МІНІСТЕРСТВО ОСВІТИ І НАУКИ УКРАЇНИ
Національний університет кораблебудування
імені адмірала Макарова
Херсонська філія НУК

Л. М. БОЙКО

BUSINESS READER

**Методичні вказівки
до самостійної роботи студентів
з дисципліни
"ДІЛОВА ІНОЗЕМНА МОВА"**

Рекомендовано Методичною радою НУК

Електронне видання
комбінованого використання на DVD-ROM

МИКОЛАЇВ • НУК • 2017

УДК 378.147:811.111(076)
Б 77

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Бойко Л. М.
Б 77 Business Reader : методичні вказівки до самостійної роботи студентів з дисципліни "Ділова іноземна мова" / Л. М. Бойко. – Миколаїв : НУК, 2017. – 34 с.

Методичні вказівки складені згідно з програмою дисципліни "Ділова іноземна мова". Подано автентичні тексти з економіки, маркетингу, зовнішньоекономічної діяльності, які можуть бути використані як для самостійної роботи студентів, так і для аудиторної роботи з викладачем.

Призначено для студентів п'ятого курсу денної форми навчання, що навчаються за освітньо-кваліфікаційним рівнем магістра за спеціальністю 051 "Економіка" та 076 "Підприємництво, торгівля та біржова діяльність".

УДК 378.147:811.111(076)

Навчальне видання

БОЙКО Любов Михайлівна

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"ДІЛОВА ІНОЗЕМНА МОВА"**
(*англійською та українською мовами*)

Комп'ютерне верстання *В. В. Москаленко*
Коректор *М. О. Паненко*

Формат 60×84/16. Ум. друк. арк. 2. Об'єм даних 737 кб.
Тираж 15 прим. Вид. № 22. Зам. № 141.
Видавець і виготівник Національний університет кораблебудування імені адмірала Макарова
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Свідоцтво суб'єкта видавничої справи ДК № 2506 від 25.05.2006 р.

ПЕРЕДМОВА

Метою самостійної роботи студентів є оволодіння фундаментальними знаннями, професійними уміннями і навичками діяльності за профілем, а також набуття досвіду творчої і дослідницької діяльності.

До самостійної роботи студентів при вивченні курсу ділової іноземної мови належать:

а) самостійне вивчення окремих тем та виконання вправ на основі рекомендованої навчальної літератури;

б) реферування літератури;

в) анотування книг, статей;

г) участь у науково-дослідницькій роботі студентів, у роботі студентських наукових конференцій: підготовка доповідей, рефератів, тез, статей;

д) підготовка відповідей на контрольні питання;

е) підготовка до поточного та підсумкового контролю.

Метою даної методичної розробки є розвиток у студентів умінь та навичок, необхідних для отримання інформації з іншомовних джерел у сфері їх професійної діяльності.

Наведені тексти для самостійного читання розкривають певну тему з економіки, маркетингу, зовнішньоекономічної діяльності та інших професійних дисциплін навчального плану підготовки магістрів за спеціальностями "Економіка" та "Підприємництво, торгівля та біржова діяльність". Кожен з блоків (units) передбачає роботу з оригінальним текстом та завданнями, націленими на формування у магістрів логічного мислення, розвиток творчого підходу до ситуативних задач, а також виклад власної точки зору на порушені проблеми.

Unit 1

MARKET RESEARCH

Accurate and thorough information is the foundation of all successful business ventures because it provides a wealth of information about prospective and existing customers, the competition, and the industry in general. It allows business owners to determine the feasibility of a business before committing substantial resources to the venture.

Market research provides relevant data to help solve marketing challenges that a business will most likely face – an integral part of the business planning process. In fact, strategies such as market segmentation (identifying specific groups within a market) and product differentiation (creating an identity for a product or service that separates it from those of the competitors) are impossible to develop without market research.

Market research involves two types of data:

• **Primary information.** This is research you compile yourself or hire someone to gather for you.

• **Secondary information.** This type of research is already compiled and organized for you. Examples of secondary information include reports and studies by government agencies, trade associations or other businesses within your industry. Most of the research you gather will most likely be secondary.

When conducting primary research, you can gather two basic types of information: exploratory or specific. Exploratory research is open-ended, helps you define a specific problem, and usually involves detailed, unstructured interviews in which lengthy answers are solicited from a small group of respondents. Specific research, on the other hand, is precise in scope and is used to solve a problem that exploratory research has identified. Interviews are structured and formal in approach. Of the two, specific research is the more expensive.

