was fate. I'd just bought a new, trendy black trouser suit.

Early the next Saturday, Gina led me up to her first floor office. I hoped she couldn't feel my hand trembling as she shook it.

She introduced me to her supervisor, Alison Attersley. Then it started.

Why do you want a job? What skills do you have?

Bog - standard questions. But to my mind went blank. I stuttered and stammered.

“We'll let you know,” Gina smiled, standing up. I'd blown it.

There must've been dozens of applicants. I bet they didn't let nerves get to them.

Gina opened the door to show me out. Smoke billowed in. The corridor to the stairs was thick with it. There was no way through.

She slammed the door.

“There's a window in the corridor,” Alison said.

We all took deep breaths, then opened the door again. Gina stood on a chair and pushed the window. It was stuck. My eyes were watering. We coughed and spluttered.

Smash! Gina's hand went through the glass. We gulped fresh air.

Gina's arm was bleeding, so I bandaged it with a tissue from my handbag.

“Help!” yelled Alison. “We're stuck.”

The window was too high to see out of. But someone yelled back – help was coming. so was more smoke.

“We need to stop it getting in,” I said.

It was coming across the landing, from the stuff room.

Alison coughed. Gina looked worried. “She’s pregnant,” she whispered to me.

Then there was the sound of sirens – fire engines.

“We might get rescued by a hunky fireman,” I suggested.

People are always saying I’m laid back. But even I was surprised how calm I was. I’d been more nervous about the interview than I was about being stuck in a burning building.

I started singing. Silly – I have a terrible voice. But it meant I was concentrating on the words, rather than our predicament.

“ If you are happy and know it...” I started.

Gina and Alison laughed, somewhat nervously.

If the fireman didn’t hurry up, we could die. Die! I hadn’t thought about that until now.

I sang louder.

We’d been there at least half an hour when a fireman appeared at the window.

We tried to figure out how the fire started. Had everyone else got out safely? We wanted to know more about what was happening outside.

“Well, we do know one thing,” Gina said, ”and that’s that the job’s yours.”

I giggled, in spite of everything. This wasn’t exactly how I’d imagined landing my dream job.

An ambulance took us to hospital. Gina needed stitches in her arm. And we all were given oxygen to help us breathe.

Apparently, the fire was confined to the stuff room, but there was a lot of smoke damage to the rest of the building. The fire brigade thought it was started by an electrical fault in the fridge.

When the shop was reopened, a week later, I was there as a sales adviser.

That was three months ago, now. And I love it – no two days are the same. But thankfully, none are quite as dramatic as the day of my interview.

*Samantha Bailey, 22
From Maythorne Close,
Barnsley, South Yorkshire*

Vocabulary

.....
sociable – общительный

competitive – конкурентоспособный

dedicated - преданный (делу)

determined to succeed – настроенный на успех

fashion – мода

glam side – очаровательная, эффектная сторона

to spot – увидеть, отличать (разг.)

to spend ages – потратить огромное количество времени

to fill in – заполнять

application form – анкета поступающего на работу

to tremble –дрожать

to shake hands – пожимать руки

to go blank – становиться пустым

to stutter (to stammer) – заикаться, запинаться

dozen – дюжина

I bet – я держу пари

to show out – проводить, выпустить

to take deep breaths – набрать побольше воздуха

to stick – застрять

to gulp – глотать

to bleed – кровоточить

to bandage – перевязывать

landing – лестница

fire engines – пожарная машина
predicament – затруднительное положение
to figure out – вычислять, понимать
to giggle – хихикать
stitches – швы
oxygen – кислород
electric fault – электрическая неполадка

ASSIGNMENTS

Exercise 1. *Read the story and choose the sentences which are true.*

- a) Samantha Bailey was eager to work in retail fashion.
- b) She spotted a job in a newspaper.
- c) She didn't feel nervous during the interview.
- d) After the interview Samantha noticed some smoke in the corridor.
- e) Fire engines came very quickly. The women didn't have to wait
- f) Nobody was hurt.
- g) An ambulance took Samantha and other people to hospital.
- h) The fire was started by an electric fault in the fridge.
- i) Unfortunately Samantha couldn't get a job in that company.

Exercise 2. *These sentences are written in the wrong order. Try to recollect their succession in the text.*

1. Gina opened the door to show me out.
2. I spent ages filling in the application form.
3. We were all given oxygen to help us breathe.
4. The corridor to the stairs was thick with smoke.
5. I'd just bought a new, trendy black trouser suit.

6. Then there was the sound of sirens – fire engines.
7. When the shop was reopened, a week later, I was there as a sales advisor.

Exercise 3. Choose the most suitable title for the story.

1. All is well, that ends well
2. A difficult interview
3. Don't let nerves get to you
4. A day of my life
5. I didn't expect to get a new job in a such way

Exercise 4. Match the words to the definitions below.

1. to apply
2. application form
3. unemployment
4. interview
5. applicant
6. job
7. vacancy
8. to recruit
9. to fire
10. company

- A. the work which you do regularly in order to earn money
- B. a job that is available
- C. to find new people to work for a company, organization
- D. to make someone leave their job because their job is not satisfactory
- E. to formally ask to be considered for a job that has been advertised, especially by writing a letter or answering the questions on a form

- F. someone who is being considered for a job
- G. a formal meeting at which someone is asked questions in order to find out if they are suitable for a job
- H. when people do not have jobs
- I. a piece of paper on which you must answer questions about yourself when you apply for a job
- J. any organization, either large or small, that produces goods or provides services in order to make a profit

**Some pieces of advice will help you to bear your job interview
successfully**

Investigate: what company is like before you apply for the job.

Are they really the kind of organization you want to work before?

Write an effective CV. Keep it brief and simple – a badly written one will use you the job before you get to the interview stage.

Discover as much you can about the interview. This means finding out exactly who will be conducting the interview, what position they hold, and whether it's an informal chat or a formal interview, possibly in front of a whole panel of interviewers.

Dress the part. Even if the job is a modern company where the code is casual, you should dress formally for the interview – a suit is always safe. Never keep your overcoat or mac on during the interview – this will make you an outsider from the start. If possible take it off outside the interview room.

Think positively and confidently about yourself. From the moment you decide to apply the job think about (and write down) all qualities you have to offer the company as well as the reasons you would suit the job. Use the interview to discover as much about the job as possible. Even if they offer it to you on the spot ask for some time to consider their offer. Is it right for you and them?

Be aware of your body language. Most interviewers don't realize it but they are influenced by your body language the moment you walk into the room. Be assertive, smile, look the interviewer in the eye, and give a firm handshake. Don't lean too far over the desk or slump in the chair with your arms crossed. Practice your "entrance" at home with a friend so you feel comfortable.

Keep a balance of power throughout the interview. From a psychologist's point of view this is what interviews are all about! Don't be too timid or allow the interviewer to dominate you because an interview is a two-way process, and you are to decide whether you want the job. It's an important for you to ask questions about your potential job as it is for the interviewer to question you. But don't be over-confident and cheeky. No one likes a "difficult" candidate however good your qualifications are.

Keep calm before and during the interview. Three- quarters of people feel anxious about job interviews and their nervousness often lets them down. The key is to learn interview skills which are important as job skills, and control your nerves. Remember the interviewer may be nervous as well.

Vocabulary

.....

CV – резюме

in brief – кратко

to conduct – проводить

to hold a position – занимать должность

chat – беседа, болтовня

panel – персонал; участник дискуссии

to dress the part – одеваться должным образом, к месту

code – устав, свод моральных правил

casual – случайный, нерегулярный

mac – макинтош, непромокаемое пальто

outsider – неспециалист, любитель; профан

confidently – уверенно

on the spot – на месте. сразу

to consider an offer – рассмотреть предложение

assertive – уверенный в себе

firm – твердый

to lean – наклоняться

to slump – тяжело опускаться (на стул)

point of view – точка зрения

timid – робкий

cheeky – наглый

to feel anxious – волноваться

ASSIGNMENTS

Exercise 1. *Say if these statements are true or false using the information from the text.*

1. It is not important to write an effective CV.
2. If you think positively about yourself, other people will be of the same opinion.
3. You can dress for the interview as you usually dress going somewhere.
4. Body language plays an essential role in communication.
5. Nobody will pay attention if you lean too far over the desk or slump in the chair.
6. If you ask questions about the company the interviewers won't think that you are an outsider.
7. If you control your nerves it will be easier for both sides to conduct an interview.

Exercise 2. *Answer the following questions.*

1. How should a CV be written? Why is it so important to write it correctly?
2. What should you know about the future interview and potential interviewers?
3. Is it necessary to dress properly? Why?
4. What questions should you have in mind?
5. How do you understand the phrase “body language”? Is it possible to be aware of it? How?
6. Why is it wrong to allow the interviewer to dominate you? Who should dominate?
7. What is the key to a successful interview?

Exercise 3. *Using the facts from the text try to persuade your friend who feels anxious about a job interview to control his nerves. Give some recommendations.*

Unit 3

WOULD YOU LIKE TO START A BUSINESS?

If you want to start a business, you are to know some definite information about it. We suggest you see how a company is formed from the very beginning.

A company can be also called a firm or a business. When it is producing goods or trading, we say it is a business. A company which is just starting up is going into business and a firm which stops operating goes out of business. If a firm becomes bigger, it expands. The expansion means that a company will produce more goods or sell more products. A manufacturer produces goods. They are its products. When a manufacturing company expands, it means that it increases its production.

A company selling goods in large quantities (in bulk) is called a wholesaler. A person or a company buying in bulk (wholesale) and selling goods in small quantities is a retailer. Many local shops sell goods retail. Two or more companies which sell or manufacture the same product are competitors. They are in competition and they compete for customers. To be ahead of its rivals the company must be competitive.

An area where there is a demand for certain goods is called a market. A company selling locally sells its goods in the local market. If a company sells its goods at the same place where they are produced, it uses the home or domestic market. A firm selling abroad is an exporter. It sells on the international or overseas market. The goods it exports are exports. An importer buys goods abroad and imports them into his own country.

Vocabulary

to go into business – начинать (открывать) бизнес

to go out of business – прекращать бизнес

goods – товары

to sell – продавать

bulk – крупная партия товара

wholesale – оптовый

wholesaler – оптовый торговец, оптовое предприятие

retailer – розничный торговец

to sell retail – продавать в розницу

competitor – конкурент

competition – конкуренция

to compete – конкурировать

customer – покупатель

rival – соперник

demand – спрос

local – местный

home or domestic market – внутренний рынок

abroad – за рубежом

international or overseas market – международный, внешний рынок

ASSIGNMENTS

Exercise 1. Choose the right answer.

1. A firm which is just starting up is...

- a) going into business
- b) in business
- c) going out of business

2. A company which sells goods in large quantities is called...
- a) a wholesaler
 - b) a retailer
 - c) a wholesale distributor
3. Two or more companies which sell or manufacture the same product are...
- a) customers
 - b) retailers
 - c) competitors
4. A company which sells goods abroad is...
- a) an importer
 - b) an exporter
 - c) a rival
5. An area where there is a demand for certain goods is called a...
- a) business
 - b) market
 - c) importation

Exercise 2. Complete the sentences using the text.

- 1. A wholesaler is a person or a company selling...
- 2. A retailer is a person or a company selling...
- 3. A customer is a person...
- 4. A competitor is a person or a company...

Exercise 3. Answer the following questions.

1. Why can a company go out of business?
2. When can a firm expand?
3. What do you buy wholesale?
4. What can you buy retail?
5. What famous manufacturing companies of our country do you know?
6. Which of them sell goods on the overseas market?
7. What famous importers of our country can you think of?
8. What must a company have to be competitive?
9. What can a firm do to win its rivals?
10. What products in our domestic market can be competitive abroad?

Exercise 4. Make the summary of the text in 5 sentences using as many words as possible.

Exercise 5. Split into pairs and act out a dialogue.

One of you is an importer to Russia, the other is an exporter of the same product. Speak about advantages and disadvantages of exporting and importing. Use if necessary the following words and phrases:

Importer

Dangerous to go into business

Difficult to expand

Always competitive because of the quality

Sales are low because of the price

Exporter

To avoid the competitors

To sell at more expensive prices

To be the best

To be competitive

To win the customers

Difficult to go into business

Now read a text about sole proprietorships and find out advantages and disadvantages of having and operating a business of your own. Discuss them and compare your ideas with those of your group mates.

THE SOLE PROPRIETOR

Many businesses are sole proprietorships, firms owned and operated by a single person. When a person decides to open an independent business, that person is then entirely responsible for its success or failure. Any profits go the owner any losses are his or her responsibility as well. If the losses prove to be greater than the investment, the individual is responsible for paying them, even if this depletes his personal assets.

One of the advantages of a sole proprietorship is that an owner can make decisions quickly and decisively without having to consult others. And an individual proprietor by law, pays fewer taxes and at a lower rate than a corporation does.

There are disadvantages of this form of business organization, however. A sole proprietorship ends with the incapacity or death of the owner. The assets can be inherited by a person who may then become an operator, but legally the business dies with its owner. Also, since it is dependent upon the amount of money the owner has saved or can borrow, usually it does not develop into a large-scale enterprise.

In spite of its limitations, the sole proprietorship is well adapted to many kinds of small businesses and suits the temperament of many persons who like to exercise initiative and be their own bosses. Some economic contributions of a small business are:

- A small business is then the starting point for developing a new product or service. One person tries out an idea. If it is successful, the business grows, or the product may be bought by a larger firm.

- The small business can give an individual a chance to gain experience, which the person may use later on a large scale.

- Small businesses are particularly well suited for meeting specialized local needs.

- Artisans can provide individualized products for customers who have grown weary of mass-produced goods.

- Small businesses provide a service where knowing one's customer is important.

