МІНІСТЕРСТВО ОСВІТИ І НАУКИ, МОЛОДІ ТА СПОРТУ УКРАЇНИ
Національний університет кораблебудування
імені адмірала Макарова

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МЕТОДИЧНІ РЕКОМЕНДАЦІЇ
з розвитку навичок усної англійської мови зі спеціальності "Економіка підприємства"
У двох частинах

Частина 2

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"Економіка підприємства"
У двох частинах
Частина 2
(*англійською та українською мовами*)

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MODULE I. BUSINESS FORMATION

1. Key Words and Phrases

merchant	–	торговець
to deal with	–	мати справу з ...
consumer	–	споживач
to apply	–	застосовувати, використовувати
enterprise	–	підприємство
employment	–	зайнятість, робота
to seek profit	–	шукати прибуток
goods and services	–	товари та послуги
nonprofit organization	–	некомерційна організація
to satisfy	–	задовольняти
entrepreneur	–	підприємець
raw materials	–	сировина
to purchase	–	купувати
effort	–	зусилля
to utilize	–	використовувати
manufacturer	–	виробник
tangible goods	–	матеріальні (реальні) товари
middleman	–	посередник
to accomplish	–	виконувати
to define	–	визначати
revenues	–	прибутки
expenses	–	видатки, витрати
economic surplus	–	економічний надлишок, залишок
goal	–	ціль, мета
wage	–	заробітна плата
to start a business	–	розпочати справу (бізнес)
to operate a business	–	керувати справою (бізнесом)

to face a problem	–	стикатися з проблемою
to risk	–	ризикувати
sole proprietorship	–	одноосібне володіння
to pay taxes	–	сплачувати податки
to assume the debts	–	брати на себе сплату боргів
stockholder	–	акціонер, власник акцій
partnership	–	товариство, компанія

2. Exercises in Reading

2.1. Read and translate the texts carefully:

WHAT ORGANIZATION IS A BUSINESS?

Business is a word which is commonly used in many different languages. But exactly what does it mean? What do we think of when we hear the word "business"? Some of us think of our jobs, others of the merchants they deal with as consumers, and still others of the millions of firms that make up the world's economy. This broad, all-inclusive term can be applied to many kinds of enterprise. Business provides the bulk of our employment as well as the products we enjoy.

Business consists of all profit-seeking activities and enterprises that provide goods and services necessary to an economic system. A nonprofit organization also provides goods and services to the economic system, but doesn't have profit as an objective. Churches, armies and like are examples of nonprofit organizations.

Business is the organized effort of individuals to produce and sell, for a profit, the goods and services that satisfy society's needs.

A person who risks his or her time, effort, and money to start and operate a business is called an entrepreneur. To organize a business, an entrepreneur must combine four kinds of resources: material, human, financial, and informational.

Material resources include the raw materials used in manufacturing processes, as well as building and machinery.

Human resources are the people who furnish their labour to the business in return for wages.

The financial resources are the money required to pay employees, purchase materials, and generally keep the business operating.

And information is the resource that tells the managers of the business how effectively the other resources are being combined and utilized.

Manufacturing businesses (or manufacturers) are organized to process various materials into tangible goods, such as automobiles, delivery trucks, breakfast, cereals or towels.

Service businesses produce services such as insurance, car rentals, haircuts or lodging.

And some firms – called middlemen – are organized to buy the goods produced by manufacturers and then resell them.

So, business is the economic pulse of a nation, the means through which society's standard of living improves. Profits are a primary mechanism for accomplishing these goals. Accountants and business people define profits as the difference between a company's revenues and expenses. Creating an economic surplus or profit is a primary goal of business activity.

("English for Economists")

* * *

There are numerous reasons that make people think about owning a business of their own. Personal independence, unlimited profit potential, the opportunity to work at something that they really love and at hours they choose are some of the reasons people have given for trying entrepreneurship. Many business leaders begin their careers as entrepreneurs after four years of undergraduate college training and even additional graduate school training. Others become successful entrepreneurs without special training.

Many colleges now offer programs that teach students how to start and operate a business. Basic information is combined with hands-on experience and the advice of successful business consultants. These programs help potential entrepreneurs decide whether their own ideas are good and how to follow through with them. With the high rate of business failure, this approach can prevent personal financial losses.

A common way to learn about a business, and the opportunities for starting one similar to it, is to learn while working for someone else. It provides a source of steady income to people while they are planning to start their own businesses. About 50 percent of entrepreneurs start their businesses in industries in which they have some experience.

Evidence shows that people who come from families whose members were in business themselves are more likely to start their own companies. Unfortunately, the record shows that two out of three new businesses fail within their first four years.

Small businesses face many problems. Bad economic times affect small business more than they do big business. In addition, small business profits tend to fall faster, and small businesses are more likely to fail.

What are the problems that face small business now? In January, 1985 the National Federation of Independent Business reported that the four top problems facing small business at that time were taxes, slow sales, the high cost of borrowing money and competition from other businesses.

In a large business the tasks of organizing and operating are done by many hired managers.

A corporation is one kind of business organization. Other kinds of business organizations are sole proprietorships and partnerships. Sole proprietorships are the most numerous kind of business organization, but most are very small. The reason for their popularity is that they are the easiest and least costly to organize.

Sole proprietors own all the profits of their enterprises, and they are their "own bosses", free to make whatever changes they please. They have minimal legal restrictions and do not have to pay the special taxes placed on corporations. Sole proprietors also have opportunity to achieve success and recognition through their individual efforts.

There are also disadvantages. A very serious one is the unlimited liability that each proprietor faces. All debts and all problems associated with the business belong to the owner. A second disadvantage of the sole proprietorship is that it has limited capital. The money that a proprietor can raise is limited by the amount of his or her savings and ability to borrow. Also, when the owner dies, the business dies. Other disadvantages may include lack of opportunities for employees, limitations of size and lack of management resources.

A partnership is a business organization that is owned by two or more persons. Partnerships offer certain advantages over sole proprietorships:

Partners bring additional funds to a proprietorship.

Partners can bring fresh ideas and talents to business organizations.

Like the sole proprietorship, partnerships are relatively easy to form and are not subject to special taxation. Partnerships have the following disadvantages:

In many cases, each of the partners is subject to unlimited liability. Partners are individually responsible for all the debts of the business. In other words, if the business were to fail, its creditors would have the right to recover their money from any, or all, of the partners.

A corporation is a business organization created under a government charter. Ownership of a corporation is represented by shares of stock, and for that reason corporate owners are known as stockholders. One feature of the corporation is that the courts treat it as a legal "person". It can, for example, sue or be sued and enter into contracts, and it must pay taxes.