When conducting primary research using your own resources, first decide how you'll question your targeted group: by direct mail, telephone, or personal interviews.

If you choose a direct-mail questionnaire, the following guidelines will increase your response rate:

• Questions that are short and to the point

• A questionnaire that is addressed to specific individuals and is of interest to the respondent

• A questionnaire of no more than two pages

• A professionally-prepared cover letter that adequately explains why you're doing this questionnaire

• A postage-paid, self-addressed envelope to return the questionnaire in. Postage-paid envelopes are available from the post office

• An incentive, such as "10 percent off your next purchase," to complete the questionnaire

Even following these guidelines, mail response is typically low. A return rate of 3 percent is typical; 5 percent is considered very good. Phone surveys are generally the most cost-effective. Here are some telephone survey guidelines:

• Have a script and memorize it – don't read it.

• Confirm the name of the respondent at the beginning of the conversation.

• Avoid pauses because respondent interest can quickly drop.

• Ask if a follow-up call is possible in case you require additional information.

In addition to being cost-effective, speed is another advantage of telephone interviews. A rate of five or six interviews per hour is typical, but experienced interviewers may be able to conduct more. Phone interviews also can cover a wide geographic range relatively inexpensively. Phone costs can be reduced by taking advantage of less expensive rates during certain hours.

One of the most effective forms of marketing research is the personal interview. They can be either of these types:

• **A group survey.** Used mostly by big business, group interviews or focus groups are useful brainstorming tools for getting information on product ideas, buying preferences, and purchasing decisions among certain populations.

• **The in-depth interview.** These one-on-one interviews are either focused or nondirective. Focused interviews are based on questions selected ahead of time, while nondirective interviews encourage respondents to address certain topics with minimal questioning.

Secondary research uses outside information assembled by government agencies, industry and trade associations, labor unions, media sources, chambers of commerce, and so on. It's usually published in pamphlets, newsletters, trade publications, magazines, and newspapers. Secondary sources include the following:

• **Public sources.** These are usually free, often offer a lot of good information, and include government departments, business departments of public libraries, and so on.

• **Commercial sources.** These are valuable, but usually involve cost factors such as subscription and association fees. Commercial sources include research and trade associations, such as Dun & Bradstreet and Robert Morris & Associates, banks and other financial institutions, and publicly traded corporations.

• **Educational institutions.** These are frequently overlooked as valuable information sources even though more research is conducted in colleges, universities, and technical institutes than virtually any sector of the business community.

Source: https://www.entrepreneur.com/encyclopedia/market-research

Exercises

1. Read and translate the text.

2. Memorize the new words from the text.

3. Speculate on the following questions:

1) What can you say about the role of accurate information for successful business ventures?

2) Why is market research so important for the businessmen?

3) Can you name the tips that help increase your response rate in market research?

4) What is the most effective form of marketing research in your opinion?

5) What are the types of the personal interviews and to your mind, which one is the most effective?

6) What other secondary research sources can you think of ?

4. Choose one of the topics to prepare an individual report or a presentation.

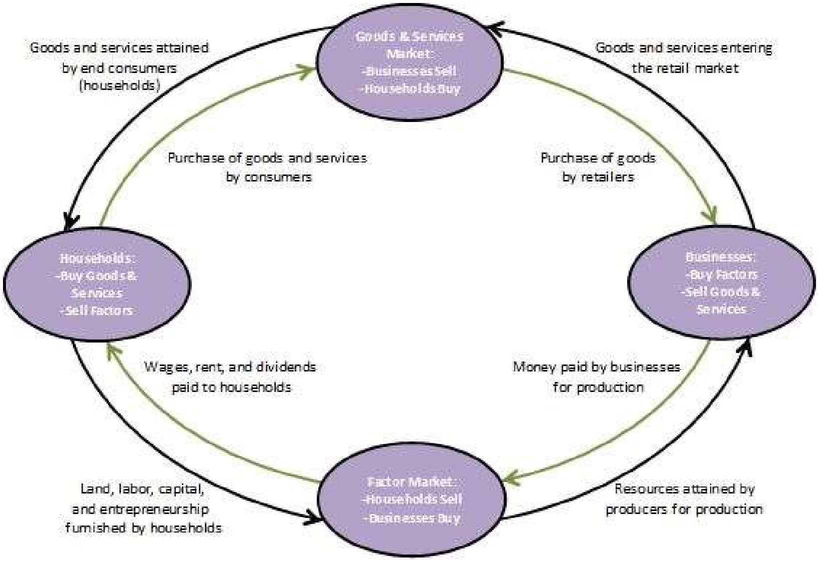
1. The most effective forms of market research.
2. An integral part of the business planning process.
3. Different ways of questioning your targeted groups.
4. Primary and secondary research: their differences.
5. The pros and cons of telephone interviews.