- Sole proprietors are reassuring to customers who believe an individual who is accountable will do a good job.

Small businesses often grow into large ones, adding to the economic vitality of the nation. Small business advocates contend that 55 percent of American technical innovations come from small – and medium size businesses. Certainly, many of the creative innovators in the American computer industry, including those who built successful companies in what is now known as Silicon Valley, California, started out as outsiders working on hand-assembled machines in their garages. They have become part of American business lore. By any measurement, small businesses are an important part of the creativity, and the competition that provides new strength to the American economy.

Of course, it is true that small businesses often fail. But in the United States “failure” of a small business venture does not carry with it the social stigma or opprobrium for the failed entrepreneur – that it does in some countries. Often, failure of a small business venture turns out to be a valuable learning experience

for the entrepreneur, who may be more successful the second or the third time. Unsuccessful attempts to start a business become part of the larger process of sorting out the market and making it more efficient, according to small business experts.

Vocabulary

.....
sole proprietor – собственник, владелец, частный предприниматель

sole proprietorship – собственность, частное предпринимательство

to own – владеть, иметь. обладать

to operate – работать, действовать, управлять

failure – провал, неудача

to be responsible for – быть ответственным за что-либо

profit – прибыль

losses – убытки

to deplete – истощать, исчерпывать

personal assets – личный капитал

to make decisions – принимать решения

to pay taxes – платить налоги

incapacity – неспособность

to inherit – наследовать

legally – законно, легально

to save money – копить, собирать деньги

to borrow money – занимать деньги

enterprise – предприятие

to adapt – приспособлять, адаптировать

to exercise initiative – проявлять инициативу

to be one's own boss – быть самому себе хозяином, начальником

to meet needs – удовлетворять потребности

artisan – ремесленник, мастерской

weary – уставший, потерявший терпение

accountable – ответственный, подотчетный

to contend – утверждать, заявлять

valuable learning experience – ценный обучающий опыт

entrepreneur – предприниматель

to sort out – сортировать, разбирать, классифицировать

stigma – позор

opprobrium – позор, посрамление

ASSIGNMENTS

Exercise 1. Write *T* (for True) and *F* (for False) next to the sentences below.

1. A sole proprietor is entirely responsible for his success or failure.
2. Even if the losses are greater than the investment, a sole proprietor will not deplete his personal assets.
3. Sole proprietorships pay more taxes than a corporation does.
4. Legally the business dies with the sole proprietor.
5. Small businesses are particularly well suited for meeting specialized local needs.
6. Small businesses do not often grow into large ones.
7. In the United States “failure” of a small business venture does not carry with it social stigma or opprobrium for the failed entrepreneur.
8. The people who like to exercise initiative and be their own bosses choose sole proprietorships.

Exercise 2. Complete the following sentences.

1. Sole proprietorships are firms...
2. The advantages of sole proprietorships are...

3. The disadvantages of sole proprietorships are...
4. Some economic contributions of small businesses are...
5. Often, failure of a small business venture turns out to be...

Exercise 3. Answer the following questions to the text.

1. What are sole proprietorships?
2. What are advantages of this form of business organization?
3. If you inherited a business, what would you do with it?
4. What kind of persons would be good sole proprietors?
5. What are economic contributions of small businesses?
6. Why do you think small – and medium size businesses play such an important role in the economy of the country?
7. What do you know about development of small businesses in our country?
8. Does “failure” of a small business venture carry with it the social stigma for the failed entrepreneur in our country?

Unit 4

WORKING IN A TEAM

It is very hard to say what is more difficult to run a business of your own or to be a member of a partnership. Read the text below and say if you would like to work in a team.

The business partnership

When a proprietor wants to expand the business, one way to do so is to form a partnership, a business formed for profit by two or more co-owners. The rights and duties of a partnership are regulated by laws of the state where it is formed and by a legal agreement entered into by the co-owners. Usually an agreement specifies the amount of money each is investing and the duties each partner assumes. A partnership agreement also may provide for a “silent partner” who does not take part in the management, but who invests money in the business.

The partnership has the advantage of pooling managerial talent. One partner may be qualified in production, another in marketing. The partnership, like individual ownership, is exempt from most of the reporting that the government requires of corporations. Furthermore, it has a favourable tax position when compared with the corporation. Federal taxes are paid by individual partners on their share of earnings; beyond that the business is not taxed.

A major disadvantage of the partnership is that each member is liable for all the debts of the partnership; the act of any partner is legally binding upon all the others. If one partner takes a large amount of money from the business and squanders it, the others must pay the debt. Partnerships suffer another major disadvantage: decision-making is shared. If partners have serious disagreements, the business is bound to suffer.

Nevertheless, the partnership remains a vital part of the overall business economy.

Vocabulary

partnership – товарищество, партнерство

to form a partnership – организовать, создать партнерство

co-owner – совладелец

rights and duties – права и обязанности

agreement – соглашение

amount – количество

to assume – принимать на себя, брать на себя

“silent partner” – пассивный партнер

to take part in something – принимать в чем-то участие

management – управление, менеджмент

ownership – собственность, владение

exempt from – освобожденный от

share of earnings – доля заработка

beyond – сверх, вне, свыше

major – главный, более важный

liable for – ответственный за что-то

debt – долг

to bind upon – связывать, переплетаться с

to squander – расточать, проматывать

ASSIGNMENTS

Exercise 1. Write *T* (for True) and *F* (for False) next to the statements below.

1. The rights and duties of a partnership are regulated by a legal agreement between the co-owners.

2. A “silent partner” takes part in the management, but does not invest money in the business.

3. The partnership is liable for most of the reporting that the government requires of corporations.

4. Individual partners are taxed on their share of earnings.

5. Decision making is shared.

6. A partner is not legally binding upon all the others.

7. The partnership remains a vital part of the overall business economy.

Exercise 2. Choose the right answer.

1. A partnership is...

a) a business formed for losses by two or more co-owners.

b) a firm owned and operated by a single person.

c) a business formed for profit by two or more co-owners.

2. What specifies the amount of money each co-owner is investing?

a) the laws of the state

b) an agreement entered into by the co-owners

3. A “silent partner” is a co-owner...

a) who takes part in the management, but who does not invest money

b) qualified in production

c) who does not take part in the management, but who invest money in the business.

4. Federal taxes are paid by individual partners on their...

a) share of earnings

b) share of losses

c) share of income

5. A major disadvantage of the partnership is that...
 - a) each of partner assumes definite rights and duties
 - b) decision-making is shared
 - c) each member is liable for all the debts of the partnership

Exercise 3. Complete the following sentences.

1. When a proprietor wants to expand a business, one way to do it is...
2. The rights and duties of a partnership are regulated by laws of the state where...
3. A partnership agreement also may provide for a...
4. The partnership has the advantage of...
5. The partnership is exempt from...
6. If one partner takes a large amount of money from the business and squanders it,...
7. If partners have serious and constant disagreements,...
8. The partnership remains...

Exercise 4. Answer the following questions.

1. What are advantages and disadvantages of a business partnership?
2. Compare a partnership with a sole proprietorship. What are principal similarities and differences?
3. Which form of business organization would you choose? Why?

Exercise 5. Give the Russian equivalents for the following words and phrases.

Partnership; to form a partnership; co-owner; rights and duties; agreement; amount; to assume; silent partner; ownership; exempt from; share of earnings; beyond; liable for; debt; to squander.

Now you know that working in a team implies sharing responsibility, losses and profit, rights and duties. And do you know that the best partnerships are usually formed by families? Can you explain why? And then read a newspaper article about a knit-wool factory which grew from a family firm into a retail empire.

TEXTILES ARE BIG BUSINESS FOR A COMPANY WHICH STARTED AS A FAMILY FIRM AND IS STILL EXPANDING

Marjorie Calder reports

There will be 17 brand superstores opened this year in out-of-town sites – creating more than 250 new jobs for the booming retailing sector.

Not bad for a family firm which started from humble beginnings as a Tetley's shop in Partick in Glasgow back in 1931.

Richard Tetley started off selling knitting wools in High street sites.

But success has taken off as the family business had the vision to follow consumer trends and leave the High Street behind them.

At just 32, Mark Reid, the founder's grandson, now heads up a retail empire which already boasts 65 superstores and employs a workforce of 1100 people.

And in just sixty years, a humble knitting wools business has become the largest retailer of soft furnishings in the UK.

The layout of the stores is designed to inspire the shopper with bright ideas on fabric and colours.

Big display teams are employed to make sure the ideas look as eye-catching as possible.

According to the personnel director Julia Clark, the thing that makes a good employee in the retail sector is ‘simply someone with whom we can build a rapport – because if we can, customers can too.’

“A good sales person is not necessarily someone who is good at closing a sale.”

“Rather, a nice person who can make conversation and is happy to talk to customers about their requirements.”

Words like “eager” and “happy” crop up frequently when describing an ideal personality to work in retail environment. But Julia is at pains to stress that “hardworking” and “ambitious” are just as relevant.

“The planned expansion means we have to be thinking ahead and identifying a pool of staff with management potential to meet our future needs.

“We need people who are keen to build a career and we work hard to deliver training and experience to help people reach their goals.”

Around 250 new staffs are required right away for stores across the UK – but recruitment will be ongoing.

There are application forms at every Texstyle World branch as Julia believes that liking the product range is a good start in finding job satisfaction.

“If people in the stores like the product, we have their interest right from the start to tell them about what we can offer as a career.”

That starts with training in both product range and sales and merchandising techniques over a 12-week induction period.

So the true picture of Texstyle World is far from just curtains and bedsheets.

It has a fascinating past, but the future looks just as exciting.

And there are plenty of opportunities for new staff to get themselves a piece of the action.

(From “Press and Journal”)

Vocabulary

brand – фабричная марка

store – магазин

booming – быстро растущий, быстро развивающийся

site – площадка, участок

humble – скромный

knitting wools – шерстяная пряжа

vision – проницательность, дальновзоркость

trend – течение, направление, тенденция

founder – основатель

head up – возглавлять

empire – империя

layout – расположение, план, планировка

personnel director – начальник отдела кадров

to build a rapport – строить отношения на взаимопонимании

requirements – требования

hard working – трудолюбивый

ambitious – честолюбивый, амбициозный

to think ahead – продумывать. думать о будущем

to reach goals – достигать цели

range – диапазон, ассортимент

induction period – период официального введения в должность

opportunity – возможность

ASSIGNMENTS

Exercise 1. Write *T* (for True) and *F* (for False) next to the statements below.

1. Textiles are a big business for a company which started as a family firm but now it is not expanding.
2. 17 new brand superstores will create 250 new jobs for the booming retailing sector.
- 3 Success came to the family firm because they had a vision to follow consumer trends.
4. A good sales person is necessarily someone who is good at closing a sale.
5. The induction period lasts over 12 months.
6. “Hardworking” and “ambitious” are not the features required by the company.
7. The company does not provide training in both product range and sales.

ex.2. Answer the following questions to the text.

1. How did the family firm start in business?
2. What do they produce?
3. How big is their retail empire?
4. What is a good employee according to the personnel director?
5. How long does the induction period last?
6. What is the secret of success of this company?
7. Why do you think this family firm is prospering?

ex. 3. Give the summary of the article in 5 sentences.

Unit 5

MARKETING AND PROMOTION

Usually a great fortune and success in business come not only because of luck and happy circumstances in somebody's life, but due to thinking ahead, to the knowledge of people's psychology and market.

Read the text about marketing and promotion and decide how much they are important for success in business.

When a company starts to sell goods in a new market, they often do some market research to see if the project is feasible. They research the market potential to see if they will make money by selling in the new market.

One way to assess the market potential is to take a stand to a Trade Fair where companies can exhibit samples of their products and see what response they get from prospective customers. The Trade Fair is an exhibition of goods, and a company exhibits a sample of its product at its stand. This is also a form of publicity (or advertising) and the company representative will probably hand out brochures to advertise (or promote) the product further. Often journalists (the press) write about the Trade Fair and sometimes companies hold a press conference if they want to promote a particular model or range. (Each different type of a car, a bike etc. is a model. all the different models made by a company make up its range. The full range of goods is normally displayed in the company's catalogue. The catalogue is a booklet or a brochure).

Another way of promoting (or publicizing) a new product is to place advertisements in magazines or newspapers. Advertisements are also called adverts or ads for short. A plan to do a lot of advertising of one product is called a campaign. Starting an advertising campaign on a new product is known as launching the product.

The aim of publicity/ promotion is to interest customers, clients (or buyers) in the product. Initially customers/ clients might make inquiries about the product. When they decide to buy, they place an order. At a Trade Fair companies are trying to win (obtain) as many orders as possible. However, before a client places an order he wants to know many things: How long delivery takes, whether the company can supply spare parts, what the after sales service is like. (All the individual parts in a model are called components. If one of the components breaks the customer will want a spare part. If the product is complicated, skilled workers might be needed to fit spare parts or to service or maintain the machinery. Any maintenance or servicing the company does after it has sold the product is called after sales service).

Vocabulary

.....

research (study) – исследование

to research (investigate) – исследовать

feasible – выполнимый, осуществимый

viable – жизнеспособный

to assess - оценить

stand – стенд

Trade Fair – торговая ярмарка

to exhibit – выставлять

exhibition – выставка

sample – образец

response – реакция, ответ

prospective – перспективный, потенциальный

advertising (publicity) – реклама

to advertise (to promote) – рекламировать (содействовать продвижению товара)

range – ассортимент

to publicize – рекламировать
advertisement (advert, ad) – реклама, рекламное объявление
campaign – рекламная кампания
to launch – запускать
inquiries – запросы
to make inquiries – делать запросы
order – заказ
to place an order – размещать заказ
delivery – доставка
to supply – поставлять
spare parts – запасные части
after sales service – послепродажное обслуживание
component – деталь
complicated – сложный
to service (to maintain) – обслуживать
servicing (maintenance) – обслуживание

ASSIGNMENTS

Exercise 1. Choose the right answer.