There are some other types of business organizations. They are: the corporation for small business, not-for-profit corporation, government-owned corporations, cooperatives and franchises.

("English for Economists and Businessmen")

2.2. Read and dramatize the dialogue, complete the exercise that follows:

A.: Hello, old chap! Haven't seen you for ages. How are you getting on? You look tired.

B.: I've got a problem to solve. I invented a laser scanner that could detect all mechanical, structural or electrical defects in airplanes.

A.: Clearly, this idea has great potential to save lives and reduce the anxieties of travelers.

B.: Yes, and it also might make me a millionaire.

A.: But, to produce Air Scanners you need a manufacturing plant, workers and materials. You will also have to obtain a patent to protect your invention from would-be competitors.

B.: Besides, I shall need a research and development lab for continuous testing and improvement as well as a marketing department to demonstrate and sell the scanners.

A.: I see, from a broader economic perspective, what you have here is a resource allocation problem. At present, all of society's land, labor and capital are devoted to the production of other goods and services. Your immediate problem is defined in far simpler terms – hard cash. To acquire real resources – the land, labor and capital that can produce air scanners, you must have some means of payment.

B.: That is the problem of raising start-up funds. I could ask my relatives and friends for a loan, or even go door-to-door in the neighborhood.

A.: This method of raising funds is not likely to achieve your goals. Fortunately for you and other budding entrepreneurs most households save some fraction of their income. This flow of saving creates an enormous pool of loan able funds. Your problem is how to tap that pool to get enough funds to start building Air Scanners.

B.: I know that financial intermediaries make the job of acquiring start-up funds.

A.: A true "start-up" company like Air Scanners has nothing more than a good idea, a couple of dedicated employees and Big Plans.

B.: I cannot but mention that to fund these plans, the company can sell shares of itself. The individuals who buy the newly issued stock are putting their savings directly into the corporation's accounts. When our corporation is formed, I shall inform you. You may buy corporation's shares and become an owner.

A.: And I shall stand to profit from the corporation's business or take my lumps if the company fails.
B.: I must say because the company is incorporated, you are at a risk only for however much money you pay for your shares.
A.: You've got a point there. I have to go. And let's hope for the best.

("English for Economists and Businessmen")

3. Answer the following questions:

1. What definitions of business do you know?
2. What organization is a business?
3. Are churches, armies and the like business organizations? Why?
4. What person is called an entrepreneur?
5. What kinds of resources must an entrepreneur combine to organize a business?
6. What is profit?
7. What is the primary goal of business activity?
8. What makes people think about owning a business of their own?
9. How do many business leaders begin their careers as entrepreneurs?
10. What helps potential entrepreneurs to start and operate a business?
11. What problems do small businesses face?
12. Who does the tasks of organizing and operating of a large business?
13. What kinds of business organizations do you know?
14. What are the advantages and disadvantages of sole proprietorship, partnership and corporation?
15. What other special types of business organizations do you know?

4. Exercises in word study

4.1. Transcribe the following words and word combinations, mind the stresses. Try to memorize them:

Language, exactly, merchants, deal, consumer, broad, all-inclusive term, applied, enterprise, employment, profit-seeking, activity, necessary, organization, individuals, society, entrepreneur, resources, manufacturing processes, financial, required, employees, purchase, information, various, tangible goods, automobiles, delivery, breakfast, cereals, primary, accomplish, accountants, surplus.

4.2. Find the Ukrainian equivalents for the following words and word combinations. Try to memorize them:

Is commonly used; to think of our jobs; to deal with as consumers; to make up the world's economy; this broad, all-inclusive term; to provide the bulk of our employment; to have profit as an objective; examples of nonprofit organizations; to satisfy society's needs; to start and operate a business; the money required to pay employees, to keep the business operating; to process various materials into tangible goods; car rentals; to resell the goods; a primary mechanism for accomplishing the goals; a company's revenues and expenses; an economic surplus or profit; business activity.

4.3. Find in the text English equivalents for the following words and word combinations. Make up your own sentences with them:

Діяльність, що приносить прибуток; мати справу з ...; матеріальні (реальні) товари; забезпечувати товарами та послугами; виробляти та продавати товар; є прикладом некомерційних організацій; товари та послуги, які задовольняють потреби суспільства; сировина, що використовується у виробничих процесах; ефективно використовувати ресурси.

4.4. Match the words in column one with their synonyms in column two:

1) to ensure smth	a) goods
2) to make	b) to consist of...
3) production	c) to provide with
4) merchandize, products	d) to produce consumer goods
5) Agent	e) manufacture
6) to include	f) middleman

4.5. Fill in the blanks with noun, verb or adjective forms. Use your dictionary if necessary:

Noun	Verb	Adjective
1) production	produce	productive
2) –	satisfy	–
3) –	–	valuable
4) success	–	–
5) –	–	applicable
6) –	define	–

4.6. Translate the following sentences into English:

1. Підприємці – це люди, які мають власний бізнес і керують ним, сподіваючись одержати прибуток. 2. Тепер багато вищих навчальних закладів пропонують програми, які вчать студентів, як розпочати бізнес

і керувати ним. 3. Близько 50 відсотків підприємців розпочали свою справу (бізнес) у тих галузях виробництва, в яких вони вже мали певний досвід. 4. У великому бізнесі завдання, пов'язані з організацією та управлінням, виконуються багатьма найманими менеджерами. 5. Великий і малий бізнес для досягнення своєї мети організовують свою роботу по-різному. 6. Акціонерне товариство, одноосібне підприємство – це різні види бізнесових організацій. 7. Одноосібне підприємство – це бізнес, яким керує одна особа. 8. Батьки сподіваються, що він стане гарним підприємцем, матиме власний бізнес і керуватиме ним. 9. Вона вже має чудовий досвід у цій галузі виробництва і, можливо, розпочне власну справу. 10. Як менеджер, він буде виконувати завдання, пов'язані з організацією та управлінням виробництвом. 11. Ми знаємо, що корпорація завжди матиме переваги над одноосібною власністю та партнерством. 12. Рада директорів обере президента та інших посадових осіб для керівництва компанією. 13. Економічна ситуація в країні впливає на розвиток бізнесу. 14. Мене не цікавить ваша пропозиція. Я розширюю свій власний бізнес. 15. Він немає ніякого уявлення про те, як керувати підприємством.

5. Communication

5.1. Discus the following questions:

1) Would you like to own your business? Why yes or why not? If so, would you prefer to buy an existing business or start from scratch? Explain.

2) What product or service would you provide?