Unit 2

GOODS AND SERVICES MARKET

When you go to the store, shop on the internet, or even just trade with your friend, you are dealing in the goods and services market. It is here that end products are traded. Consumers pay money to businesses to acquire something. Money flows from the consumer to the business. This contrasts with the factor market, where businesses purchase the resources they need to produce an item. In the goods and services market, the law of supply and demand determine a good's price and output.

Economists use the circular flow model to show the interdependent relationship between households and businesses. They trade with each other in two markets – the factor market and the goods and services market. In the diagram below, the inside loop is money, while the outside loop is for the goods purchased. The upper portion shows how money flows from households to the businesses through the goods and services market. In return, the household receives the item they have purchased. The flow of money is reversed on the lower portion of the diagram. Here businesses pay households wages, rent, dividends, or profits in return for their services.



Source: http://www.higherrockeducation.org/glossary-of-terms/goods-and-services-market

Demand and supply for goods and services. The demand for a product is the quantity that buyers will be willing to purchase at a given price. The supply of a good is the quantity that suppliers will be willing to bring to the market at given prices.

The demand for air travel is in part determined by the prices charged. Over the last twenty years the price of traveling by air has fallen substantially (in real terms) and with rising incomes far more people are traveling abroad (and internally) than ever before. We can therefore say that the demand for air travel has risen. At the same time we can see that the demand for other forms of travel has fallen compared with previous centuries. For example, very few people today travel by horse drawn carriage, and much fewer people cycle to work than was the case in Victorian times.

Supply chain. The supply of certain types of breakfast cereals by companies like Kellogg's has risen in recent years in response to growing demand. This demands a level of market research. This is particularly the case for healthy eating cereals such as variants of Special K. At the same time the supply of certain consumer durable products has fallen as they have been replaced by more sophisticated ones that better meet customer requirements. For example, the supply of typewriters and black and white televisions have fallen, because it is more sensible for suppliers to supply word processing computers, and colour television systems.

Demand, supply and price. A rise in demand for a particular product or service tends to exert an upward pressure on price. However, if producers respond by supplying more to the market this may then go on to lead to a fall in price, because producers are able to benefit from large scale production. The following table illustrates some of the relationships between demand, supply and price:

Increase or decrease	Impact on price
Increase in demand	Prices tend to rise
Fall in demand	Prices eventually fall
Increase in supply	Prices tend to fall
Fall in supply	Prices tend to rise

Prices of products and services are determined by the interaction of the forces of demand and supply.

Source: http://businesscasestudies.co.uk/business-theory/marketing/demand-and-supply-for-goods-and-services.html

Exercises

1. Read and translate the text.

2. Memorize the new words from the text.

3. Speculate on the following questions:

1) Can you explain the circular flow model used by economists?

2) What example would you take to explain what demand is?

3) What example would you take to explain what supply is?

4) What can you say about supply chain?

5) Can you illustrate the relationships between demand, supply and price?

6) What happens to prices if supply falls?

4. Choose one of the topics to prepare an individual report or a presentation.

1. Supply and demand.

2. The circular flow model that shows the interdependent relationship between households and businesses.

3. The goods and services market vs. the factor market.

Unit 3

ADOPTION OF NEW RESEARCH METHODS

The data remind us that no approach is right for every situation, and that barriers can range from not understanding a new technology through to finding an older approach too slow and too expensive.

Respondents were shown a list of new (and newish) research approaches and asked to indicate which they were already using and which they were actively considering.

Mobile surveys and market research online communities (MROC) are no longer emerging techniques; both are used by a majority of researchers: 56% of respondents have used MROCs, up from 49% in the last survey 9 months ago.

The growth in mobile has been even more dramatic, climbing to 64% usage, up from 41% in the last survey.

Techniques used:

Mobile Surveys – 64%
Online Communities – 56%
Social Media Analytics – 46%
Text Analytics – 40%
Webcam-based Interviews – 34%
Eye Tracking – 34%
Big Data Analytics – 32%
Mobile Ethnography – 30%

Micro-Surveys – 25%
Prediction Markets – 19%
Facial Analysis – 18%

Judging by its momentum, social media analytics will be the next technique to cross over to the mainstream: usage jumped 10 points to 46%.