1. Before starting to sell its product, a company often _____.
 - a) makes inquires
 - b) places an order
 - c) does some market research

2. The Trade Fair is _____.
 - a) market research
 - b) an exhibition of goods
 - c) after sales service

3. All different models made by a company make up its _____.

- a) catalogue
- b) brochure
- c) range

4. A plan to do a lot of advertising of one product is called _____.

- a) campaign
- b) press
- c) publicity

5. If one of the components of the machinery breaks, the customer will want _____.

- a) an order
- b) a spare part
- c) a catalogue

Exercise 2. Answer the following questions to the text.

1. Why do companies do some market research before they start to sell goods?
2. What are the ways to assess the market potential?
3. What do you think of advertising? Do you consider it effective nowadays?
4. Where is the full range of goods normally displayed?
5. What kind of advertising do you find the most effective?
6. What enquires can a consumer make before he places an order?
7. Is after sales service important? Why?
8. Do you know any famous exhibitions or Trade Fairs which are held in our company?
9. What exhibition centres have you heard of?

Exercise 3. *A sole proprietor has a meeting with a marketing specialist.*

Student A. You are a sole proprietor whose production has to be promoted. But you do not have much finance for a big campaign. You ask the marketing specialist for advice how to advertise your goods both cheaper and more effectively.

Student B. You are an experienced marketing specialist. You have to give advice to a sole proprietor who needs your help in promoting his production. Do your best in help him with his problem.

Now read a newspaper article about the Rover car company which is launching a new model and is advertising it through the newspaper.

ROVER TO BEGIN JOB DRIVE

The Rover car company yesterday confirmed a 1400 million investment in a new luxury model and the creation of 1,000 new jobs.

The new car, code-named R40, will be built at Cowley near Oxford, thus securing the plant's long-term future.

Production at Cowley, currently at 55,000 vehicles a year, could double thanks to the new model, which will go on sale in spring, 1999.

The manufacturing of the new model – to replace the Rover 600 and 800 cars – will also lead to a further 5,000 new jobs in the component supply industry.

The public will get the first glimpse of the new car when it makes its debut at the Birmingham Motor Show in October.

No decision has yet been reached on a name for the new car, to be built on a new manufacturing facilities at Cowley which will include a new paint plant and vehicle assembly hall.

Rover Group chairman Walter Hasselkus said that the car: “represents the modern face of Rover and the excellence of British design”.

(From “Press and Journal”, May 21, 1998)

Vocabulary

.....

to confirm – подтверждать

luxury – роскошь

creation – создание

vehicle – транспортное средство

to go on sale – поступать в продажу

to lead to – приводить к

facilities – оборудование, приспособление, аппаратура

assembly – сборка, собирать

ASSIGNMENTS

Exercise 1. Write T (for True) and F (for False) next to the statements below.

1. The Rover car company invested 1400 million to manufacture a new car model.
2. This will cause unemployment of 1000 people.
3. Production at Cowley could decrease twice.
4. The new model will go on sale in spring, 1999.
5. It will be produced together with Rover 600 and 800 cars.
6. The new model will make its debut at the Birmingham Motor Show.
7. The name of the new model will be “Cowley”.
8. According to the words of Rover Group Chairman, the new model “represents the modern face of Rover and the excellence of British design”.

Exercise 2. Say

- a) how you understand the title of the article;
- b) what the main idea of the article is.

Exercise 3. Give the summary of the article in 5 sentences.

Unit 6.

SUCCESS IN BUSINESS

If you start a business of your own, your aim is to do well, in other words – to succeed. Every person understands the word “success” in his own way. And what does “success” in business mean for you? Tick the suitable answer and explain why you have chosen it.

Success is

- when you are popular with your customers
- when your products cost a lot
- a lot of money earned
- when you win all the competitions among other companies specializing in the same area
- when you reach all your goals
- when your company is constantly expanding
- when the staff is working as a good team

Now read the article which information will probably help you to succeed in running a business properly.

Tips for building business value

- Aim to increase the business’s recurring profits.
- Focus on maintaining long-term sales growth.
- Enhance the “quality” of earnings by developing relationships with key customers.
- Run the business with the same degree of governance and financial reporting as if it were a public company.

-Adopt transparent and conservative accounting policies that are appropriate to the business sector.

-Maintain flexibility by reconsidering large capital investment and through the ability to rent – rather than own – non-core assets.

-If the owner-manager is personally part of what makes the business valuable, but will not be continuing to manage it, consider how to compensate for this by, for example, bringing in new management or transferring key business contacts to existing managers.- Make sure any questions over the value of business assets, tax and other compliance issues are resolved in advance of the sale – if it turns out something is awry, the seller will lose credibility and it can decimate the business's value.

-Identify and protect your intellectual property.

-Get the timing right.

Tips for optimizing the sale price

-Consult professional advisers at the outset and use the time before the sale process to build the value of the business to a potential buyer.

-Make sure a sale is the best route and that all the shareholders are in agreement.

-Use all available means to identify likely buyers, including those overseas.

-Analyze buyers' motives and what they are looking for; identify where they perceive the value in the business lies.

-Make sure the selling memorandum demonstrates the business's strength and potential, but is accurate. Any inaccuracies are sure to come to light and will make a buyer become suspicious or drop the price.

-Sell the excitement and enthusiasm of business and make the purchaser enthused and excited.

-Emphasize the opportunity the business presents for growth and profit.

-Manage the negotiation process actively and keep to a strict timetable.

-Keep the sale process competitive and make sure there are alternative buyers.

-Obtain advice in advance on the tax implications of the sale.

The timing of the sale is probably the most critical test for the entrepreneur to realize the maximum value of his efforts. Market conditions are good at the moment, with opportunities available to companies and individuals ranging from complete sales to partial disposals.

(from Press and Journal)

Vocabulary

.....
tip – намек, совет

value – стоимость, цена

recurring profits – постоянная прибыль

to maintain – поддерживать, сохранять, удерживать

long-term – долговременный

to enhance – увеличивать, повышать цену

key customers – основные, важнейшие клиенты

to run the business – управлять компанией, делом

financial reporting – финансовая отчетность

public – общественный. государственный

to adopt transparent and conservative accounting policies – принимать понятную и осторожную бухгалтерскую политику

appropriate (to, for) – подходящий, соответствующий

to reconsider – пересматривать

non-core assets – не основные активы (имущество)

compliance issues – требующие согласования вопросы

to resolve – решать, разрешать

in advance – заранее

awry – неправильный

credibility – доверие
to decimate the value – уменьшить ценность
to identify – опознавать, устанавливать, выяснять
at the outset – вначале
a shareholder – акционер, пайщик
available means – доступные средства
overseas – заграница
accurate – точный, правильный
inaccuracy – неточность
suspicious – подозрительный
to drop the price – понизить цену
a purchaser – покупатель
negotiations – переговоры
to obtain advice – получать совет
to range – колебаться в известных пределах
partial disposals – частичная продажа

ASSIGNMENTS

Exercise 1. *Read the article and find the sentences which are true to the text.*

1. You can enhance the “quality” of earnings if you develop relationships with key customers.
2. Financial reporting and transparent accounting policies are necessary for running a successful business.
3. Flexibility is reconsidering large capital investments and non-core assets.
4. Compliance issues can be discussed after negotiations.
5. It is better not to consider buyers overseas.
6. Never be late.

7. Even if some of the shareholders disagree, you can take serious decisions.

Exercise 2. Find the words in the article to complete the following statements.

1. When a businessman develops relationships with key customers, he _____ the profit.

2. It is very difficult to _____ a company successfully.

3. If you don't have your own office, _____ it from somebody else.

4. I saw many firms which lost their customers because people didn't have _____ to them any more.

5. Businessmen who resolve all the questions _____ are the most successful.

6. Investigate the market, may be its _____ are bad at the moment.

7. Consult specialists and _____ advice about potential sales.

8. Any inaccuracies are sure to come to light and will make a buyer _____ the price.

Exercise 3. Complete the following sentences using the information from the text.

1. You will enhance the "quality" of earnings if...

2. Flexibility in running the business means...

3. If your best manager leaves the company, the best thing is...

4. It is useful to resolve all the questions concerning business assets and taxes in advance because...

5. If you consult professional advisers at the outset, it...

6. Don't use only buyers of your company, you can...

7. Sell the excitement and enthusiasm of business, because...

8. The price will go up, if...

Exercise 4. *Split into pairs and make up a dialogue between a professional adviser and a young businessman who is eager to succeed.*

Student A. You have been working as a professional adviser for many years. Discuss with your client the questions of accounting policy and its reporting, the ways of reconsidering capital, the ways of conducting important negotiations.

Student B. You are rather young but own a large company. Your aim is to increase the business at first and then to sell it. Ask how you can build a good price and where you should look for potential purchasers. Don't forget to ask when and how you must solve compliance issues.

Both of you pressed for time. Your conversation mustn't be too long.

For many companies "success" means constant growth and expansion. This text deals with the main ways of raising new capital for the company's further expansion. Read it and enumerate these methods.

The large corporation has grown to its present size in part because it has found innovative ways to raise new capital for further expansion. Five primary methods used by corporations to raise new capital are:

-ISSUING BONDS. A bond is a written promise to pay a specific amount of money at a certain date in the future or periodically over the course of a loan, during which time interest is paid at a fixed rate on specified dates. Should the holder of the bond wish to get back money before the note is due, the bond may be sold to someone else. When the bond reaches "maturity," the company promises to pay back the principal at its face value.

Bonds are desirable for the company because the interest rate is lower than in most other types of – borrowing. Also, interest paid on bonds is a tax deductible business expense for the corporation. The disadvantage is that interest payments

ordinarily are made on bonds even when no profits are earned. For this reason, a smaller corporation can seldom raise much capital by issuing bonds.

-SALES OF COMMON STOCK. Holders of bonds have lent money to the company, but they have no voice in its affairs, nor do they share in profits or losses. Quite the reverse is true for what are known as “equity” investors who buy common stock. They own shares in the corporation and have certain legal rights including, in most cases, the right to vote for the board of directors who actually manage the company. But they receive no dividends until interest payments are made on outstanding bonds.

If a company’s financial health is good and its assets sufficient, it can create capital by voting to issue additional shares of common stock. For a large company, an investment banker agrees to guarantee the purchase of a new stock issue at a set price. If the market refuses to buy the issue at a minimum price, the banker will take them and absorb the loss. Like printing paper money, issuing too much stock diminishes the basic value of each share.

-ISSUING PREFERRED STOCK. This stock pays a “preferred” dividend. That is, if profits are limited, the owners of preferred stock will be paid dividends before those with common stock. Legally, the owners of this stock stand next in line to the bondholders in getting paid. A company may choose to issue new preferred stock when additional capital is desired.

-BORROWING. Companies can also raise short-term capital – usually working capital to finance inventories – in a variety of ways, such as by borrowing from lending institutions, primarily banks, insurance companies and savings-and-loan establishments. The borrower must pay the lender interest on the loan at a rate determined by competitive market forces. The rate of interest charged by a lender can be influenced by the amount of funds in the overall money supply available for loans. If money is scarce, interest rates will tend to rise because those seeking loans will be competing for funds. If plenty of money is available for loans, the rate will tend to move downward.

If corporate borrower finds that it needs to raise additional money, it can refinance an existing loan. In this transaction the lender is essentially lending more money to its debtor. But if interest rates have gone up during the period since the original loan was secured, borrowers pay a higher rate in order to hold additional funds. Even if the rate has gone down, the lender benefits by having increased the size of its original loan at a lower rate of interest.

-USING PROFITS. Some corporations pay out most of their profits in the form of dividends to their stockholders. Investors buy into these companies because they want a high income on a regular basis. But some other corporations, usually called “growth companies,” prefer to take most of their profits and reinvest them in research and expansion. Persons who own such stocks are content – to accept a smaller dividend or none at all, if by rapid growth the shares increase in price. These persons prefer to take the risk of obtaining a “capital gain,” or rise in value of the stock, rather than be assured a steady dividend.

The typical corporation likes to keep a balance among these methods of raising money for expansion, frequently plowing back about half of the earnings into the business and paying out the other half as dividends. Unless some dividends are paid, investors may lose interest in the company.

Vocabulary

.....
issue – ЭМИССИЯ

bond – облигация, бонды

loan – заем

maturity – срок платежа по векселю

desirable – желательный, подходящий

borrowing – заем, заимствование

a tax deductible expense – расход (трата), не облагаемый налогом

common stock – акционерный капитал; акция

to lend – давать займы; одолжить, ссужать

affair – дело

to vote – ГОЛОСОВАТЬ

a board of directors – совет директоров

sufficient – достаточный

to absorb – поглощать, забирать

to diminish – уменьшать

inventory – товарно-материальные ценности

insurance company – страховая компания

scarce – недостаточный. скудный

to be content – БЫТЬ СОГЛАСНЫМ

to plow back – вкладывать

ASSIGNMENTS

Exercise 1. Complete the following sentences using the information from the text.

1. A bond is _____.

a) a written promise to pay a definite sum of money in a year

b) an oral promise to pay a specific amount of money at a certain date in the future

c) a written promise to pay a specific amount of money which allows to pay it either at a certain date in the future or periodically over the course of a loan

2. Investors who buy common stock can _____.

a) receive dividends

b) manage a company

c) vote for the board of directors

3. The corporations called “growth companies” usually _____.

- a) reinvest the most of their profits in research and expansion
- b) pay out the most of their profits in the form of dividends to their stockholders
- c) assure their stockholders a small but steady dividend

Exercise 2. Find the false sentences and correct them using the information from the text.