3) What talents, interests, skills and abilities do you have, or likely will have, which would make you successful in this business?

4) Where would you want to locate the business and for what reasons?

5) What type of business organization would you prefer? (sole proprietorship, partnership, corporation)? Explain your choice.

6) Do you have the personal characteristics that might help you become a successful entrepreneur?

5.2. Make up your own dialogue using the following expressions:

to distribute profits and losses to make a right choice
to attract customers to go into business
an amount of money to get along with
to run a risk to be liable

6. Working independently, complete the following survey. Then join with three other students and discuss your ratings.

ENTREPRENEURIAL SKILL SURVEY

Do you have personal characteristics that can help you become a successful entrepreneur? Read each question on the Rating Scale below. Place a check mark (+) on the line at the point where you believe successful entrepreneurs rate themselves. Repeat the exercise for yourself by placing an "X" closest to the point that best describes you. The check mark need not be placed directly over one of the suggested answers if your rating lies somewhere between two answers. How do two answers compare?

RATING SCALE FOR ENTREPRENEURIAL SKILLS

Are you a self-starter?	I do things on my own. Nobody has to tell me what to do.	If someone gets me started, I can keep going all right.	Easy does it. I do not like to work hard
How do you feel about other people?	I like people. I get along with anybody.	I have a few good friends and that is enough.	Most people bother me.
Can you take responsibility?	I like to be responsible.	I'll take over but I'd rather not.	I do not like to be responsible.
How good an organizer are you?	I like everything planned. Usually I am the boss.	If things are too difficult, I lose interest.	I just take things as they are.
How good a worker are you?	I can keep going as long as necessary. I like working hard.	I'll work hard for a time, but when I've had enough, I'll stop.	I can not work hard for a long time.
Can you make decisions?	I can make decisions in a hurry and they are usually good.	If I have to make decisions fast, I regret them later.	I do not like to be the one to decide things. I might make mistakes.
Can you stick with it?	Once I decide to do something I do not stop.	I usually finish what I start.	If a job isn't going right, I give up.
Can you keep records?	Since they are necessary, F11 keep records.	I can, but it is more important to get the work done.	I would rather hire someone to keep records.

7. Role play.

Using a newspaper select the examples of successful business in your region, interview the top-managers on running their business.

8. Writing for understanding

Write an essay and comment on the following statement. Support your opinion with arguments and real examples (you should write at least 50 words).

1. It's not enough that I should succeed – others should fail.

David Merrick

2. Why did I want to win? Because I didn't want to lose!

Max Schmelling

3. Make all you can, save all you can, give all you can.

John Wesley

MODULE II. THE FORMS OF BUSINESS OWNERSHIP

1. Key Words and Phrases

profits	–	прибутки
losses	–	збитки
responsibility	–	відповідальність
to deplete	–	вичерпувати
large scale	–	великий
to determine	–	визначати
to expand	–	розширювати
favorable	–	сприятливий
to be liable	–	нести відповідальність
survival	–	виживання
stipulating	–	обумовлюючий
to seek profit	–	шукати прибуток
as an objective	–	замету
nonprofit organization	–	некомерційна організація
sole proprietorship	–	одноосібне володіння
partnership	–	товариство
corporation	–	корпорація
cooperative	–	кооператив
joint venture	–	спільне підприємство (двох або більше фірм)
syndicate	–	синдикат
co-owner	–	співвласник

advantages and disadvantages	–	переваги та недоліки
debt	–	борг
personal possession	–	особиста власність
to be responsible for ...	–	бути відповідальним за …
to tax	–	обкладати податком
to share the wealth	–	розподіляти багатство
to join together	–	об'єднуватися
to accomplish limited liabilities	–	виконувати
to prove	–	доводити
stocks	–	акції
stockholders	–	акціонери
board of directors	–	рада директорів
to purchase goods	–	купувати товар
perpetual life	–	безстрокове існування
merger	–	злиття, об'єднання

2. Exercises in Reading

***2.1. Read and translate the texts carefully*.**

SOLE PROPRIETORSHIP

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 to 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 all personal assets.

One of advantages of a sole proprietorship is that an owner can make decisions quickly and decisively without having to consult others. Usually an individual proprietor pays fewer taxes and at a lower rates. 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 the 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.

The sole proprietor determines the direction of his activity and invests his own capital into business. Sole proprietorship is the cheapest and the easiest form of business ownership.

PARTNERSHIP

When a proprietor wants to expand his/ her business, he can from a partnership a business formed for profit by two or more co-owners. A partnership is defined as "a voluntary association of two or more partners to carry on as co owners of a business for profit". The rights and duties of a partnership are regulated by laws and by a legal agreement entered into by the co-owners. This type of organization represents a logical development from one-person business. The motive may not be only financial – partnerships are often formed in order to bring new ability and enterprise into the business. A partnership agreement specifies the amount of money each is investing and the duties each partner assumes. The agreement also may provide for a "silent partner" who does not take part in management, but who invests money into business.

The partnership has the advantage of using managerial talent One partner may be qualified in production, another in marketing. The partnership has a favorable tax position when compared with the corporation.

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 loses it, the others must pay the debt. Partnerships have another major disadvantage decision making is shared If partners have serious and constant disagreements, the business is bound to suffer. The survival of a partnership depends upon the continued harmonious relationship between a number of people. Thus, where trading risks are very great, the partnership is not a very stable type of organization.

Nonetheless, the partnership remains a vital part of the business If you want to set up a partnership, you need only to draw up a written agreement of Capital and Dividends Share and a statute stipulating all the points referring to the management of the partnership.

("English for Economists")

CORPORATIONS

Corporations are artificial beings created by law. These beings have the right to start and operate a business, to own property, and to enter into contracts. Although corporations comprise only one-fifth of all American businesses, they account for more than nine-tenths of all business receipts. The largest businesses in the United States are organized as corporations.

Shares of ownership of a corporation are called stocks and owners are called stockholders. A corporation must be chartered, or formally recognized. Once the corporation has received a charter, its original stockholders elect a board of directors. The board of directors then elects or appoints corporate officers.

Perhaps the major advantage of the corporate form is limited liability. Stockholders are not liable for the corporation's debts beyond the amount they have paid for its stock. Another important advantage is the perpetual life of the corporation. A major disadvantage is double taxation. The corporation's earnings are taxed once as corporate income and again as personal income (when earnings are distributed to stockholders). A corporation may grow by expanding its present operations or through merger – the purchase of another corporation.

The stock of open corporations is available to anyone who wants to buy it; the stock of close corporations is not. Government-owned corporations provide particular services, such as public transportation, to citizens. Not-for-profit corporations are formed to provide social services rather than to earn profits, but they are not owned by governments. S-corporations that are taxed as though they were partnerships. Various restrictions apply to their formation.