Client-side researchers are more likely to have used the following than supplier-side researchers: social media analytics (47% to 36%) and Big Data analytics (39% to 29%). These are areas where the traditional market research industry might be losing market share to external firms. What are suppliers more likely than clients to see as the future of the industry? Suppliers have used mobile surveys, mobile qual, mobile ethnography, webcam interviews, microsurveys, gamification, facial analysis, and virtual reality more often than clients have.

Techniques that were added to the survey for the first time, with reported client-side usage, are:

- Behavioral Economics models – 25%
- Internet of Things/Sensor-based data collection – 12%
- Wearables based research – 7%.

In Use Trends:

The big news, but perhaps not surprising news, is that mobile surveys are now the top approach, with about two-thirds saying they are using them. This is a jump of around 50% from the previous waves. It is clear that 2014 is the year that mobile arrived in a big way.

In general, all the numbers are higher in the latest wave, compared with the earlier waves. Given that the approaches are selected because they are believed to be growing, this growth is not surprising. The numbers do not, however, reflect volumes of work.

The rest of the list (other than mobile surveys) can be broadly broken into three categories:

1. under 20%,

2. 20% to under 40%,

3. 40% to under 60%.

Those techniques which are currently under 20% are clearly niche at the moment. In some cases this may be their long-term position, for others (such as wearables) it may simply reflect their newness.

The 20% to 40% group reflect approaches that are becoming established in toolkits amongst a range of companies, without yet being "mainstream". This group ranges from gamification at 23% through to mobile qual at 37%. One of the interesting items in this group is Big Data analytics, which is one of the very few items that has not noticeably increased since the previous wave. Perhaps big data is proving difficult to integrate for most research companies, or hard to monetize?

The 40% to 60% group represent mainstream approaches that all researchers should be considering and many should be using. Text analytics and social media analytics have grown their scores well since the last wave. Online communities has been the top scorer in this category for a few years and has again grown the number who say they are using it. Communities have lost their top spot in the list due to the rapid growth in mobile surveys, not because their growth has plateaued.

Under Consideration Trends:

Two phenomena jump out of when comparing in use vs. under consideration.

1. The range is narrow, from 21% considering biometric response to 38% considering big data analytics.

2. A number of the scores for the most recent wave have fallen from the previous wave, e.g. mobile surveys fell from 41% considering to 26% considering.

The scores for the items at the top of the "In Use" have fallen because they are beginning to reach natural limits. For example, since 64% said they were using mobile surveys, the number saying they were ‘considering’ had to fall from 41%. The total of using and considering mobile surveys is now 90%. Presumably some of those not using or considering mobile surveys will be organisations that do not use surveys, e.g. some qualitative practices.

Other emerging approaches

After asking respondents to rate the list of key techniques and approaches, we asked "Are there any other emerging technologies or new research approaches we have not listed you are considering trying out?"

Open-ended responses that were mentioned fairly often and which were not in the list provided by the questionnaire included:

• Geo/location issues, such as geofencing, location tracking, GPS etc.

• Working with text and images in ways other than text analytics and social media analytics, such as semiotics and discourse analysis.

• Variations on ‘mobile’, beyond just "mobile surveys", "mobile ethnography" and "mobile qual".

• A more generalized expression of passive and observational data and analysis.

Source: http://www.greenbookblog.org/2014/09/29/the-top-20-emerging-methods-in-market-research-a-grit-sneak-peek/

Exercises

1. Read and translate the text.

2. Memorize the underlined terms from the text.

3. Speculate on the following questions:

1) Can the approaches mentioned in the text as the new ones be really considered new in your country?

2) Is social media important in your country too?

3) In what way would you use wearables to conduct a survey?

4) Would you use online communities to evaluate this or that product?

5) What new approaches would you use if you were to conduct a research market survey?

4. Choose one of the topics to prepare an individual report or a presentation.

1. New research methods using wearables.
2. Mobile ethnography.
3. Mobile surveys: pros and cons.

Unit 4

CONDUCTING ONLINE MARKET RESEARCH: TIPS AND TOOLS

Your may already be conducting online market research for your business – but you may not know it. Some of the easiest to use and most common tools are located right at your fingertips. Web searches, online questionnaires, customer feedback forms – they all help you gather information about your market, your customers, and your future business prospects. The advent of the Internet has presented small businesses with a wealth of additional resources to use in conducting free or low-cost market research.