1. Bonds are desirable for many companies because there is no interest rate in them.
2. Interest paid in bonds is a tax deductible business expense for the corporation.
3. As holders of bonds have lent their money to the company, they have voice in its affairs and can share all profits and losses.
4. When a company's assets are large, it can create capital by voting to issue additional shares of common stock.
5. The owners of a "preferred" stock are always paid first.
6. If there is little money, interest rates will move downward.
7. The typical corporation prefers to use all the principal methods of raising money for expansion.

Exercise 3. Give the Russian equivalents for the following words and phrases.

To raise new capital; to issue; a specific amount of money; a bond; a loan; "maturity"; desirable; borrowing; a tax deductible expense; common stock; to lend; affair; to vote for; a board of directors; to diminish; inventory; to plow back; to pay out.

Exercise 4. Answer the following questions.

1. What do many companies raise new capital for?
2. What methods of raising new capital do you know?
3. Why are bonds desirable for the company?
4. Do holders of bonds have a voice in company's affairs?
5. What rights do the investors who buy common stock have?
6. What happens when a company issues too much stock?
7. When are the owners of the preferred stock paid?
8. Where can a company borrow its working capital?
9. What is the money policy of the "growth companies"?

Unit 7

COMPETITION

Everybody thinks that you are a success in business: your firm has a profit, people work as a good team and you run the company well. Nothing to worry about? Just the other way round! The more successful you are, the more concerned you are. Your trouble consists of 11 letters – C-O-M-P-E-T-I-T-I-O-N.

Now read the text which will help you to understand the world of competition better. Say what is the most widely - spread type of it.

The competitive Environment Affects the number and types of competitors the marketing manager must face – and how they may behave. Although marketing managers usually can't control these factors, they can choose strategies and avoid head-on competition. And, where the competition is inevitable, they can plan for it.

Economics describe four basic kinds of market (competitive) situations: pure competition, oligopoly, monopolistic competition, and monopoly. Understanding the differences among these market situations is helpful.

In monopolistic competition, a number of different firms offer marketing mixes that at least some customers see as different. Each competitor tries to get control (a monopoly) in its “own” target market. But competition still exists because some customers see the various alternatives as substitutes. A subset of these firms may even compete head-on for the same customers with similar marketing mixes. With monopolistic competition, each firm has its own downward-sloping demand curve. But the shape of the demand curve – and elasticity of demand – depends on how similar competitors' products and marketing mixes are. Most marketing managers in developed economies face monopolistic competition.

In monopolistic competition, marketing managers sometimes try to differentiate very similar products by relying on other elements of the marketing mix. For example, Clorox Bleach uses the same basic chemicals as other bleaches.

But marketing managers for Clorox may help to set it apart from other bleaches by offering an improved pouring spout, by producing ads that demonstrate its stain-killing power, or by getting it better shelf positions in supermarkets. Yet such approaches may not work, especially if competitors can easily imitate the new ideas. Efforts to promote real – but subtle – differences may not do any good either. If potential customers view the different offerings as essentially similar, the market will become more and more competitive – and firms will have to rely on lower costs to obtain a competitive advantage.

The economist's traditional view is that most product-markets head toward pure competition – or oligopoly – over the long-run. In these situations, a marketing manager competes for customers against competitors who are offering very similar products. Because customers see the different available products (marketing mixes) as close substitutes, competing firms must compete with lower and lower prices, especially in pure competition where there are likely to be large numbers of competitors. Profit margins shrink until they are just high enough to keep the most efficient firms in business. Avoiding pure competition is sensible – and certainly fits with our emphasis on target marketing.

Effective target marketing is fundamentally different than effective decision making in other areas of business. Accounting, production, and financial managers for competing firms can learn about and use the same standardized approaches – and they will work well in each case. By contrast, marketing managers can't just learn about and adopt the same "good" marketing strategy being used by other firms. That just leads to head-on competition – and a downward spiral in prices and profits. So target marketers try to offer customers a marketing mix better suited to their needs than competitors' offerings.

Most marketing managers would like to have such a strong marketing mix that customers see it as uniquely able to meet their needs.

This competition-free ideal guides the search for breakthrough opportunities. Yet monopoly situations, in which one firm completely controls a broad product-market, are rare in market-directed economies. Further, governments commonly

regulate monopolies. For example, in most parts of the world prices set by utility companies must be approved by a government agency. Although most marketing managers can't expect to operate with complete control in an unregulated monopoly, they can move away from head-on competition.

Vocabulary

.....

environment – окружение, окружающая обстановка; среда

to affect – действовать; воздействовать; влиять

to face – сталкиваться

to avoid – избегать

head-on – будущий, предстоящий

inevitable – неизбежный

pure – чистый

substitute – замена; заменитель

down-sloping – опускающийся

demand-curve – кривая спроса

bleach – отбеливающее вещество

pouring spout – горлышко, отверстие

stain – пятно

subtle – тонкий, неуловимый

margin – прибыль

to shrink – сокращаться

sensible – (благо)разумный, здравомыслящий

downward – спускающийся

uniquely – единственно

breakthrough – прорыв

to approve – одобрять; утверждать

ASSIGNMENTS

Exercise 1. *Say if these sentences are true (T) or false (F) using the information from the text. Correct the false ones.*

1. It is possible to avoid competition in some cases.
2. There is no competition in monopolistic situation.
3. Monopolistic competition is common for developed economies.
4. In monopolistic competition marketing managers try to create some details of the product to differentiate it from similar ones.
5. There is a small number of competitors in pure competition.
6. In pure competition profit margins become smaller and smaller.
7. Government can't control monopolies.

Exercise 2. *Find the answers to the following questions.*

1. Why does the competition exist in monopolistic situation?
 - a) because competitors can't control the situation in its "own" target market
 - b) because the customers choose different products every time
 - c) because some customers consider different products as substitutes

2. How does Clorox Bleach try to avoid competition?
 - a) they used different basic chemicals
 - b) they make a better pouring spout and produce good TV ads
 - c) they imitate the new ideas of competitors

3. What is a monopoly situation?
 - a) it is when competitors offer very similar products
 - b) when each competitor tries to get a monopoly in its "own" target market
 - c) when one company completely controls a broad product-market

Exercise 3. Match the ends (below) of the sentences to their beginnings.

1. Most marketing managers in developed economics...
2. Efforts to promote subtle differences of the product...
3. If potential customers see different products as essentially similar...
4. In pure competition profit margins shrink until...
5. Marketing managers can't...
6. Governments usually...
7. There are four basic kinds of market situations:
 - a) pure competition, oligopoly, monopolistic competition and monopoly.
 - b) regulate monopolies.
 - c) they are just high enough to keep the most efficient firms in business.
 - d) meet monopolistic competition.
 - e) may not do any good effect.
 - f) the market will become more and more competitive.
 - g) take some marketing strategy being used by other firms.

Exercise 4. Give the Russian equivalents to the following words and phrases. Recollect the sentences of the text where they were used.

competitive environment; to affect; to face; to avoid competition; customers; inevitable; pure; substitute; demand curve; bleach; pouring spout; stain-killing row; better shelf positions; subtle; margin; to shrink; sensible; uniquely; breakthrough; to approve; to operate; to move away from.

Exercise 5. Answer the questions.

1. What is the competitive environment?
2. How many basic kinds of competitive situations do you know?

3. What is monopolistic competition?
4. Who faces monopolistic competition very often?
5. How do marketing managers sometimes try to differentiate similar products? Give an example.
6. Do subtle differences always work? Why?
7. What kind of competition do the most product-markets head toward according to the economist's traditional view?
8. Why do competitive firms compete with lower and lower prices in oligopoly?
9. What are monopoly situations?
10. Why are monopoly situations rare in market-directed economies?

Exercise 6. *Split into pairs and act out this situation.*

Student A. you are going to be interviewed as a potential marketing manager. You know that one of the questions will be about different types of competition but you are not good at it. Your friend is an expert in this question. Ask him to help you. Ask as many questions as you can.

Student B. You know basic kinds of competition rather well because you did some research work about it. Explain what it is to your friend.

From the first text you have learned about the basic kinds of competition. Now it is time to know how a marketing manager can avoid it. Hopefully you will use this information in your life.

Read the text and say what any marketing manager should know about potential competitors.

The best work for a marketing manager to avoid head-on competition is to find new or better ways to satisfy customers' needs. The search for a breakthrough opportunity – or some sort of competitive advantage – requires an understanding

not only of customers but also of competitors. That's why marketing managers turn to competitor analysis – an organized approach for evaluating the strengths weaknesses of current or potential competitors' marketing strategies. A complete discussion of the possible approaches for competitor analysis is beyond the scope of the first marketing course. But we will briefly cover an approach that works well in many different market situations.

The basic idea is simple. You compare your current (or planned) large market and marketing mix with what competitors are currently doing or are likely to do in response to your strategy. You also consider competitive barriers – the conditions that may make it difficult, or even impossible, for a firm to compete in a market. Such barriers limit your own plans or, alternatively, block competitors' responses to an innovative strategy. For example, Nutra Sweet's soon-to- expire patent on its low-calorie sweetener effectively limited direct competitors from entering the market.

The initial step in competitor analysis is to identify potential competitors. It's useful to start broadly – and from the viewpoint of target customers. Companies may offer quite different products to meet the same needs, but they are competitors if customers see them as offering close substitutes. For example, Dow ZipLock bags, Reynold's aluminum foil, Sarah Wrap, and Tupperware containers compete in the same genetic market for food storage needs. Identifying a broad set of potential competitors help marketing managers understand the different ways customers currently meeting needs – and sometimes points to new opportunities. Usually, however, marketing managers quickly narrow the focus of a competitor analysis to the set of rival firms who will be the closest competitors.

Even if no specific competitors can be identified, marketing managers must consider how long it might take for potential competitors to appear and what they might do. It's easy to make a mistake of assuming that there won't be competition in the future – or of discounting how aggressive competition may become. But a successful strategy attracts others who are eager to jump in a small share of the profit – even if profits only hold up for a short time. That is why it is important for

firms to find opportunities where they can sustain a competitive advantage over the longer run.

Finding a sustainable competitive advantage requires special attention to competitor strengths and weakness. For example, it is very difficult to dislodge a competitor who is already a market leader simply by attacking with a strategy that has similar strengths. An established leader can usually defend its position by quickly copying the best parts of what a new competitor is trying to do. On the other hand, an established competitor may not be able to defend quickly if it is attacked where it is weak. For example, Right Guard deodorant built its strong position with an aerosol spray dispenser. But many customers don't like the messy aerosol cloud – or have become concerned about the effect of aerosols on the environment. That weakness provided Old Spice with a competitive opportunity for a deodorant in a pump dispenser. Right Guard did not quickly fight back with its own pump. The company thought that promoting a pump could hurt sales of its established product – and might even help the competitor.

A marketing manager should actively seek information about current or potential competitors. Although most firms try to keep the specifics of their plans secret, much public information may be available. For example, many firms routinely monitor competitors' local newspapers. In one such case, an article discussed a change in the competitor's sales organization. An alert marketing realized that the change was made to strengthen the competitor's ability to take business from one of her firm's key target markets. This early warning provided time to make adjustments. Other sources of competitive information include trade publications, alert sales reps, middlemen, and other industry experts. In business markets, customers may be quick to explain what competing suppliers are offering.

The reach for information about competitors sometimes raises ethical issues. For example, it's not unusual for people to change jobs and move to a competing firm in the same industry. Such people may have a great deal of information about the competitor, but is it ethical for them to use it? Similarly, some firms have been

criticized for going too far – like waiting at a landfill for competitors’ trash to find copies of confidential company reports.

Beyond the moral issues, stepping over the line of ethical behavior can prove to be very costly. Spying on competitors to obtain trade secrets is illegal, and damage awards can be huge. For example, the courts ordered Keebler Co., Nabisco Brands, and Frito-Lay to pay Procter & Gamble about \$ 125 million in damages for stealing secrets about its Duncan Hines soft cookies. Nabisco had obtained Duncan Hines’ recipe by entering a restricted area. Keebler has gone so far as to hire an airplane to take aerial photographs of a Duncan Hines manufacturing facility that was under construction. A Frito-Lay employee posed as a potential customer to attend a confidential sales presentation.

Vocabulary

.....

to satisfy – удовлетворять

foil – фольга

wrap – обертка

food storage – хранение продуктов

to assume - предполагать, допускать

to discount – не принимать в расчет

to sustain – выносить, выдерживать

to dislodge – выгнать, сбивать

an established leader – признанный лидер

a dispenser – распылитель

pump – насос, насосный

routinely – постоянно

alert – бдительный; живой, проворный

to make adjustments – приспособиться

sales reps – репетиции продаж

middleman – посредник

ethical issue – этические вопросы

landfill – место закапывания мусора

trash – мусор

to spy on somebody – шпионить за кем-либо

damage awards – штраф, компенсация за убытки

restricted – ограниченный, закрытый

to pose as – принимать вид, притворяться (кем-либо)

ASSIGNMENTS

Exercise 1. *Say if these statements true (T) or false (F). Correct the false ones.*

1. A marketing manager will be able to avoid head-on competition, if he finds new or better ways to satisfy customers' needs.

2. Competitor analysis is an organized approach for estimation the weaknesses of current or potential competitors' marketing strategies.

3. The idea of competitor analysis is that you compare your current market and marketing mix with what competitors did last year in response to your previous strategy.