Three additional forms of business ownership are the cooperative, the joint venture, and the syndicate.

A cooperative is an association or individuals or firms for the purpose of performing some business function for all its members. Members benefit from the activities of the cooperative, because it can perform its function more effectively than any member could by acting alone. For example, buying cooperatives are organized to purchase goods in bulk and then distribute them to members. The unit cost of the goods is lower than it would be if each member bought in a much smaller quantity.

A joint venture is a partnership that is formed to achieve a specific goal or to operate for a specific period of time. Both the scope of the firm and the liabilities of the partners are limited. Once the goal is reached or the period of time elapses, the partnership is dissolved.

A syndicate is a temporary association of individuals or firms, organized to perform a specific task that requires a large amount of capital. The syndicate is formed because no one person or firm is willing to put up the entire amount required for the undertaking. Like a joint venture, a syndicate is dissolved as soon as its purpose has been accomplished. However, the participants in a syndicate do not form a separate firm, as do the members of a joint venture.

("Business English")

2.2. Read and dramatize the following dialogue:

Nick: Hello, Peter. It's so nice to see you. How are you getting on?

Pete: Quite all right, thank you. And what about you? Haven't seen you for a long time. What have you been busy with?

N.: I've been pretty busy. In fact I want to talk to you about my business.

P.: Oh, I'll be glad to do something for you.

N.: I'm glad you are not in a hurry and we have time to talk today.

P.: Sure.

N.: Well, Pete. I need some legal advice. John and I are thinking of incorporating. We are going to expand.

P.: Really? It sounds interesting. It means that your partnership has been doing very well.

N.: Oh, yes, we have a success. Now some businessmen are interested in investing with us.

P.: Let me get this straight. You want to issue and sell stock in exchange for investment capital, don't you?

N.: Exactly. By the way, does a corporation have limited liability?

P.: It does. Unlike the owners of sole proprietorships and partnerships who can be held personally liable for the debts of their firms the most that corporate shareholders can lose (i.e. their liability) is limited to whatever they paid for their shares of stock. Corporations are so important because of the advantages they offer over sole proprietorships and partnerships.

N.: Tell me a little about these advantages.

P.: Well. Stockholders can enter or leave a corporation at will simply by buying or selling shares of stock in that corporation. When the corporate stockholders die, their shares of stock are passed on to their heirs. Meanwhile, the corporation is free to conduct business as usual. In certain instances individuals can reduce their tax liability by incorporating.

N.: With all these advantages I wonder why there are so many more unincorporated business than incorporated ones?

P.: The answer has to do with the disadvantages of the corporation.

N.: Disadvantages? What can you tell me about them?

P.: It's difficult and expensive to organize a corporation. The process of obtaining a charter usually requires the services of a lawyer. Most small firms prefer to avoid these by forming proprietorships and partnerships. Corporations are subject to special taxes. The federal government, along with many state and local governments, taxes corporate income in addition to the taxes paid by shareholders on their dividends.

N.: What does "dividends" mean?

P.: Dividends are the portion of a corporation's profit that are distributed to the stockholders.

N.: Thank you. What other things should I know?

P.: Well. Corporations whose stock shares are sold to the public give up their right to privacy. The law requires that these large, open (or public) corporations disclose information about their finances and operations to anyone interested in reading about them. The purpose of this legislation is to give people information that helps investors and may also be of value to the competition. For that reason some corporations have chosen to remain closed (or private) corporations rather than disclose information they would prefer to keep secret. Now you seem to know a lot about business.

N.: Not everything yet, and the subject becomes quite technical.

P.: I'm glad to hear it. It's time to go now. See you later!

N.: Thank you very much for the information. Bye!

("English for Economists and Businessmen")

3. Answer the following questions:

1. What is the nature of sole proprietorships?
2. What is the cheapest and easiest form of business ownership?
3. When do sole proprietorships die?
4. Is it easy to make decisions quickly and decisively for an owner without having to consult others?
5. Why the sole proprietorship is well adapted to many kinds of small businesses?
6. What is the reason of the fact, that the sole proprietorship suits the temperament of many persons who like to exercise initiative and be their own bosses?
7. Are you ready to start your own business taking into consideration plusses and minuses of sole proprietorships?
8. What is a role of a "silent partner"?
9. What period is any partnership created for?
10. What is the main idea of starting any partnership?
11. What is a role of agreement between co-owners of any partnership?
12. Why is a partnership the place of using the managerial talent?

13. Does the partnership have more plusses or minuses?
14. Would you like your friends and relatives to be your partners?
15. Explain the difference between:
a. An open corporation and a close corporation.
b. A government-owned corporation, a not-for-profit corporation, and an S-corporation.
16. What are the major advantages and disadvantages of the corporate form of business ownership?
17. Why are cooperatives formed? How do they operate?
18. In what ways are joint ventures and syndicates alike? In what ways are they different?

4. Exercises in Word Study:

4.1. Transcribe the following words and word combinations, mind the stresses. Try to memorize them:

Business organization, objective, major, proprietorship, partnership, association, eliminates, disadvantages, advantages, responsible, debts, agreement, receipts, shares, stockholders, liable, taxation earnings, distributed, restrictions, purpose, effectively, syndicate, temporary, venture, accomplish, participants.

4.2. Find the Ukrainian equivalents for the following words and word combinations:

To seek profit; to provide goods and services; a nonprofit organization; profit as an objective; major forms of business; is owned by one person; partnership eliminates; partners are responsible for; to receive a share; a written document; artificial beings; are called stocks; to elect a board of directors; to appoint officers; to be liable for; through merger; to be available to; government-owned; members benefit; to achieve specific goals; the liabilities are limited; the period of time elapses; large amount of capital; for the undertaking; a joint venture.

4.3. Find in the text English equivalents for the following words and word combinations. Make up your own sentences with them.

Акція, некомерційна організація; спільне підприємство; товариство; бути відповідальним за щось; одноособове володіння; особиста власність; шукати прибуток; переваги та недоліки; об'єднуватися; виконувати; розподіляти прибуток; забезпечувати товарами та послугами; затверджений; обмежена відповідальність; рада директорів; купувати товар; безстрокове існування; шляхом об'єднання.