Online Market Research Tools

The following techniques can be used to gather market information with the help of a few mouse clicks and keystrokes:

• **Keyword Search.** You know how to do a simple Web search using search engines such as Google and Yahoo. Take that a step farther by searching for "keywords" that people would use to find your type of products or services on the Internet. See how much interest there is in these keywords – and how many competitors you have in this market. Keyword searches can also help remind you of product niches that you might not have considered. There are other reasons to conduct keyword searches. First, you're going to be reminded of product niches that you might not of thought of. Second, these services will also give you a guesstimate of how many existing sites already use that phrase. How many existing sites already offer that product. WordTracker and Trellian's Keyword Discovery are popular keyword search engines.

• **Competitor Links.** A traditional search engine can also help you check out your competitors, their prices, and their offerings. Try typing 'link:www.[competitor's name].com' into Google to find out how many other sites link to your competitor's website. "It is a great way to see a competitor's link development and PR campaigns," says Shari Thurow, Web expert and author of the upcoming book Search Engine Visibility. "Is the competitor promoting a product or service similar to your own? Maybe you can get publicity because you have a new or better product."

• **Read Blogs.** Blogs are updated much more regularly than traditional websites and, therefore, they can be another gauge of public opinion. Search blogs by using blog-specific search engines, such as Technorati or Nielsen BuzzMetrics' Blogpulse. Blogs tend to move at a faster pace and be more informal in tone, so you're more likely to pick up conversation about a new product type or need on a blog than on a standard web site.

• **Conduct Online Surveys.** Another way to gauge public opinion is through online surveys. While not as scientific as in-person or phone surveys that use a random sampling of the population, online surveys are a low-cost way to do market research about whether an idea or a product will be appealing to consumers. Now many companies offer to conduct online research for you or give your company the tools to carry out your own surveying. Some online survey companies include EZquestionnaire, KeySurvey, and WebSurveyor.

Research Tools and Techniques

There are a variety of types of market research tools – both offline and online – that are used by many large businesses and can be available to small and mid-sized businesses. When these techniques involve people, researchers use questionnaires administered in written form or person-to-person, either by personal or telephone interview, or increasingly online. Questionnaires may be closed-end or open-ended. The first type provides users choices to a question ("excellent," "good," "fair") whereas open-ended surveys solicit spontaneous reactions and capture these as given. Focus groups are a kind of opinion-solicitation but without a questionnaire; people interact with products, messages, or images and discuss them. Observers evaluate what they hear.

Major categories are as follows:

1. Audience Research. Audience research is aimed at discovering who is listening, watching, or reading radio, TV, and print media respectively. Such studies in part profile the audience and in part determine the popularity of the medium or portions of it.

2. Product Research. Product tests, of course, directly relate to use of the product. Good examples are tasting tests used to pick the most popular flavors – and consumer tests of vehicle or device prototypes to uncover problematical features or designs.

3. Brand Analysis. Brand research has similar profiling features ("Who uses this brand?") and also aims at identifying the reasons for brand loyalty or fickleness.

4. Psychological Profiling. Psychological profiling aims at construction profiles of customers by temperament, lifestyle, income, and other factors and tying such types to consumption patterns and media patronage.

5. Scanner Research. Scanner research uses checkout counter scans of transactions to develop patterns for all manner of end uses, including stocking, of course. From a marketing point of view, scans can also help users track the success of coupons and to establish linkages between products.

6. Database Research. Also known as database "mining," this form of research attempts to exploit all kinds of data on hand on customers – which frequently have other revealing aspects.

Purchase records, for example, can reveal the buying habits of different income groups – the income classification of accounts taking place by census tract matching. Data on average income by census tract can be obtained from the Bureau of the Census.

7. Post-sale or Consumer Satisfaction Research. Post-consumer surveys are familiar to many consumers from telephone calls that follow having a car serviced or calling help-lines for computer-or Internet-related problems. In part such surveys are intended to determine if the customer was satisfied. In part this additional attention is intended also to build good will and word-of-mouth advertising for the service provider.

Writing Online Questionnaires

When it comes to using Web-based surveys, small businesses should stick to a few simple but important rules:

• **The Shorter the Better.** Don't alienate survey takers with long questionnaires. Limit yourself to 25 questions, which should take people five to seven minutes to finish. If surveys are much longer, people will abandon them and then you can't use them, and the next time you send them a survey they won't even open it. Other methods for keeping surveys short, according to a SensorPro white paper on online survey guidelines: make the first page simple, present answer options in multiple columns or a drop-down box, and put a status bar at the top of each question page so respondents know how close they are to being finished.