4. It is reasonable to identify potential competitors from the viewpoint of target customers.

5. If no specific competitors can be identifies, marketing managers may start doing some other work.

6. It is very difficult to dislodge an established market leader.

7. Spying on competitors to obtain some information is absolutely legal.

Exercise 2. *Match the questions to their answers (below).*

1. Why do marketing managers often turn to competitor analysis?

2. What are competitive barriers?
3. Where do Dow ZipLock bags, Reynold's aluminum foil, Saran Wrap, and Tupperware containers compete?
4. What kind of errors can marketing managers make?
5. Why is it so difficult to dislodge a competitor who is already a market leader by attacking with a strategy that has similar strengths?
6. May the information about competitors be available?
7. Who is an "alert marketing manager"?
8. How much did Keebler Co., Nabisco Brands, and Frito-Lay pay Procter & Gamble for stealing secrets about its Duncan Hines soft cookies?
 - a) The court ordered them to pay \$ 125 million in damages.
 - b) Yes, much public information may be available, though most firms try to keep the specifics of their plans secret.
 - c) They do it because the search for a breakthrough opportunities requires an understanding not only of customers but also of competitors.
 - d) It is difficult because a market leader can usually defend its position by quickly copying the best parts of what a new competitor is trying to do.
 - e) These are the conditions that may make it difficult, or even impossible, for a firm to compete in a market.
 - f) They compete in the same generic market for food storage needs.
 - g) It's easy to make a mistake of assuming that there won't be competition in the future – or of discounting how aggressive competition may become.
 - h) It is a person who can make adjustments quickly.

Exercise 3. Complete the sentences using the information from the text.

1. Competitive barriers may _____ competitors' responses to an innovative strategy.
 - a) limit

- b) change
- c) block

2. Finding a sustainable competitive advantage requires special attention to competitor's _____.

- a) strengths and weakness
- b) target market and marketing mix
- c) trade publications and middlemen

3. Right Guard did not quickly fight back against Old Spice because _____.

- a) they did not have any new strategy
- b) they did not need it as the company was an established leader
- c) Right Guard was afraid that it might even help the competitor

Exercise 4. *Work with a partner to complete the sentences below with the following words.*

to satisfy, to sustain, to make adjustments, to assume, to dislodge, a middleman, to discount, an established leader, to spy on somebody.

1. Don't _____ the strengths of current and potential competitors!
2. All famous companies do their best to _____ customers' needs.
3. The use of competitor analysis will help you to _____ a competitive situation.
4. A company which has already won a target market is an _____ there.
5. Trade publications, alert sales reps and _____ are sources of competitor information.
6. If a marketing manager _____ that there won't be competition in the future, he will make a big mistake.

7. A market situation changes very quickly, you should _____ according to it.

8. Frito-Lay decided to _____ Procter & Gamble to obtain trade secrets.

9. It is very difficult to _____ a market leader by attacking with a strategy that has similar strengths.

Exercise 5. Give the English equivalents for the following words and phrases.

удовлетворять потребности; признанный лидер; постоянно; приспособиться; посредник; предполагать; не принимать в расчет; компенсация за нанесенный ущерб; ограниченный; выдерживать

Exercise 6. Answer the following questions.

1. What is the best way to avoid head-on competition?
2. Why should marketing managers use competitor analysis and consider competitive barriers?
3. Can companies offering quite different products be competitors? Why?
4. Where do such companies as Dow ZipLock and Saran Wrap compete?
5. Is it possible to dislodge an established competitor? When? Give an example.
6. What are the main sources of competitor information?
7. Is it legal to spy on competitors?
8. Why is it very costly to step over the line of ethical behavior? Give some examples.

Exercise 7. Explain to your friend who is not too good at economics what the following words and phrases mean.

- competitor analysis
- competitive barriers
- an established leader
- damage awards

Exercise .8. Split into pairs and act out the following situation.

Student A. You are an experienced marketing manager. Help your niece who is just starting to work in this area. She knows that one of the aspects of her job will be avoiding competition and fighting against it. Give her some reasonable advice and answer all her questions.

Student B. You are very happy because last week you were employed by a big company as a marketing manager. Your boss told you that the company had many competitors and your task was to attack them. Ask your uncle, a good marketing manager, what you should do.

Unit 8

WHY DO PEOPLE BUY WHAT THEY BUY?

To better understand why customers buy as they do, many marketers turn to behavioral sciences for help.

Specific consumer behaviors vary a great deal for different products and from one target market to the next. In today's global markets, the variations are countless. That makes it impractical to try to catalog all the detailed possibilities for every different market situation. For example, how and why a given consumer buys a specific brand of shampoo may be very different from how that same consumer buys motor oil; and different customers in different parts of the world may have very different reactions to either product. But there are general behavioral principles – frameworks – that marketing managers can apply to learn more about their specific target markets.

Most economists assume that consumers are economic men – people who know all the facts and logically compare choices in terms of cost and value received to get the greatest satisfaction from spending their time and money. A logical extension of the economic –man theory led us to look at consumer spending patterns. This approach is valuable because consumers must at least have income to be in a market. Further, most consumers don't have enough income to buy everything they want. so most consumers want their money to stretch as far as it can.

This view assumes that economic needs guide most consumer behavior. Economic needs are concerned with making the best use of a consumer's time and money – as the consumer judges it. Some consumers look for the lowest price. Others will pay extra for convenience. And others may weigh price and quality for the best value. Some economic needs are:

1. Economy of purchase or use.
2. Convenience.

3. Efficiency in operation or use.
4. Dependability in use.
5. Improvement of earnings.

Clearly, market managers must be alert to new ways to appeal to economic needs. Most consumers appreciate firms that offer them improved value for the money they spend. But improved value does not just mean offering lower and lower prices. Many consumers face a “poverty of time”. Carefully planned place decisions can make it easier and faster for consumers to make a purchase. Products can be designed to work better, require less service, or last longer. Promotion can inform consumers about their choices – or explain product benefits in terms of measurable factors like operating costs or the length of the guarantee.

The “economic value” that a purchase offers a consumer is an important factor in many purchase decisions. But most marketing managers think that a buyer’s behavior is not as simple as the economic-man model suggests. A product that one person sees as a good value – and is eager to buy – is of no interest to someone else. So we can’t expect to understand buying behavior without taking a broader view.

Vocabulary

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behavioral – поведенческий

target market – целевой рынок

countless – бесчисленный, несчетный

general – общий, общего характера; всеобщий

frameworks – рамки, пределы

in terms of – на языке, с точки зрения

approach – подход

to stretch – растягивать, тянуть

to guide – вести, руководить; быть причиной, основанием

to judge – судить

convenience – удобство

efficiency – эффективность

dependability – надежность

alert – бдительный, настороженный

poverty – бедность, нужда

benefit – выгода, преимущество

attitude – отношение

surroundings – среда, окружение

ASSIGNMENTS

Exercise 1. *Find and correct false sentences.*

1. To better understand why customers buy as they do, many marketers turn to the behavioral sciences for help.
2. It is rather practical to try to catalog all the detailed possibilities for every different market situation.
3. There are no general behavioral principles that marketing managers can apply to learn more about their specific target markets.
4. Economic men are people who know all facts and logically compare choices in terms of cost and value received to get the greatest satisfaction from spending their time and money.
5. Most customers do not want their money to stretch as far as it can.
6. Marketing managers must not be alert to new ways to appeal to economic needs. If the customers really need to buy something, they will do it any way
7. “Poverty of time” is not the problem consumers face nowadays.
8. Promotion can inform consumers about their choices.
9. A product that one person sees as a good value is of no interest to someone else.

10. Most marketing managers think that buyer behavior is as simple as the economic-man model suggests.

Exercise 2. Match the beginnings of the sentences to their ends using the information from the text.

1. How and why a given consumer buys a specific brand of shampoo...
2. Consumers must at least have...
3. Most consumers appreciate firms that...
4. Improved value does not just mean...
5. Carefully planned place decisions can...
6. The “economic value” that a purchase offers...
7. A product that one person is eager to buy...

- a) Make it easier and faster for customers to make a purchase;
- b) Offer them improved value for the money they spend;
- c) A customer is an important factor in many purchase decisions;
- d) Income to be in a market;
- e) is of no interest to someone else;
- f) Offering lower and lower prices
- g) May be different from how that same consumer buys motor oil;

Exercise 3. Complete the sentences using the text.

1. To better understand why consumers buy as they do...
2. There are general behavioral principles that...
3. Economic men are people who...
4. Economic needs are concerned with...
5. Some economic needs are...
6. A “poverty of time” is...
7. Promotion can inform consumers about...

Exercise 4. Answer the following questions.

1. What behavioral sciences do you know?
2. What do you think can affect a person's buying behavior?
3. Who are economic men?
4. What are major economic needs?
5. Why must marketing managers be alert?
6. How can promotion help customers?
7. What influences your purchase decision?

Exercise 5. Give the Russian equivalents for the following words and phrases.

Behavioral, target market, convenience, poverty, surroundings, efficiency, benefit, attitude, approach, frameworks, to guide, general, dependability, to judge, in terms, countless.

Let us learn something more interesting about psychology and its influence on a customer.

Everybody is motivated by needs and wants. **Needs** are the basic forces that motivate a person to do something. Some needs involve a person's physical *well-being*, others the individual's self-view and relationship with others. Needs are more basic than wants. **Wants** are "needs" that are learned during a person's life. For example, everyone needs water or some kind of *liquid*, but some people also have learned to want Perrier with a twist.

When a need is not satisfied, it may lead to a drive. A **drive** is a strong stimulus that *encourages* action to reduce a need. Drives are internal – they are the reasons behind certain behavior patterns. In marketing, a product purchase results from a drive to satisfy some need.

Some critics imply that marketers can somehow manipulate consumers to buy products against their *will*. But marketing managers can't create internal drives. Most marketing managers realize that trying to get customers to act against their will is a waste of time. Instead, a good marketing manager studies what consumer drives, needs, and wants already exist and how they can be satisfied better.

We are a *bundle* of needs and wants.

It is important to see, however, that particular product may satisfy more than one need at the same time. In fact, most consumers try to fill a *set* of needs rather than just one need or another in *sequence*.

Obviously marketers should try to satisfy different needs.

Yet discovering these specific consumer needs may require careful analysis. Consider, for example, the lowly *vegetable peeler*. Marketing managers for OXO International realized that many people, especially young children and senior citizens, have trouble *gripping* the handle of a typical peeler. OXO redesigned the peeler with a bigger handle that addressed this physical need. OXO also coated the handle with dishwasher-safe rubber. This makes cleanup more convenient – and the sharp peeler is safer to use when the grip is wet. The attractively designed grip also appeals to consumers who get personal satisfaction from cooking – and who want to impress their guests. Even though OXO priced the peeler much higher than most kitchen utensils, it has sold very well because it appeals to people with a variety of needs.

Vocabulary

.....

force – сила

to involve – включать, вовлекать

well-being – здоровье, благополучие

liquid – жидкость

drive – побуждение, стимул

to encourage – ободрять, поощрять, поддерживать

will – воля

a waste of time – пустая трата времени

elimination - очищение

nurturing – воспитание, обучение

curiosity – любопытство

tenderness – нежность

pride – гордость

esteem – уважение

retaliation – воздаяние, возмездие

acquisition – приобретение (знаний, ценностей)

variety – разнообразие

ridicule – осмеяние

bundle – пучок, связка

sequence – последовательность

vegetable peeler – овощечистка

to grip – схватить, крепко держать

to impress – производить впечатление

utensils – посуда, утварь

ASSIGNMENTS

Exercise 1. Choose the right answer.

1. Needs are _____.

a) reasons behind certain behavioral patterns

b) what you learn during your life

c) the basic forces that motivate a person to do something

2. Wants _____.

- a) involve a person's physical well-being
- b) involve the individual's self view and relationship with others
- c) are "needs" that are learned during a person's life

3. A drive is _____.

- a) a purchase decision
- b) a strong stimulus that encourages action to reduce a need
- c) a "need" that is learned during a person's life

Exercise 2. Answer the following questions.

1. What is everybody motivated by?
2. What are needs?
3. What do needs involve?
4. What are wants?
5. What is more basic a need or a want?
6. What may lead to a drive?
7. What is a drive?
8. How can marketers manipulate consumers to buy products against their will?
9. Is it reasonable to make customers buy against their will?
10. Why can it be important if one particular product may satisfy more than one need at the same time?

Exercise 3. Give the English equivalents to the following words and phrases. Use the active vocabulary from the whole unit.

Целевой рынок; бесчисленный; рамки, пределы; с точки зрения; подход; руководить; судить; удобство; эффективность; надежность;

бедность; бедность; отношение; среда, окружение; сила; включать, вовлекать; стимул; воля; пустая трата времени; уважение; приобретение; последовательность; овощечистка; посадка, утварь; здоровье, благополучие.

Exercise 4. Complete the following statements using the information from the text.

1. All people are motivated by...
2. Very often needs involve...
3. When a need is not satisfied, it may lead to...
4. Marketing managers can't create...
5. A good marketing manager studies...
6. Psychological needs are...
7. Most consumers try to...

Unit 9

BUYING WHOLESALE

It's hard to define what a wholesaler is because there are so many different wholesalers doing different jobs. Some of their activities may even seem like manufacturing. As a result, some wholesalers call themselves "manufacture and dealer." Some like to identify themselves with such general terms as merchant jobber, dealer, or distributor. And others just take the name commonly used in their trade – without really thinking about what it means.

To avoid long technical discussion on the nature of wholesaling, we' use the U.S. bureau of the Census definition:

Wholesaling is concerned with the activities of those persons or establishments which sell to retailers and other merchants, and/or to industrial, institutional, and commercial users, but who do not sell in large amounts to final consumers.

So, **wholesalers** are firms whose main function is providing wholesaling activities.

Note, that producers who take over wholesaling activities are not considered wholesalers. However, when producers set up branch warehouse at separate locations, these establishments basically operate as wholesalers. In fact, they are classified as wholesalers by the U.S. Census Bureau and by government agencies in many other countries.