4.4. *Match the words in column one with their synonyms in column two*:

l) to seek	a) as a goal, as an aim
2) to provide	b) proprietorship, possession
3) as an objective	c) tendency, inclination
4) ownership	d) to manage, to operate
5) personal possession	e) to give, to supply
6) to join	f) to look for
7) liability	g) private property
8) stockholder	h) to unite
9) to run business	i) shareholder

4.5. *Match the words in column one with their antonyms in column two*:

1) profit organization	a) overseas business
2) to provide	b) sole proprietorship
3) home business	c) to fail
4) partnership	d) state sector
5) profits	e) to take away
6) to succeed	f) nonprofit organization
7) personal possession	g) losses
8) private sector	h) collective possession

4.6. *Translate the following sentences into English*:

1. Ця компанія виробляє найсучасніші телевізори. 2. Транснаціональні корпорації працюють у багатьох країнах світу. 3. Мій брат займається малим бізнесом. 4. Багато європейських компаній торгують з Японією. 5. Зараз уряд намагається знизити ціни на продовольчі товари. 6. Моя фірма зараз шукає нових партнерів по бізнесу. 7. Власники торгових підприємств зустрічаються завтра о 9 годині. 8. Ця фірма завжди надає якісні послуги. 9. Його родина приватизувала декілька великих магазинів нашого міста два роки тому. 10. Поки вона вчилась на менеджера, вони ліквідували її фірму. 11. Коли вони почали розширювати свій бізнес, вона була володаркою власної корпорації. 12. Ми обговорювали наші плани щодо розширення бізнесу, коли зателефонував наш клієнт. 13. Я не знаю, хто заснував цю компанію. 14. Ми спостерігали, як студенти слухали лекцію про фінансові ринки. 15. Студенти слухали, як лектор пояснював функції фінансового посередника. 16. Акціонери слухали, як керівники підприємства обговорювали можливості випуску нових акцій. 17. Мені виплатили дивіденди. 18. Вам надали стартовий капітал? 19. Робітникам продали акції підприємства.

5. Communication

***5.1. Fill in the table picking up the advantages of different types of business organization from the list given below. Be ready to prove that you have made the right choice*.**

Individual proprietorship	Partnership	Corporation

there is a possibility to delegate rights and authority;

there is a possibility to use the experience and knowledge of a number of people;

each of the full partners can act on behalf of the partnership;

it is easy to organize;

it is easier to attract capital;

there are potential additional sources of capital;

shareholder's liability is limited;

it is the cheapest to organize;

it is the easiest to start;

it has the most flexible structure as the authority is all yours;

working load, ideas, experience and responsibility are shared by the partners.

Fill in the table picking up the disadvantages of different types of business organization from the list given below. Be ready to prove all "pros" and "contras" of your choice.

Individual proprietorship	Partnership	Corporation

management observes the interests of the majority,

full partners have unlimited liabilities,

it is difficult to control activities,

it is expensive and difficult to promote,

it is very difficult to start and liquidate,

there is a lack of stability,

personal affairs are easy to mix with business,

the more shares a partner has the more he loses in case of bankruptcy,

the rights of shareholders are limited by the Memorandum of Association,

the interests of the minority are often infringed,

it is difficult to define the share of each partner

***5.2. Make up your own dialogue using the following expressions*:**

financial intermediary	corporate stock
to acquire start-up funds	shareholder
to realize financial gains	stock market
to keep control over company to	hold shares
to pay the lenders back	to channel savings

6. Working with a partner, read and discuss the following statements. Share your opinion with the entire class.

6.1. Small businesses often grow into large ones, adding to the economic vitality of the nation. Small businesses are an important part of the ferment, the creativity, and the competition that provide new strength to the economy.

6.2. It is true that small businesses often fail. The 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 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.

7. Role play

Develop the presentation of the major forms of business ownership comparing and contrasting the advantages and disadvantages. Use examples of Ukrainian firms.

8. Writing for understanding

***Write down an essay to disclose the following points* (*you should write at least 100 words*).**

1. My future business.
2. How to choose a partner.
3. How to make the right choice choosing the type of business organization.

MODULE III. PRODUCTIVITY

1. Key Words and Phrases

increase in productivity	–	зростання виробництва
output per hour of work	–	обсяг виробництва; випуск продукції за годину
boosting productivity	–	зростання, збільшення продуктивності
cutbacks	–	скорочення штату
layoffs	–	тимчасове звільнення з роботи
counterparts	–	колеги по роботі
factors of production	–	фактори виробництва
productive inputs	–	затрати факторів виробництва
critical inputs	–	мінімально критичні затрати факторів
raw materials	–	сировина
salaried manager	–	менеджер, який одержує ставку, тобто фіксовану платню
to pay interest	–	платити процент (відсоток)
wages	–	платити процент (відсоток)
salary	–	фіксована заробітна плата
loans	–	позика
to take into account	–	брати до уваги
solely	–	тільки, виключно
obviously	–	явно, очевидно
upper	–	верхній
to engage	–	залучати
eligible	–	прийнятний, бажаний
other things being equal	–	за інших рівних умов
average	–	середній
smoothly	–	рівно
to undertake	–	починати, брати на себе

2. Exercises Reading.

2.1. Read and translate the text

FACTORS OF PRODUCTION

Factors of production are considered to be land (natural resources), labor, capital and entrepreneur skills. Natural resources are materials supplied by nature. The most common natural resources used by business are land, water, mineral deposits, and trees. For example, Mobil Corporation, one of the world's largest oil companies, makes use of a wide variety of natural resources. Obviously, it must have vast quantities of crude oil to process each year. But

Mobil also needs the land where the oil is located, as well as land for its refineries and pipelines.

Labor

Labor is a human effort – physical and mental – which is directed to the production of goods and services. But labor is not only a factor of production, it is also the reason why economic activity takes place. When we are considering real-world economic problems it is necessary to treat labor somewhat differently from the other factors. There are social and political problems, which have to be taken into account. For example, the question of how many hours per day a machine should be operated will be judged solely in terms of efficiency, output, and costs. The same question applied to labor would raise additional considerations of individual freedom and human rights.

It is the services of labor which are bought and sold, and not labor itself. The firm cannot buy and own labor in the same way that capital and land can be bought and owned.

The supply of labor is a measure of the number of hours of work, which is offered at given wages over some given period of time. It is determined, therefore, by the number of workers and the average number of hours each worker is prepared to offer, which depend upon the following.

1. The size of the total population. This is obviously very important because the size of the total population sets an upper limit to the supply of labor.

2. The age composition of the population. It takes accounts of the proportions in the different age groups. Two countries might have the same total populations, but very different age compositions and therefore very different numbers in the working age groups.

3. The working population. In many countries the minimum age at which a person may be engaged in full-time employment is legally controlled. The age range, for example, 16 to 65 years, covers the working age groups, but this does not mean that the total working population embraces all the people in these age groups. The working population may be defined as the number of people who are eligible for work and offer themselves for employment.