• **Avoid Open-Ended Questions.** Since people want to zip through a survey, don't include a lot of open-ended questions where they have to type out the answers. Close-ended questions they can click on a button to answer – Yes, No, Maybe, Never, Often – work much better. Companies can use close-ended questions to get the same kind of in-depth analysis open-ended questions provide by using rankings scales, which ask a respondent to rate something on some type of scale, 1 to 5, or 1 to 10, she says.

• **Be *Persistent*.** If you're asking customers or vendors to take a survey, it's okay to send more than one invitation, especially to people who've previously indicated they would be willing to participate. Just make sure you've got people's permission, so they don't think you're spamming them, the survey experts say.

• **Be *Patient*.** Businesses decide they want to do a survey then get impatient when they can't get the results right away. Even though online surveys reduce some of the work, they take time to design and administer, and when the results are in, more time to interpret.

Source: https://www.inc.com/guides/biz_online/online-market-research.html

Exercises

1. Read and translate the text.

2. Memorize the underlined terms from the text.

3. Speculate on the following questions:

1) Could you compile a short algorithm how to conduct an online research?

2) What questions would you prefer in your survey – open-ended or closed-end?

3) Consumer Satisfaction Research – have you ever taken part in such a research? If yes, share your ideas. If not, discuss the possible pros and cons of it.

4) Is psychological profiling necessary in all the surveys?

5) What are the best rules for compiling online questionnaires?

4. Choose one of the topics to prepare an individual report or a presentation.

1. A few important rules of a Web-based survey:
2. Blogs and Online Market Surveys.
3. Word search engines: what one needs to know to be a success.

Unit 5

WHAT IS INTERNATIONAL TRADE?

International trade is the exchange of goods and services between countries. This type of trade gives rise to a world economy, in which prices, or supply and demand, affect and are affected by global events. Political change in Asia, for example, could result in an increase in the cost of labor, thereby increasing the manufacturing costs for an American sneaker company based in Malaysia, which would then result in an increase in the price that you have to pay to buy the tennis shoes at your local mall. A decrease in the cost of labor, on the other hand, would result in you having to pay less for your new shoes.

Trading globally gives consumers and countries the opportunity to be exposed to goods and services not available in their own countries. Almost every kind of product can be found on the international market: food, clothes, spare parts, oil, jewelry, wine, stocks, currencies, and water. Services are also traded: tourism, banking, consulting and transportation. A product that is sold to the global market is an export, and a product that is bought from the global market is an import. Imports and exports are accounted for in a country's current account in the balance of payments.

Increased Efficiency of Trading Globally

Global trade allows wealthy countries to use their resources – whether labor, technology or capital – more efficiently. Because countries are endowed with different assets and natural resources (land, labor, capital and technology), some countries may produce the same good more efficiently and therefore sell it more cheaply than other countries. If a country cannot efficiently produce an item, it can obtain the item by trading with another country that can. This is known as specialization in international trade.

Let's take a simple example. Country A and Country B both produce cotton sweaters and wine. Country A produces ten sweaters and six bottles of wine a year while Country B produces six sweaters and ten bottles of wine a year. Both can produce a total of 16 units. Country A, however, takes three hours to produce the ten sweaters and two hours to produce the six bottles of wine (total of five hours). Country B, on the other hand, takes one hour to produce ten sweaters and three hours to produce six bottles of wine (total of four hours).

But these two countries realize that they could produce more by focusing on those products with which they have a comparative advantage. Country A then begins to produce only wine, and Country B produces only cotton sweaters. Each country can now create a specialized output of 20 units per year and trade equal proportions of both products. As such, each country now has access to 20 units of both products.

We can see then that for both countries, the opportunity cost of producing both products is greater than the cost of specializing. More specifically, for each country, the opportunity cost of producing 16 units of both sweaters and wine is 20 units of both products (after trading). Specialization reduces their opportunity cost and therefore maximizes their efficiency in acquiring the goods they need. With the greater supply, the price of each product would decrease, thus giving an advantage to the end consumer as well.

Note that, in the example above, Country B could produce both wine and cotton more efficiently than Country A (less time). This is called an absolute advantage, and Country B may have it because of a higher level of technology. However, according to the international trade theory, even if a country has an absolute advantage over another, it can still benefit from specialization.

Other Possible Benefits of Trading Globally

International trade not only results in increased efficiency but also allows countries to participate in a global economy, encouraging the opportunity of foreign direct investment (FDI), which is the amount of money that individuals invest into foreign companies and other assets. In theory, economies can, therefore, grow more efficiently and can more easily become competitive economic participants.