Wholesalers may perform certain functions for both their suppliers and the wholesalers' own customers – in short, for those above and below them in the channel. Wholesaling functions really are variations of the basic marketing functions – buying, selling, grading, storing transporting, financing risk taking, and gathering market information. Wholesaling functions are basic to the following discussion because decisions about what combination of functions to perform is a

key part of a wholesaler's strategy planning. Keep in mind that not all wholesalers provide all of the functions.

Wholesalers perform a variety of activities that benefit their customers.

They:

1. Regroup goods – to provide the quantity and assortment customers want at the lowest possible cost. 2. Anticipate needs – forecast customers' demands and buy accordingly.

3. Carry stocks – carry inventory so customers don't have to store a large inventory.

4. Deliver goods – provide prompt delivery at low cost.

5. Grant credit to customers, perhaps supplying their working capital. Note: This financing function may be very important to small customers; sometimes it's the main reason they use wholesalers rather than buying directly from producers.

6. Provide information and advisory service – supply price and technical information as well as suggestions on how to install and sell products. Note: The wholesaler's sales reps may be experts in the products they sell.

7. Provide part of the buying function – offer products to potential customers so they don't have to hunt for supply sources.

8. Own and transfer title to products – help complete a sale without the need for other middlemen, speeding the whole buying and sell process.

Wholesalers also benefit producer-suppliers. They:

1. Provide part of a producer's selling function – by going to producer-suppliers instead of waiting for their sales reps to call.

2. Store inventory – reduce a producer's need to carry large stocks thus cutting the producer's warehousing expenses.

3. Supply capital – reduce a producer's need for working capital by buying the producer's output and carrying it in inventory until it's sold.

Vocabulary

merchant – купец, лавочник

activity – деятельность

establishment – учреждение, заведение

to set up – учреждать, основывать

warehouse – товарный склад, большой магазин

at separate locations – в разных местах, на разных территориях

to perform functions – выполнять функции

grading – переборка, сортировка

storing – хранение

assortment – ассортимент

to anticipate – предчувствовать, предвидеть

to forecast – предвидеть, предсказывать

to carry stock – снабжать, оборудовать

prompt – быстро или немедленно сделанный

to grant – предоставлять

to install – устанавливать

to hunt for – искать. добиваться

speeding – ускорение

output – продукция; продукт

ASSIGNMENTS

Exercise 1. *Say if these sentences are true (T) or false (F). Correct the false ones.*

1. It is easy to define what a wholesaler is.
2. Some of the wholesalers' activities can resemble those of manufacturing.
3. Wholesalers are firms whose main function is delivering goods.

4. Wholesaling functions are buying and selling at low price.
5. A key part of wholesaler's strategy is taking decisions about what combination of functions to perform.
6. The main reason small customers use wholesalers rather than buying directly from producers is that wholesalers can anticipate their needs.
7. If you use a wholesaler, you don't need any other middlemen.

Exercise 2. Find the answers to these questions.

1. When are producers considered to be wholesalers?
 - a) when they deliver goods
 - b) when they sell the output at the lowest cost
 - c) when they set up branch warehouse at separate locations

2. Why do small customers use wholesalers rather than buying directly from producers?
 - a) because wholesalers help them how to install products
 - b) because they transfer title to products
 - c) because they give credit to customers

3. How do wholesalers cut the producer's warehousing expenses?
 - a) they store inventory themselves
 - b) they supply a producer with capital
 - c) they speed the whole buying and selling process

Exercise 3. Answer the following questions.

1. How do some wholesalers call themselves?
2. What is the definition for wholesaling of the U.S. Bureau of the census?
3. How would you define wholesalers?
4. Are producers who take over wholesaling activities considered to be wholesalers?
5. What are basic wholesaling functions?
6. What does “to regroup goods” mean?
7. Can wholesalers perform any financing function? Describe it if any.
8. How can wholesalers speed the whole buying and selling process?
9. Do wholesalers benefit producers-suppliers? How?

Exercise 4. Work with a partner to find the English equivalents for the following words and phrases.

купец; производитель; деятельность; учреждение; потребитель; большой магазин; в разных местах; сортировка; хранение; ассортимент; предвидеть; снабжать; оборудовать; быстро; предоставлять кредит; устанавливать; искать; ускорение; приносить пользу; продукция; инвентарь.

Ex.5. Match the verbs in the column A to the nouns in the column B.

A	B
set up	process
perform	sources
grade	equipment
anticipate	stocks
carry	warehouses
install	vegetables
hunt for	needs
speed	functions

Exercise 6. *Split into small groups and act out the following dialogues. Use the active vocabulary.*

Student A, B, C... you are customers who have doubts if it is profitable to buy from a wholesaler. Meet your friend who is an experienced wholesaler and find out what advantages you will have if you use him or someone of his partners. Ask as many questions as you can.

Student D. You are a wholesaler. Your task is to convince your friends that they can benefit if they buy products from you. Name all the activities which will help your customers to have a profitable deal.

Now read the text about a successful wholesaler Frieda Caplan and her prosperous business and say what kind of market she applies.

Frieda Caplan and her two daughters, Jackie and Karen, run Produce Specialties, a wholesale firm that each year supplies supermarkets with \$ 20 million worth of exotic fruits and vegetables. It is a sign of the firm's success that kiwifruit, artichokes, alfalfa sprouts, pearl onions, and mushrooms no longer seem very exotic. All of these crops were once viewed as unusual. Few farmers grew them, and consumers didn't know about them. Traditional produce wholesalers didn't want to handle them because they had a limited market. Produce Specialties helped to change all that.

Caplan realized that some supermarkets were putting more emphasis on their produce departments and wanted to offer consumers more choice. She looked for products that would help them meet this need. For example, the funny looking, egg-shaped kiwifruit with its fuzzy brown skin was popular in New Zealand but virtually unknown to consumers in other parts of the world. Caplan worked with a number of small farmer- producers to ensure that she could provide her retailer-customers with an adequate supply. She packaged kiwi with interesting recipes and promoted kiwi and her brand name to consumers. Because of her efforts, many

supermarkets now carry kiwi – which has become a \$ 40 million crop for California farmers. Because demand for kiwi has grown, other wholesalers now handle them. But that hasn't slowed Caplan. Her firm continues to be an innovator even as larger companies enter the specialty-produce field.

When a retailer complained that Jerusalem artichokes were drying out before they could be sold, Caplan put them in a film wrapped package, labeled them “sunchokes,” included a recipe, and then watched demand grow. Today almost everything the company sells is packaged or stickered, which has established her brand name in an industry of faceless suppliers. She was also the first to sell produce in product lines rather than item by item, and the first to routinely use airfreight for orders. And she still adds new products – like Asian pears and kiwano melons (another import from New Zealand) – to the 250 products that carry her label.

Although Caplan faces growing competition, she continues to have an advantage with many supermarkets because she offers a high-quality assortment and valuable services in the channel. For example, the firm sends a weekly ‘hot sheet’ to produce managers that tells what’s selling, and the Caplans hold seminars to give produce buyers ideas about how to improve their sales.

This example shows that wholesalers are often a vital link in a channel system – and in the whole marketing process – helping both their suppliers and customers. It also shows that wholesalers – like other businesses – must select their target markets and marketing mixes carefully.

Vocabulary

.....
sign – знак, символ

alfalfa sprouts – ростки люцерны

pearl – жемчуг; жемчужный, перламутровый

mushroom – гриб

crop – урожай; посев

to view – рассматривать; смотреть (на что-либо)

to handle – иметь дело (с каким-либо товаром)

emphasis – выразительность. сила, ударение

fuzzy – пушистый

skin – кожура, кожа

virtually – фактически, в сущности

adequate – соответствующий. достаточный

recipe – рецепт

brand name – фабричная марка

to complain – жаловаться

to dry out – высыхать

to be stickered – иметь марку изготовителя

airfreight – доставка грузов по воздуху

ASSIGNMENTS

Exercise 1. *Find the statements which are true (T) to the text.*

1. Frieda Caplan and her daughters supply supermarkets with \$ 20 million worth of exotic fruits and vegetables.
2. F. Caplan grows kiwifruit, artichokes, alfalfa sprouts, pearl onions, and mushrooms herself.
3. Traditional wholesalers didn't want to handle exotic fruits and vegetables because they are too expensive.
4. Captain imported exotic products from New Zealand.
5. Now other wholesalers handle kiwi too.
6. As Caplan faced growing competition, it showed her business.
7. Caplan's company sells everything packaged or stickered.

Exercise 2. Complete the following sentences using the information from the text.

1. Frieda Caplan and her daughters' company is called _____.
 - a) "Produce specialties"
 - b) "Exotic fruits and vegetables"
 - c) it has no name

2. Traditional produce wholesalers didn't want to handle exotic fruit and vegetables because _____.
 - a) only few farmers grew them
 - b) consumers didn't know about them
 - c) they had a limited market

3. Caplan wanted to offer consumers _____.
 - a) lower prices
 - b) more choice
 - c) unusual products

4. Caplan packed kiwi with _____.
 - a) lottery cards
 - b) interesting recipes
 - c) advertisements of her firm

5. Caplan's company continues to be a success because _____.
 - a) she offers a high-quality assortment and valuable services
 - b) nobody can offer such products
 - c) she is an innovator

Exercise 3. Match the questions to their answers below.

1. What is a sign of the firm's success?
2. Why did only few farmers grow exotic fruit and vegetables?
3. What kind of product did Caplan look for?
4. How did she pack kiwi?
5. What was the result of Caplan's efforts?
6. How did the company pack Jerusalem artichokes?
7. What are new products Frieda Caplan uses?

- a) These are Asian pears and kiwano melons.
- b) She packed it with interesting recipes.
- c) It is that kiwifruit, artichokes, alfalfa sprouts, pearl onions, and mushrooms no longer seem very exotic.
- d) Caplan packed them in a film-wrapped package, labeled them "sunchokes" and included a recipe.
- e) She wanted to find products which would offer consumers more choice.
- f) The reason was that all of these crops were viewed as unusual.
- g) Because of her efforts, many supermarkets now carry kiwi.

Exercise 4. Find the Russian equivalents to the following words and phrases.

Sign; crop; to view; consumers; wholesaler; to handle; a limited market; to put much emphasis; to offer more choice; virtually; adequate supply; to promote; brand name; to complain; package; airfreight.

Exercise 5. Answer the following questions.

1. What kind of product does Frieda Caplan supply supermarkets with?
2. What is a sign of the firm's success?

3. Why didn't wholesalers want to handle exotic fruits and vegetables?
4. How did Caplan package kiwi? Did it help to promote her brand name?
5. Do you think that exotic products have a limited market in our country too? Give your reasons.
6. Why do other wholesalers now handle exotic fruits and vegetables?
7. What kind of new products does F. Caplan offer customers now?
8. Why does Produce Specialties continue to be an innovator in the wholesale business?
9. What do the Caplans organize for their customers?

Exercise 6. *Split into groups and act out the following dialogue.*

Student A. You are a wholesaler who once tried to handle exotic fruit and vegetables but failed. But you are eager to try again. You meet Jackie and Karen Caplan at the party. You heard about their mother's success and want to know more details. At first tell them about the main reasons of your failure and then find out what helped them to succeed.

Student B, C. You are Jackie and Karen, Frieda Caplan's daughters. You are very proud of your mum and your company. Answer the questions of a wholesaler who heard about you a lot. Explain why your company succeeded with the limited market of your product.

Unit 10

PEOPLE WHO MADE A FORTUNE

The American men of wealth exist today as they did a quarter of a half a century ago. The old multimillionaire families who made their fortune at the dawn of monopoly capitalism have been preserved in the main and many of them have greatly increased both their wealth and their influence.

It is not easy task to detect a millionaire and ascertain his wealth. It is even more difficult to determine the exact number of people who could be put in the category of “top wealth-holders” in America. The American magazine “Fortune” did such an investigation. The magazine did not resort to statistical calculations and based its estimates on a poll of income tax experts and the millionaires themselves, on materials of government archives and information about the wealth of millionaires which appear in the press from time to time. According to various estimates, to which Fortune refers, the number of persons owing more than \$ 50,000,000 ranged from 150 to 500. Studying for several months the biggest fortunes, the magazine succeeded in definitely establishing the names of 155 persons who owned capital of that size. The magazine remarked that most likely there is another 100. Fortune thus estimated that there were approximately 250 persons each owing more than \$ 50,000,000.

Among these people there are so called “Old Fortunes” whose owners are famous and known all over the world.

The Rockefellers. At the beginning of the 20th century, John D. Rockefeller, Sr., himself calculated his fortune with precision up to one cent and set it at \$815,600,000.

Today the Rockefeller fortune consists, as it were, of three parts. The first part is the assets inherited by the wife, children and grandchildren of John D. Rockefeller, Jr.; these are mostly the stocks of oil companies, and the Chase Manhattan Bank. Under the term of the will, this capital is secured to each member

of the family in trust for life. They can use the income but not the capital itself. After their death this part will be inherited by their children, and as American authors consider, will be broken up between them. But even if this prediction comes true, it is clear that the size of the Rockefeller assets will increase because of the mechanism for the self-growth of fictitious capital. At least in the next ten years this wealth will be managed jointly as the combined capital of the quite large financial clan. As for the rates of the self-growth of this part of their capital, it can be judged from the fact that between 1946 and 1958 it increased by 140 per cent owing the stock market boom.

The second part consists of several philanthropic foundations fully controlled by the Rockefeller brothers. Since this family continues to allot large sums to philanthropy there is every ground for assuming that this part or their capital will continue to increase swiftly.