4. The working week and holidays. The number of people who work (or are available for work) is an important determinant of the supply of labor, but so is the average number of hours each person works. Other things being equal, the shorter the working week the smaller the supply of labor.

Capital

Capital is a man-made resource. Any product of labor and land, which is reserved for use in the further production, is capital.

Capital was created when people began to make simple tools to assist them in the production of food, the hunting of animals, and in the transportation of their possessions. Capital means any produced means of production.

Capital is usually divided into two types: one which is used up in the course of production, and one which is not.

Working capital consists of the stocks of raw materials, partly finished goods held by producers. These stocks are just as important to efficient production as are the machines and buildings. Stocks are held so that production can proceed smoothly when deliveries are interrupted and so that unexpected additional orders for finished goods can be met without changing production schedules. This kind of capital is sometimes called "circulating capital" because it keeps moving and changing. Materials are changed into finished goods, which are then exchanged for money, and this, in turn, is-used to buy more materials.

Fixed capital consists of the equipment used in production – buildings, machinery, railways and so on. This type of capital does not change its form in the course of production and moves from one stage to the next – it is "fixed".

("English for Economists")

The Entrepreneur

Economists sometimes identify a fourth factor of production – enterprise. It is held that, left to themselves, land, labor, and capital will not produce anything. There must be some person or persons, who will organize these three factors so that production takes place. Someone must make the decisions (a) what to produce; (b) how to produce; (c) where to produce.

Whoever makes the decisions, and the consequent risks, is known as the entrepreneur. The entrepreneur is the person who undertakes production with a view to profit. In a capitalist society, production would not take place unless some one was prepared to buy and organize economic resources for production on the basis of expected profit.

Organization, management and risk-bearing (risk-taking) – these are the entrepreneurial functions. In the one-person business, they are clearly all carried out by the sole proprietor. In the large company, the functions of the entrepreneur are shared, risk-bearing is the role of the shareholders; management is the function of the directors.

This brings us to the concept of productivity, or output per hour of work – the total amount of goods and services produced in a given period of time, divided by the number of work hours. An increase in productivity means that the same amount of work produces more goods and services. Productivity gains are important to a country's economic health because they lead to higher living standards and greater global competitiveness.

Productivity is a major concern in American business – with good reason. During the 1980s productivity in American business grew only about 1 percent each year, lagging behind that of other countries. During the early 1990s the productivity in American non farm continued to rise only slowly, about 0.2 percent a year. In fact America has the worst productivity record of any of the several largest industrial economies in the world!

The good news is that productivity in manufacturing companies climbed at a record pace between 1979 and the early 1990s, rising at a 3.6 percent rate annually (about as fast as the average rise in manufacturing output shown by America's trading partners). While the proportion of U.S. manufacturing output in the nation's GDP fell to its lowest post – World War II point during the 1980s, recently it has climbed back to about 23.3 percent of the U.S. GDP.

So why don't we rate better in productivity, compared to other countries? Here's the bad news: while manufacturing productivity has risen, productivity in the service sector – companies that provide a service rather than a physical product – has not. And since 8 out of 10 American workers are employed in fields other than manufacturing, this holds down the nation's overall productivity.

Many economists feel that boosting productivity in service industries will be the biggest long-term challenge to the United States' competitiveness in a global economy. As more services-banking, telecommunications, and software, to name just a few-become international, this will become an even more crucial factor in the country's economic health. The cutbacks and layoffs that have occurred in U.S. service jobs reflect firms' efforts to become more competitive by lowering costs. Ultimately, this shakeout in the services sector could boost productivity because fewer companies will share the business. Also, companies that survive such shakeouts are usually more efficient; they have learned how to be more productive with a smaller staff.

It may be that service companies could learn from their counterparts in manufacturing. Westinghouse, for example, has scored impressive productivity gains (6.2 percent annually). Westinghouse managers present show-and -tell sessions at the company's Productivity and Quality Center, that are attended by employees of many service companies. One Westinghouse executive notes that a lot of firms see automation – buying computers and high-tech – equipment as the answer, without rethinking the processes by which they conduct business. Says the manager, "They're making the same mistakes, only faster."

One car dealer learned about productivity the hard way: when he messed up the repairs to a Westinghouse manager's car. The executive offered the dealer a choice between legal action or a review by Westinghouse's quality center. He chose the review. Today, repairs that used to take 28 steps, seven forms, and three days require 12 steps, two forms – and two hours.

("Business English")

***2.2. Read and dramatize the following dialogue*:**

B.: When did modern production methods take a giant leap forward, I wonder?
C.: Modern production methods took a giant leap forward in 1913 when Henry Ford (1863–1947) introduced the use of the assembly line in the production of automobiles. In those days, automobiles were built in much the same way as a house.
B.: What do you mean?
C: That is, workers simply picked a spot on the factory floor and assembled the car from the bottom up. As business grew Ford began manufacturing many of the component parts formerly purchased from suppliers. Typically the components were put together by one worker who performed all the operations necessary to assemble them.
B.: The method was likely to be costly, and so only the wealthy could afford to buy automobiles in those days.
C: For sure. This did not please Henry Ford who wanted to bring the price of automobiles down to the point where most families could afford them.
B.: What was the key to achieving this goal?
C: The key to achieving this goal, in Ford's view, was through the improvement of labor productivity. He needed to find a way to

1) limit the number of operations performed by each worker;
2) bring the work to the worker rather, than the other way around;
3) perform each operation in the most efficient sequence he could find.

B.: Thus he found what he was seeking in his new creation: the assembly line. Ford's first line, introduced in April 1913, was used to assemble generators. Working in the old way, one worker had been able to put together 25 to 30 generators in a 9-hour day. This translated to something around 20 minutes per assembly. The new line broke the operation into 29 steps performed by individual workers on parts that were brought to them by the steadily moving assembly line.
C: And what about the price of automobiles?
B.: Assembly line methods brought the price of automobiles within the reach of millions of American families. As a result, automobile registrations jumped from 944.000 in 1912 to 2,5 million in 1915 and 20 million by 1925.
C.: So Henry Ford was not an economist, but his innovative production strategies had a revolutionary impact on American industry and living standards.

B.: Well, certainly. As automobiles, appliances and other labor saving goods of the new industrial age became less expensive and more affordable for the average family, it was clear that the assembly lines of a Michigan factory had changed American households as dramatically as its factories.