For the receiving government, FDI is a means by which foreign currency and expertise can enter the country. These raise employment levels, and, theoretically, lead to a growth in the gross domestic product. For the investor, FDI offers company expansion and growth, which means higher revenues.

Free Trade Vs. Protectionism

As with other theories, there are opposing views. International trade has two contrasting views regarding the level of control placed on trade: free trade and protectionism. Free trade is the simpler of the two theories: a laissez-faire approach, with no restrictions on trade. The main idea is that supply and demand factors, operating on a global scale, will ensure that production happens efficiently. Therefore, nothing needs to be done to protect or promote trade and growth, because market forces will do so automatically.

In contrast, protectionism holds that regulation of international trade is important to ensure that markets function properly. Advocates of this theory believe that market inefficiencies may hamper the benefits of international trade and they aim to guide the market accordingly. Protectionism exists in many different forms, but the most common are tariffs, subsidies, and quotas. These strategies attempt to correct any inefficiency in the international market.

The Bottom Line

As it opens up the opportunity for specialization and therefore more efficient use of resources, international trade has the potential to maximize a country's capacity to produce and acquire goods. Opponents of global free trade have argued, however, that international trade still allows for inefficiencies that leave developing nations compromised. What is certain is that the global economy is in a state of continual change, and, as it develops, so too must all of its participants.

Source: http://www.investopedia.com/articles/03/112503.asp

Exercises

1. Read and translate the text.

2. Memorize the underlined terms from the text.

3. Speculate on the following questions:

1) What can be traded on the global market?

2) What can you say about specialization in international trade?

3) How would you explain absolute advantage of one country over another?

4) What are the benefits of trading globally?

5) What is good and what is bad about free trade?

4. Choose one of the topics to prepare an individual report or a presentation.

1. Efficiency of International Trade.
2. Free Trade vs Protectionism – your ideas.
3. World Economy and International Trade.

Unit 6

STOCKS BASICS: WHAT ARE STOCKS?

You've probably heard a popular definition of what a stock is: "A stock is a share in the ownership of a company. Stock represents a claim on the company's assets and earnings. As you acquire more stock, your ownership stake in the company becomes greater." Unfortunately, this definition is incorrect in some key ways.

To start with, stock holders do not *own* corporations; they own shares issued by corporations. But corporations are a special type of organization because the law treats them as legal persons. In other words, corporations file taxes, can borrow, can own property, can be sued, etc. The idea that a corporation is a "person" means that the corporation *owns its own assets*. A corporate office full of chairs and tables belong to the corporation, and *not* to the shareholders.

This distinction is important because corporate property is legally separated from the property of shareholders, which limits the liability of both the corporation and the shareholder. If the corporation goes bankrupt, a judge may order all of its assets sold – but your personal assets are not at risk. The court cannot even force you to sell your shares, although the value of your shares will have fallen drastically. Likewise, if a major shareholder goes bankrupt, she cannot sell the company's assets to pay off her creditors.

What shareholders own are shares issued by the corporation; and the corporation owns the assets. So if you own 33% of the shares of a company, it is incorrect to assert that you own one-third of that company; it is instead correct to state that you own 100% of one-third of the company's shares. Shareholders cannot do as they please with a corporation or its assets. A shareholder can't walk out with a chair because the corporation owns that chair, not the shareholder. This is known as the "separation of ownership and control."

So what good are shares, then, if they aren't actually the ownership rights we think they are? Owning stock gives you the right to vote in shareholder meetings, receive dividends (which are the company's profits) if and when they are distributed, and it gives you the right to sell your shares to somebody else.

If you own a majority of shares, your voting power increases so that you can indirectly control the direction of a company by appointing its board of directors. This becomes most apparent when one company buys another: the acquiring company doesn't go around buying up the building, the chairs, the employees; it buys up all the shares. The board of directors is responsible for increasing the value of the corporation, and often does so by hiring professional managers, or officers, such as the Chief Executive Officer, or CEO.

Company		**CEO**	**Ticker Symbol**	**Stock Price**
	Apple Inc.	Mr. Timothy D. Cook	AAPL	$143.65
Google	Alphabet Inc.		GOOG	$905.96
Microsoft	Microsoft Corporation	Satya Nadella	MSFT	$68.46
amazon.com	Amazon.Com, Inc.	Jeffrey P. Bezos	AMZN	$924.99
	Facebook, Inc.	Mr. Mark Zuckerberg	FB	$150.25

For ordinary shareholders, not being able to manage the company isn't such a big deal. The importance of being a shareholder is that you are entitled to a portion of the company's profits, which, as we will see, is the foundation of a stock's value. The more shares you own, the larger the portion of the profits you get. Many stocks, however, do not pay out dividends, and instead reinvest profits back into growing the company. These retained earnings are still reflected in the value of a stock.