The third, perhaps most interesting, part of the Rockefeller assets is the capital fully owned by the sons of John D. Rockefeller, Jr. Having no right to spend the inherited capital they utilize for enrichment the income they get from it and also the extensive credit they can receive. In the 1960s, the independent new personal fortune of the children of John D. Rockefeller, Jr., not counting the inherited capital, amounted – not less than \$200 million and continued to mount swiftly. In 1968, Fortune estimated the total of the capital belonging to the six Rockefeller brothers and one sister at from \$1,200 million to \$1,800 million.

The Fords. In the mid-1920s their fortune was estimated at \$660 million and consisted almost exclusively of the personal capital of Henry Ford invested in the Ford Motor Company. Nowadays the personal fortune of the Fords can be estimated at \$1,200-1,500 million and together with the assets of the Ford Foundation, at \$3,800-4.000 million.

Some details of the “tax strategy” of the Fords are of interest. Since the estates of Henry and Edsel Ford were passed on to the heirs in 1943-48, when the Ford Motor Company was fully in the hands of the family, the value of the company’s stock was obviously underestimated. The entire capital bequeathed by

them, including the money turned over to the Ford Foundation, was evaluated altogether at \$450 million, while the real market value of the company's assets could not be less than \$1,500 million at that time. Were the heirs directly to inherit it all, they would have to pay the Treasury about \$320 million even on the greatly undervalued estimate of the company assets (\$450 million), to which by the way the Treasury officials did not object. By handing over the biggest part of the estate to the Ford Foundation, the estate tax was reduced to 442 million. But even this money was not paid from the personal capital of the Fords. An American author tells us that the "Ford family's lawyers, finally, saw to it that their clients did not have to pay the inheritance tax on the shares they did inherit. Henry and Edsel's will provided that the bequests to the members of the family entire tax free, thereby, in effect, imposing the entire tax burden on what was left to the Ford Foundation. The tax bill came to \$42,062,725 which was about equal to the total spent by the Foundation on all its benevolences through 1950. Sweet are the uses of philanthropy."

Vocabulary

.....

men of wealth – богатые люди

dawn – рассвет

influence – влияние

to ascertain – устанавливать, выяснять

to resort – прибегать, обращаться (к кому – либо)

estimate – оценка

poll – подсчет голосов, число голосов

income tax – подоходный налог

government – правительство

archives – архивы

with precision – с точностью

assets – капитал

oil – нефть

under the term of the will – по условию завещания

trust – доверие

prediction – предсказание

fictitious – фиктивный, вымышленный

owing – благодаря

philanthropic foundations – филантропические организации, фонды

to allot – раздавать, предназначать

enrichment – обогащение, увеличение

to amount – составить, равняться

exclusively – исключительно

estate – имущество; поместье, имение

heir – наследник

value – ценность, цена

to underestimate – недооценивать

to bequeath – завещать; передавать потомству

to evaluate – оценивать

the Treasury – государственное казначейство, министерство финансов,

казна

officials – чиновники, служащие

to object - возражать

estate tax – налог на имущество

inheritance tax – налог на наследство

in effect – в сущности, в действительности

impose – облагать, налагать; навязывать

burden – ноша. бремя

bill – счет

benevolence – благотворительность

ASSIGNMENTS

Exercise 1. *Find the false sentences using the information from the text. Correct them.*

1. The old multimillionaire families have greatly increased both their wealth and their influence.
2. To detect a millionaire is quite an easy task.
3. The American magazine “Fortune” resorted to statistical calculations and ascertained the fortunes of “top wealth - holders” in America.
4. “Fortune” estimated that there were approximately 250 persons each owing more than \$50,000,000.
5. John Rockefeller is considered to be an “old fortune”.
6. His fortune consists of 4 parts.
7. Each member of the Rockefeller’s family can use the capital, but not the income.
8. The Rockefellers continue to allot large sums to philanthropy.
9. The entire capital bequeathed by Henry and Edsel Ford to their heirs was evaluated at \$450 million. It was its real market value.
10. The estate tax was reduced by handing over the bigger part of the estate to the Ford Foundation.

Exercise 2. *Match the beginnings of the sentences to their ends using the information from the text.*

1. The magazine did not resort to statistical calculations and based ...
2. At the beginning of the 20th century, John D. Rockefeller, Sr., himself calculated fortune...
3. The first part of the Rockefeller fortune is the assets ...
4. The second part consists on several ...

5. Having no right to spend the inherited capital they utilize for enrichment

...

6. In the mid – 1920s the Fords' fortune consisted almost exclusively of ...

7. Ford family lawyers saw to it, that their clients did not have to pay ...

A. inherited by the wife, children and grandchildren of John D. Rockefeller, Jr.

B. the personal capital of Henry Ford invested in the Ford Motor Company.

C. its estimates on a poll of income tax experts and the millionaires themselves.

D. the inheritance tax on the shares they did inherit.

E. with precision up to one cent.

F. the income they get from it and also extensive credit they can receive.

G. philanthropic foundations fully controlled the Rockefeller brothers.

Exercise 3. Answer the following questions to the text.

1. Why is it no easy task to detect a millionaire and ascertain his wealth?

2. What were "Fortune" estimates based on?

3. How many parts does the Rockefeller fortune consist of&

4. What was the term of his will?

5. What did the Fords fortune consist of?

6. Do you find Ford's "tax strategy" wise? Why?

7. Would you allot large sums to philanthropy if were Rockefeller?

Exercise 4. Give the Russian equivalents for the following words and phrases.

Influence; estimate; income; tax; government; allot; with precision; the Treasury; heir; estate; value; under the term of the will; philanthropic; foundations; underestimate; inheritance tax; impose; bill.

Exercise 5. *Split into pairs and act out dialogues.*

A journalist is interviewing a famous millionaire.

Student A. You are a young successful journalist from the popular magazine “Fortune”. You have a task to interview a famous millionaire. You would like to find out how he earned his capital, what he invests his fortune in, whom he is going to bequeath it. Ask if he allots money to philanthropic foundations. Find out if he is satisfied with his fortune, fame and influence. Ask if he is a happy man.

Student B. You are a famous millionaire. You were invited to an interview. Try to give full answers to the questions you will be asked. Give some advice to the people who are eager to be rich and well-known. Point out some disadvantages (if there any in your opinion) of being a man of wealth.

Henry Ford:

BRINGING THE AUTOMOBILE TO THE COMMON MAN

Henry Ford is a man who literally transformed the world. The car he built and the changes he made on the techniques of industrial production revolutionized the lives of people everywhere. At the height of his fame, in the 1920s, Ford was a name known universally. “Fordismus” entered the European vocabulary as a word for mass production.

Ford himself came from a humble farming background. Born July 30, 1863, in Dearborne, Michigan, near Detroit, young Henry hated almost everything about farming except the machinery. When he was 16, he went to Detroit to serve as an apprentice in a machine shop. He held a series of jobs and became completely knowledgeable of the way different types of machines operated. He began to experiment with internal combustion machines in his home workshop in 1891.

He was one of many would-be inventors working on plans for the automobile; and he discussed his project with other mechanics and businessmen working in Detroit. In 1896 Ford succeeded in building an automobile powered by a gasoline engine which he had built in his kitchen sink. Running on four horsepower, the world reach a speed of 25 miles per hour.

Ford organized the Detroit Automobile Company in 1899 and produced a small number of cars before the company collapsed two years later. He designed and manufactured racing cars, and in 1900, raced one model at 70 miles per hour.

In 1903, at the age of 40, and with an investment of \$28,000, Henry Ford established the Ford Motor company. The automobile was still considered a toy of the rich, and Ford set about to change this situation.

Ford's philosophy of manufacturing and business is set forth in his autobiography:

“Ask a hundred people how they want a particular article made. About eighty will know; they will leave it to you. Fifteen will think that they must say something, while five will really have preferences and reasons. The ninety-five, made up of those who do not know and admit it and the fifteen who do not know but do not admit it, constitute the real market for any product. The majority will consider quality and buy the biggest dollar's worth of quality. If therefore you discover what will give this 95 percent of the people the best all-round service and then arrange to manufacture at the very highest quality and sell at the very lowest price, you will be meeting a demand which is so large that it may be called universal...

The only further step required is to throw overboard the idea of pricing on what the traffic will bear and instead go to the common-sense basis of pricing on what it costs to manufacture and then reducing the cost of manufacture...”

The Model T Ford was produced in 1908. It was boxy and tinny-looking, as its nickname, the “Tin Lizzie”, implied; but it was within the purchasing power of people who were not rich. It fulfilled the goal which Ford had set for himself:

“I will build a motor car for the great multitude. It will be large enough for the family but small enough for the individual to run and care for. It will be constructed of the best materials by the best men to be hired, after the simplest designs that modern engineering can devise. But it will be so low in price that no man making a good salary will be unable to own one – and enjoy with his family the blessing of hours of pleasure in God’s great open spaces.”

Ford was able to lower the price of the Model T from \$850, which it cost when it first appeared, to \$360 in 1916. He did this by introducing mass production assembly line techniques. The assembly line revolutionized car production. It tripled the production of Model T’s within three years.

Ford also introduced the \$5.00 wage for the eight-hour day. Such a salary was unheard of in 1914, and he attracted both national and international attention when he began this practice. He also introduced a plan which allowed his workers to share in the profits of the company – the profit sharing plan which is used by many companies today.

During the 1920, however, the Ford Motor Company lost much of its popularity with the American public. When other manufactures produced more stylish, relatively inexpensive cars. Ford automobile sales began to drop. Though he closed his factories for 18 months in 1927-28 to prepare for a new Ford car, the Model A, he never regained his position of leadership in the car industry.

As owner of the Ford Motor Company, Henry Ford Accumulated more than \$1 billion. Between the years 1908 and 1947, when he died, he contributed more than \$40 million to charitable causes, such as public hospitals, and research institutions. He established the Ford Foundation which continues to support various programs in education, media, and culture. And he constructed Greenfield village, near his birthplace in Michigan, as a living museum representing the industrialization of America.

Without a doubt Ford was a technological genius. Not a great inventor, he was able to borrow ideas and apply them to new uses. In bringing the automobile

to the average worker, he altered the structure of society, its cities, and the nations of the world.

Vocabulary

.....

apprentice – ученик, подмастерье

internal combustion – внутреннее сгорание

workshop – мастерская, цех

engine – двигатель

sink – раковина

horsepower - лошадиная сила

to reach a speed of 25 miles per hour – достигать скорости 25 миль в час

to collapse – рушиться; терпеть крах

racing cars – гоночные машины

article – изделие, товар

to constitute – составлять

to meet a demand – удовлетворять спрос

pricing – ценообразование

nickname – прозвище

purchasing power – покупательская способность

goal – цель

leadership – лидерство

industry – промышленность

charitable – благотворительный

average – средний

society – общество

ASSIGNMENTS

Exercise 1. *Write for true (T) and for false (F) next to the sentences below.*

1. The car Ford built revolutionized the lives of people everywhere.
2. “Fordismus” entered the European vocabulary as a word for Model T.
3. Ford began to experiment with internal combustion machines in his home workshop in 1891.
4. His first automobile could reach a speed of 75 miles per hour, running on four horsepower.
5. Ford is famous for manufacturing his racing car, called Model T.
6. To meet a universal demand, you must manufacture at the very highest quality and sell at the very lowest price.
7. The nickname of his famous car for the common men was model A.
8. It was a car large enough for the family and small enough for the individual.
9. Ford was able to increase the price of the Model T from \$360 to \$850.
10. Henry Ford introduced mass production assembly line for car manufacturing.

Exercise .2. *Choose the right answer using the text.*

1. Henry Ford is famous for...
 - a) manufacturing a car for the first time in the history of mankind
 - b) “Fordismus” entered the European vocabulary as a word for...
 - a) internal combustion
 - b) assembly line
 - c) mass production
3. The nickname of the model T was..
 - a) “Tin Lizzie”
 - b) “Boxy”

- c) “Tinny-looking”
- 4. Ford was able to lower the price of the Model T by introducing...
 - a) a profit sharing plan
 - b) mass production assembly line techniques
 - c) Greenfield Village
- 5. Ford contributed more than \$40 million to...
 - a) Greenfield village
 - b) The Detroit Automobile Company
 - c) Charitable causes

Exercise 3. Complete the following sentences using the text.

1. When he was 16, he went to Detroit to serve as ...
2. Ford organized the Detroit Automobile Company in 1899 and produced a small number ...
3. In 1903, at the age of 40, Henry Ford established ...
4. Ford was able to lower the price of the Model T from...
5. Ford also introduced the \$...
6. He also introduced a plan ...
7. When other manufacturers produced more stylish, relatively inexpensive cars, Ford ...

Exercise 4. Find the following information in the text.

1. Henry Ford’s family background and training.
2. The date of Henry Ford’s first successful automobile.
3. The “laboratory” where Ford built the gasoline engine for his first automobile company.
4. The name of Ford’s first automobile company.
5. The reason for the model T being called “Tin Lizzie”.

6. A definition for “profit sharing”.

7. The model of the automobile which replaced the Model T.

Exercise 5. *Imagine all of you are participants of the meeting with Henry Ford.*

Student A. You are famous Henry Ford. Your cars are sold all over the world. You meet young businessmen to tell them about your marketing strategy. Prove it is the best one can use to achieve such heights in business as you did.

All other students are young businessmen who are eager to find out what the secret of Henry Ford's success is.

Ask interesting questions, express your opinions.