("English for Economists and Businessmen")

3. Answer the following questions:

1. What is meant by the term productivity?
2. Why is productivity an important public issue today?
3. How does the United States compare to other nations in regard to productivity?
4. What are the factors of production?
5. What are the basic resources required in any economic system?
6. What funds can be provided in the form of investments, profits or loans?
7. What factors of production are to be used in the private enterprise system?
8. What is a nation's standard of living measured by?
9. When are living standards likely to improve?
10. What is "input"?
11. What does the quality of labor force depend upon?
12. What is a key part of marketing?
13. What is the final part of marketing?

4. Exercises in word study

4.1. Transcribe the following words and word combinations, mind the stresses. Try to memorize them:

Natural resources; the entrepreneur; enterprise; sole proprietor; annually; competitiveness; increase in productivity; boosting productivity; layoffs; counterparts; raw materials; salaried manager; wages; loans; obviously; to engage; eligible; average.

4.2. Find the English equivalents for the following words and word combinations.

To require certain inputs; resources necessary to finance the operation of a business; these funds can be provided in the form of profits or loans; salaried manager; the specific factor payment; to get a loan to start the business; to pay interest to the lender; output per hour of work; goods and services produced in a given period of time; major concern; lagging behind that of other countries; climbed at a record pace; to rate better in productivity; boosting productivity in service industries; the biggest long-term challenge; in the country's economic health; more competitive by lowering costs.

4.3. Find the text English equivalents for the following words and word combinations. Make up your own sentences with them.

Зростання виробництва; обсяг виробництва, випуск продукції за годину; зростання, збільшення продуктивності; скорочення штату; тимчасове звільнення з роботи; затрати факторів виробництва; мінімально критичні затрати факторів; сировина; платити процент (відсоток); фіксована заробітна плата; починати, брати на себе.

***4.4. Match the words in column one with their synonyms in column two*:**

1) to engage	a) enlargement
2) increase	b) colleagues
3) to produce	c) to start to begin
4) boosting	d) to occupy
5) counterpart	e) grow
6) to undertake	f) to manufacture

4.5. Fill in the blanks with noun, verb or adjective forms. Use your dictionary if necessary.

Noun	Verb	Adjective
1. division	divide	dividual
2. –	economize	–
3. recording	–	–
4. employment	–	–
5. –	–	impressive
6. –	design	–

***4.6. Translate the following sentences into English*:**

1. Один спосіб визначення рівня життя – це поділити всю продукцію на кількість населення. 2. Коли кількість продукції зростає швидше за кількість населення, рівень життя поліпшується. 3. Витратами можуть бути будь-які кошти, що використовуються у виробничому процесі. 4. Освіта та навчання робітників є головною складовою частиною продуктивності праці. 5. Люди, які люблять свою роботу та одержують насолоду від неї, виробляють більше за тих, які не мають такої мотивації. 6. Чого бракує некваліфікованим і неосвіченим робітникам для більш ефективного виконання своїх завдань? 7. За допомогою розподілу праці кожний

робітник може стати майстром своєї справи. 8. Він не виконав роботу вчасно і тому залишився в офісі після роботи. 9. Він припинив постачання обладнання для нашого заводу ще у минулому році. 10. Ми добре навчилися задовольняти потреби наших клієнтів, коли намагалися стати лідером у секторі послуг. 11. Коли він постачав вам сировинні матеріали, він переслідував свої власні інтереси. 12. У цих регіонах кількість продукції тепер зростає швидше за кількість населення. 13. Він знайде те, що шукає для ефективного використання обладнання. 14. Директори комерційних фірм використовують капітал і робочу силу, щоб максимально підвищити продуктивність праці. 15. Оптові торговці та виробники скорочують кількість товарів і рівень виробництва, щоб знизити ціни. 16. Вони знижують тверді ціни за одиницю товару, оскільки випуск продукції зростає.

5. Communication

5.1. Discuss the following questions. Prove your opinion with arguments

1. What are the factors of productions? Is one more important than the others? If so, which one and why?

2. The dictionary defines economics as "the study of the production of wealth and the consumption of goods and services in a society".

3. List five economic issues relating to production and consumption that the Ukrainian government has to deal with today.

4. Explain the concepts of gross domestic product and productivity.

***5.2. Make up your own dialogue using the following expressions*:**

principal ingredients of productivity	division of labor
to lack motivation to do one's best	skilled worker
to bring the price down to the point	consumption
to gain dignity and respect	to go into production
to perform one's task	process

6. Working with a partner, read and discuss the following statements. Do you agree or disagree with them on ways to improve productivity? Share your opinion with the entire class.

a) Government can help to improve productivity by providing more money for medical research, the space program, and research in other highly technical areas rather than for education and other human services.

b) Business can improve productivity by investing in new machines and other equipment and by reducing its marketing efforts – even if profits decline for a time.

c) Labor can help improve productivity by agreeing to accept lower wages.

d) Government can help improve productivity by reducing or eliminating taxes on capital gains.

e) Government can help improve productivity by eliminating rules and regulations about safety and pollution.

f) If workers were involved in making decisions, they would try harder to increase productivity.

7. Role play.

1. Despite the tremendous gains in productivity in Ukraine in recent decades, the rate of increase has been declining. Discuss how each of the trends described below has affected productivity.

In your opinion, which trend has had the greatest effect on productivity?

a) High energy costs have shifted funds investment in research and development to exploration for new energy sources.

b) Although they may be necessary to protect the health and safety of the people, government regulations tend to increase production costs.

c) The growth in the numbers of young and inexperienced workers has reduced productivity in some industries.

8. Writing for understanding.

Write an essay and comment on the following statement. Support your opinion with arguments and real examples (you should write at least 50 words).

Each needs the other: capital cannot do without labor, not labor without capital.

Pope Leo XIII

The wealth of nations is men, not silk ad cotton and gold.

Richard Hovey

The instinct of ownership is fundamental in man's nature.

William James

MODULE IV. THE BUSINESS PLAN

1. Key Words and Phrases.

written document	–	письмовий документ
relevant	–	доречний; що стосується справи
to involve	–	включати; містити в собі
venture	–	комерційне підприємство
decision making	–	прийняття рішення
to refer to	–	посилатися на щось
business plan	–	бізнес-план
employee	–	службовець; той, хто працює за наймом
adviser	–	консультант
to satisfy	–	задовольняти
entrepreneur	–	підприємець
to meet the needs	–	задовольняти вимоги
creativity	–	творча сила
clearly	–	виразно; чітко; зрозуміло
through the eyes of their customers	–	через своїх покупців
to view	–	дивитися; оцінювати; судити
to require	–	вимагати
valuable	–	цінний
personnel	–	персонал; штат; кадри
familiarize	–	познайомити; зробити добре відомим
objective	–	мета
viability	–	життєздатність
guidance	–	керівництво; провід
assumptions	–	взяття на себе (відповідальності тощо)
cash requirements	–	потреба готівки
to assess	–	визначати розмір податку (штрафу, шкоди)
summary	–	резюме
straightforward	–	простий
facilities	–	устаткування
accomplishment	–	досягнення
evidence	–	дані, письмовий доказ

2. Exercises in Reading.

2.1. Read and translate the texts carefully.

THE BUSINESS PLAN

The business plan is a written document prepared by the entrepreneur that describes all the relevant external and internal elements involved in starting a new business. It is often an integration of functional plans such as marketing, finance, manufacturing and human resources. It is also addresses both short-term and long-term decision making for the first 3 years of operation.