Stocks – sometimes referred to as equity or equities – are issued by companies to raise capital in order to grow the business or undertake new projects. There are important distinctions between whether somebody buys shares directly from the company when it issues them (in the primary market) or from another shareholder (on the secondary market). When the corporation issues shares, it does so in return for money.

Companies can instead raise money through borrowing, either directly as a loan from a bank, or by issuing debt, known as bonds. Bonds are fundamentally different from stocks in a number of ways. First, bondholders are creditors to the corporation, and are entitled to interest as well as repayment of principal. Creditors are given legal priority over other stakeholders in the event of a bankruptcy and will be made whole first if a company is forced to sell assets in order to repay them. Shareholders, on the other hand, are last in line and often receive nothing, or mere pennies on the dollar, in the event of bankruptcy. This implies that stocks are inherently riskier investments that bonds.

Source: www.investopedia.com/university/stocks/stocks3.asp

Exercises

1. Read and translate the text.

2. Memorize the underlined terms from the text.

3. Speculate on the following questions:

1) If you own 25 % of the shares of a company, is it correct to say you own a quarter of a company?

2) What do you know about the rights of a shareholder?

3) In what case does your voting power increase in a company?

4) Why do the companies issue stocks?

5) What is the difference between stocks and bonds?

4. Choose one of the topics to prepare an individual report or a presentation.

1. Global corporations and their stock prices fluctuation.
2. Ukrainian successful stock companies.
3. Well-known CEOs of the global companies, their way to success.

Unit 7

5 RULES FOR STAFF MANAGEMENT

Staff is the most valuable asset among the properties of any business. Management of staff is often a hard subject for companies to conquer. After all, we are dealing with people, rather than numbers or business theories. Here are the five golden rules that organizations should treasure regarding staff management. Want to know the tips for staff retention?

1. Keep staff challenged:

Do not let your staff feel that they are merely working machines that repeat the same things at work everyday. Try to keep them busy (a more positive term would be "fresh") in learning and doing new things once in a while. They will enjoy the dynamic it brings to their tedious working life and realize how the company treats them as individuals. Another useful way in keeping staff challenged is to give them feedback on their job performance. It is more convenient for staff to reflect on their own performance after getting feedback from their senior. With the feedback from senior and reflection (probably) from self, staff can improve on their performance and thus enhance work efficiency, which is in turn good for the company.

2. Let staff know what is expected from them

A step further than giving feedback to staff, letting them know their exact position in the company and what is expected from them is a simple and direct way for staff to realize their importance to the company. In this way, they can estimate their effort paid to work and whether they can give more or much more. What's more, redundant personnel can be detected easily! What an easy way to kill two birds with one stone!

3. Raise equity in the company

If staff has good performance, don't be stingy on giving them bonuses or other forms of reward. It is the best way to raise their morale as well as sense of belonging to the company since the company recognizes and treasures their contribution. However, you have to be very careful when rewarding staff by raising their salary…. Because there is no secret in the office, especially about salary! You must recognize the impact on other staff who are not being rewarded. The negative impact would be the opposite of boosting staff's morale and might actually causing loyal staff to leave.

4. Cultivate organization traditions

These could be formal or informal, as long as the staff accept and recognize them. For instant, team lunch or Christmas party. Once a tradition is established, it becomes a strong bond between staff and the company.

5. Utilize staff's talents and skills beyond the job description

Recognizing staff's talents and skills would be the first step to achieve this goal. You just need to pay attention to the staff's resume or simply a usual chat with them and you might have already found their "hidden talent"! Try to utilize their talent and skills, you will find it not only benefits the company but also the recognition from staff.

Remember, staff is your most valuable asset in any business. Managing them in a reasonable manner will ensure long term success for your company.

Source: http://www.farorecruitment.com/index.php/when-strong-leadership-style-meets-soft-skills/

Exercises

1. Read and translate the text.

2. Memorize the underlined terms from the text.

3. Speculate on the following questions:

1) Why do you think staff is valuable asset of a company?

2) Why do you consider staff management a hard subject?

3) What are golden rules of staff management?

4) Why is feedback necessary from the employees?

5) Do you consider company's traditions a good bond between staff and a company?

4. Choose one of the topics to prepare an individual report or a presentation.

1. Motivating and challenging in staff management.
2. The role of traditions in global companies.
3. Risks of financial motivation.

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