Glossary of Terms

abroad – за рубежом

accountable – ответственный, подотчетный

accurate – точный, правильный

acquisition – приобретение (знаний, ценностей)

activity – деятельность

adequate – соответствующий. достаточный

advantage – преимущество

advertisement (advert, ad) – реклама, рекламное объявление

advertising (publicity) – реклама

affair – дело

after sales service – послепродажное обслуживание

agreement – соглашение

airfreight – доставка грузов по воздуху

alert – бдительный, настороженный, живой, проворный

ambitious – честолюбивый, амбициозный

amount – количество

an established leader – признанный лидер

application form – анкета поступающего на работу

apprentice – ученик, подмастерье

approach – подход

appropriate (to, for) – подходящий, соответствующий

archives – архивы

article – изделие, товар

artisan – ремесленник, мастерской

assembly – сборка, собирать

assertive – уверенный в себе

assets – капитал

assortment – ассортимент

at separate locations – в разных местах, на разных территориях

at the outset – вначале

attitude – отношение

available means – доступные средства

average – средний

awry – неправильный

background – происхождение

behavioral – поведенческий

benefit – выгода, польза, прибыль

benefit – выгода, преимущество

benevolence – благотворительность

beyond – сверх, вне, свыше

bill – счет

board of directors – совет директоров

bond – облигация, бонды

booming – быстро растущий, быстро развивающийся

borrowing – заем, заимствование

brand – фабричная марка

brand name – фабричная марка

breakthrough – прорыв

bulk – крупная партия товара

campaign – рекламная кампания

casual – случайный, нерегулярный

charitable – благотворительный

chat – беседа, болтовня

cheeky – наглый

code – устав, свод моральных правил

commission – комиссионное вознаграждение

common stock – акционерный капитал; акция

competition – конкуренция

competitive – конкурентоспособный

competitor – конкурент
compliance issues – требующие согласования вопросы
complicated – сложный
component – деталь
confidently – уверенно
convenience – удобство
co-owner – совладелец
countless – бесчисленный, несчетный
creation – создание
credibility – доверие
crop – урожай; посев
curiosity – любопытство
customer – заказчик, покупатель, клиент
customer – покупатель
customer service department – отдел по обслуживанию клиентов
CV – резюме
damage awards – штраф, компенсация за убытки
debt – долг
dedicated - преданный (делу)
delivery – доставка
demand – спрос
demand-curve – кривая спроса
dependability – надежность
desirable – желательный, подходящий
desire to succeed – желание добиться успеха, преуспеть
determined to succeed – настроенный на успех
down-sloping – опускающийся
downward – спускающийся
dozen – дюжина
drive – побуждение, стимул

efficiency – эффективность

eligible – подходящий, желательный

emphasis – выразительность, сила, ударение

empire – империя

engine – двигатель

enrichment – обогащение, увеличение

enterprise – предприятие

entrepreneur – предприниматель

environment – окружение, окружающая обстановка; среда

essential – существенный, важный

establishment – учреждение, заведение

estate – имущество; поместье, имение

estate tax – налог на имущество

esteem – уважение

estimate – оценка

ethical issue – этические вопросы

ethnic minority – этническое меньшинство

exclusively – исключительно

exempt from – освобожденный от

exhibition – выставка

existing – существующий

expansion – расширение, увеличение

facilities – оборудование, приспособление, аппаратура

failure – провал, неудача

fashion – мода

fast-paced environment – быстро меняющаяся обстановка

feasible – выполнимый, осуществимый

female – женщина

fictitious – фиктивный, вымышленный

financial reporting – финансовая отчетность

firm – твердый

food storage – хранение продуктов

force – сила

founder – основатель

frameworks – рамки, пределы

fuzzy – пушистый

general – общий, общего характера; всеобщий

glam side – очаровательная, эффектная сторона

goal – цель

goods – товары

government – правительство

grading – переборка, сортировка

hard working – трудолюбивый

head up – возглавлять

head-on – будущий, предстоящий

heir – наследник

high-quality – высоко развитый

hi-tech – высоко технический, высоко развитый

home or domestic market – внутренний рынок

horsepower - лошадиная сила

humble – скромный

I bet – я держу пари

impose – облагать, налагать; навязывать

in advance – заранее

in brief – кратко

in effect – в сущности, в действительности

in terms of – на языке, с точки зрения

inaccuracy – неточность

incapacity – неспособность

income tax – подоходный налог

induction period – период официального введения в должность

industry – промышленность

inevitable – неизбежный

influence – влияние

inheritance tax – налог на наследство

inquiries – запросы

insurance company – страховая компания

internal combustion – внутреннее сгорание

international or overseas market – международный, внешний рынок

inventory – товарно-материальные ценности

issue – эмиссия

key customers – основные, важнейшие клиенты

key people – руководящие должности

knitting wools – шерстяная пряжа

knitwear factory – фабрика по производству трикотажных изделий

layout – расположение, план, планировка

leadership – лидерство

legally – законно, легально

liable for – ответственный за что-то

liquid – жидкость

loan – заем

local – местный

long-term – долговременный

loss – потеря

losses – убытки

luxury – роскошь

major – главный, более важный

male – мужчина

management – управление, менеджмент

margin – прибыль

maturity – зрелость
maturity – срок платежа по векселю
men of wealth – богатые люди
merchant – купец, лавочник
middleman – посредник
negotiations – переговоры
non-core assets – не основные активы (имущество)
nurturing – воспитание, обучение
officials – чиновники, служащие
oil – нефть
on the spot – на месте. сразу
opportunity – возможность
opprobrium – позор, посрамление
order – заказ
outgoing personality – общительный характер
output – продукция; продукт
outsider – неспециалист, любитель; профан
overseas – за граница
owing – благодаря
ownership – собственность, владение
oxygen – кислород
panel – персонал; участник дискуссии
partial disposals – частичная продажа
partnership – товарищество, партнерство
personal assets – личный капитал
personnel director – начальник отдела кадров
philanthropic foundations – филантропические организации, фонды
point of view – точка зрения
poll – подсчет голосов, число голосов
positive attitude – положительное отношение

poverty – бедность, нужда

predicament – затруднительное положение

prediction – предсказание

pricing – ценообразование

pride – гордость

pro rata – в соответствии, пропорционально

profit – прибыль

prompt – быстро или немедленно сделанный

prospective – перспективный, потенциальный

public – общественный. государственный

pump – насос, насосный

purchaser – покупатель

purchasing power – покупательская способность

pure – чистый

racing cars – гоночные машины

range – ассортимент

range – диапазон, ассортимент

rate – уровень

recipe – рецепт

recruitment – набор служащих, персонала

recurring profits – постоянная прибыль

referee – судья, человек, который может вас порекомендовать

remuneration – вознаграждение, зарплата

requirements – требования

research (study) – исследование

response – реакция, ответ

restricted – ограниченный, закрытый

retail – розница

retailer – розничный торговец

retaliation – воздаяние, возмездие

ridicule – осмеяние

rights and duties – права и обязанности

rival – соперник

routinely – постоянно

salary – заработная плата

sales reps – репетиции продаж

sample – образец

scarce – недостаточный. скудный

self motivated – инициативный

sensible – (благо)разумный, здравомыслящий

sequence – последовательность

servicing (maintenance) – обслуживание

share of earnings – доля заработка

shareholder – акционер, пайщик

sign – знак, символ

“silent partner” – пассивный партнер

sink – раковина

site – площадка, участок

skin – кожа, кожаца

sociable – общительный

society – общество

sole proprietor – собственник, владелец, частный предприниматель

sole proprietorship – собственность, частное предпринимательство

spare parts – запасные части

speeding – ускорение

stain – пятно

stand – стенд

stigma – позор

store – магазин

storing – хранение

subsidiary – филиал

substitute – замена; заменитель

subtle – тонкий, неуловимый

sufficient – достаточный

surroundings – среда, окружение

suspicious – подозрительный

target market – целевой рынок

tax deductible expense – расход (трата), не облагаемый налогом

tenderness – нежность

the Treasury – государственное казначейство, министерство финансов,

казна

timid – робкий

tip – намек, совет

to absorb – поглощать, забирать

to accompany – сопровождать (-ся)

to acquire the skills – приобретать навыки, мастерство

to adapt – приспособлять, адаптировать

to adopt transparent and conservative accounting policies – принимать

понятную и осторожную бухгалтерскую политику

to advertise (to promote) – рекламировать (содействовать продвижению товара)

to affect – действовать; воздействовать; влиять

to allot – раздавать, предназначать

to amount – составить, равняться

to anticipate – предчувствовать, предвидеть

to apply – обращаться за работой

to approve – одобрять; утверждать

to ascertain – устанавливать, выяснять

to assess - оценить

to assist – помогать

to assume - предполагать, допускать

to assume – принимать на себя, брать на себя

to avoid – избегать

to be content – БЫТЬ СОГЛАСНЫМ

to be one's own boss – БЫТЬ самому себе хозяином, начальником

to be related – БЫТЬ СВЯЗАННЫМ

to be responsible for – БЫТЬ ОТВЕТСТВЕННЫМ за что-либо

to be stickered – иметь марку изготовителя

to bequeath – завещать; передавать потомству

to bind upon – связывать, переплетаться с

to borrow money – занимать деньги

to build a rapport – строить отношения на взаимопонимании

to carry stock – снабжать, оборудовать

to collapse – рушиться; терпеть крах

to compete – конкурировать

to complain – жаловаться

to conduct – проводить

to confirm – подтверждать

to consider an offer – рассмотреть предложение

to constitute – составлять

to contend – утверждать, заявлять

to decimate the value – уменьшить ценность

to deplete – истощать, исчерпывать

to diminish – уменьшать

to discount – не принимать в расчет

to dislodge – выгнать, сбивать

to dress the part – одеваться должным образом, к месту

to drive the business forward – продвигать, развивать бизнес

to drop the price – понизить цену

to dry out – высыхать

to earn a reputation – завоевать репутацию
to employ – предоставлять работу. нанимать
to enable – давать возможность
to encourage – ободрять, поощрять, поддерживать
to enhance – увеличивать, повышать цену
to ensure – обеспечивать, страховать; гарантировать
to evaluate – оценивать
to exercise initiative – проявлять инициативу
to exhibit – выставлять
to face – сталкиваться
to feel anxious – волноваться
to figure out – вычислять, понимать
to fill in – заполнять
to forecast – предвидеть, предсказывать
to form a partnership – организовать, создать партнерство
to go blank – становиться пустым
to go into business – начинать (открывать) бизнес
to go on sale – поступать в продажу
to go out of business – прекращать бизнес
to grant – предоставлять
to grip – схватить, крепко держать
to guide – вести, руководить; быть причиной, основанием
to gulp – глотать
to hail – приветствовать
to handle – иметь дело (с каким-либо товаром)
to hold a position – занимать должность
to hunt for – искать. добиваться
to identify – опознавать, устанавливать, выяснять
to impress – производить впечатление
to increase – увеличивать

to inherit – наследовать

to install – устанавливать

to involve – включать, вовлекать

to judge – судить

to launch – запускать

to lead to – приводить к

to lean – наклоняться

to lend – давать займы; одолжить, ссужать

to look forward to – с нетерпением ждать чего-либо

to maintain – поддерживать, сохранять, удерживать

to make adjustments – приспособиться

to make decisions – принимать решения

to make inquiries – делать запросы

to manufacture – производить, выпускать

to meet a demand – удовлетворять спрос

to meet needs – удовлетворять потребности

to object - возражать

to obtain advice – получать совет

to operate – работать, действовать, управлять

to own – владеть, иметь. обладать

to pay taxes – платить налоги

to perform functions – выполнять функции

to place an order – размещать заказ

to plow back – вкладывать

to pose as – принимать вид, притворяться (кем-либо)

to publicize – рекламировать

to range – колебаться в известных пределах

to reach a speed of 25 miles per hour – достигать скорости 25 миль в

час

to reach goals – достигать цели

to reconsider – пересматривать

to reflect – отражать

to require – нуждаться в чем-либо, требовать

to research (investigate) – исследовать

to resolve – решать, разрешать

to resort – прибегать, обращаться (к кому – либо)

to run the business – управлять компанией, делом

to satisfy – удовлетворять

to save money – копить, собирать деньги

to sell – продавать

to sell retail – продавать в розницу

to service (to maintain) – обслуживать

to set up – учреждать, основывать

to shake hands – пожимать руки

to show out – проводить, выпустить

to shrink – сокращаться

to slump – тяжело опускаться (на стул)

to sort out – сортировать, разбирать, классифицировать

to spend ages – потратить огромное количество времени

to spot – увидеть, отличать (разг.)

to spy on somebody – шпионить за кем-либо

to squander – расточать, проматывать

to stick – застрять

to stretch – растягивать, тянуть

to stutter (to stammer) – заикаться, запинаться

to supply – поставлять

to sustain – выносить, выдерживать

to take deep breaths – набрать побольше воздуха

to take part in something – принимать в чем-то участие

to think ahead – продумывать. думать о будущем

to thrive – процветать, преуспевать
to transfer – переносить
to tremble –дрожать
to underestimate – недооценивать
to update – обновлять
to view – рассматривать; смотреть (на что-либо)
to vote – голосовать
Trade Fair – торговая ярмарка
training support – поддержка в обучении
trash – мусор
trend – течение, направление, тенденция
trust – доверие
turning point – поворотный момент
under the term of the will – по условию завещания
unemployment – безработица
uniquely – единственно
utensils – посуда, утварь
valuable learning experience – ценный обучающий опыт
value – стоимость, цена
value – ценность, цена
variety – разнообразие
variety – разнообразие
vegetable peeler – овощечистка
vehicle – транспортное средство
viable – жизнеспособный
virtually – фактически, в сущности
vision – проницательность, дальновзоркость
vote of confidence – дух уверенности
warehouse – товарный склад, большой магазин
waste of time – пустая трата времени

weary – уставший, потерявший терпение

well-being – здоровье, благополучие

wholesale – оптовый

wholesaler – оптовый торговец, оптовое предприятие

will – воля

with precision – с точностью

workshop – мастерская, цех

wrap – обертка

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