The business plan may be read by employees, investors, bankers, suppliers, customers, advisers and consultants. The business plan must try to satisfy the needs of everyone; whereas in the actual marketplace the entrepreneur's product will be trying to meet the needs of selected groups of customers.

However, there are probably three perspectives that should be considered when preparing the plan. First, the perspective of the entrepreneur who understands better than anyone the creativity and technology involved in the new venture. The entrepreneur must be able to clearly articulate what the venture is all about. Second, the marketing perspective. Too often, an entrepreneur will only consider the product or technology and not consider whether someone would buy it. Entrepreneurs must try to consider their business through the eyes of their customer (the marketing plan). The third perspective is that of the investor. The entrepreneur should try to view his or her business through the eyes of the investor. Sound financial projections are required; if the entrepreneur does not have the skills to prepare this information, then outside sources can be of assistance.

The business plan is valuable to the entrepreneur, potential investors, or even for review of new personnel, who are trying to familiarize themselves with the venture, its goals, and objectives. The business plan is important to these people because:

It helps determine the viability of the venture in a designated market.

It provides guidance to the entrepreneur in organizing his or her planning activities.

It serves as an important tool in helping to obtain financing. Potential investors are very particular about what should be included in the business plan. Even if some of the information is based on assumptions, the thinking process required to complete the plan is a valuable experience for the entrepreneur since it forces him or her to assess such things as cash flow and cash requirements.

("English for Economists")

THE ESSENTIAL ELEMENTS OF A GOOD BUSINESS PLAN

Every successful business plan should include the following essential elements:

Cover Sheet

1. Indicate full formal name of company.

2. Indicate ownership status.
3. List full street address.
4. List mail address if different.
5. List phone, Fax / telecopy, e-mail and web site information.
6. List principal contact name and title.
7. Date the plan. Table of Contents

Categorize the contents. Use section names and page numbers. You have a choice of only main category headings (History, Management, Product, etc.) or detailed categories (History-date founded, founding members, place founded, etc.). Make note of any charts, tables, or graphs

Executive Summary

A very important part, the executive summary briefly sets forth the contents, taking key sentences from each section of the plan to overview the project for the reader. Limit the summary to two or three pages – more is too many. This section is the first thing that investors read, and they may not read further if you haven't captured their interest.

History

The first several paragraphs should briefly describe the product or service, to whom it is sold, the current status of your industry, and where your new company fits in. This is your second chance to give the reader an overview to establish a basis for detailed understanding.

After this brief introduction, include a description of how, when, and by whom the company was started, its achievements and acceptance setbacks. Then bring these experiences to current-day status.

Product or Service

To succeed with an entrepreneuring company, you must know your product or service; to succeed in obtaining capital, you have to be able to describe your product or service clearly. After giving a simple, straightforward description, outline the need for the product or service in today's marketplace, how it will make a difference, the benefits derived from using it and its advantages.

Forget industry jargon and replace it with words that the nonspecialist can understand. If you tend to write overly technical descriptions, engage a professional writer.

Market Description and Analysis

This section profiles three key areas: customers, industry, and competition.

Marketing Strategy

This is a critical section that should clearly specify the company's marketing goals, how they are to be achieved, and who will have the responsibility for achieving them. Qualify all distribution methods (representatives, dealers, and etc.) and describe any planned advertising or public relations activities.

Operations Plan

This section is primarily oriented toward facilities, manufacturing capability, and equipment. Disclose all present capabilities as to equipment and facilities, as well as further projections for offices, branches, manufacturing and distribution.

Research and Development

The length of this section depends on whether you're a service or product company and – if you are a product company – on how technical your product is. The object is to explain all past research, development efforts and accomplishments as well as future expectations.

Schedule

Describe the timing and steps that will be taken to bring the company up to full speed. Graphs or charts help to indicate the timing and interrelationships of the major events in the company.

Management

In the eyes of the investors, the quality of the management team often determines the potential success of the company. Consequently, this section should cover career accomplishments, and positions held, with an emphasis on good performance records.

Describe how the team has worked together in the past. List all directors, consultants, advisers, and other key professionals who will be involved in company operations.

Finances

Present the company's current equity structure as well as future plans. Include both historical and current profit and loss statements and balance sheets. Present current and proposed salary structure. Show projections, including financial statements. These should be month by month for the first year, quarterly for the second and third years, and yearly thereafter.

Appendix

Include a glossary and all essential pieces of evidence, such as resumes, product brochures, customer listings and news articles.

("Business English")

2.2. Feasibility plan. Cash flow.

		2010				TOTAL
		1 quarter	2 quarter	3 quarter	4 quarter	
1	Cash flow from operating activity					
2	Revenue	+				**=1Q+2Q+ +3Q+4Q**
3	Other operating inflow	+				
4	Cash inflow from insurance	+				
5	Cash outflow paid suppliers and employees:	=6+7+8+ +9+10				
6	goods and materials	–				
7	other operating expenses	–				
8	wage expenses	–				
9	lease payments	–				
10	fuel	–				
11	Insurance	–				
12	Taxes paid	–				
13	Net cash flow from operating activity	=2+3+5+11+12				
14	Cash flow from investment activity					
15	Dividend received	+				
16	Interest received	+				
17	Other inflows from securities, corporate rights trading	+				
18	Purchase(sale) of fixed assets	+				
19	Purchase(sale) of equipment	+				
20	Ouflows from capital participations	–				
21	Other outlows from securities and corporate rights tradings	–				
22	Net cash flow from investment activity	=15+16+17+ +18+19+20+21				

		2010				TOTAL
		1 quarter	2 quarter	3 quarter	4 quarter	
23	Cash flow from financing activity					
24	Inflows from additional capital issuance	+				
25	Loans (with breakdowns), inflows	+				
26	Financial aid (inflow)	+				
	Financial aid (outflow)	–				
27	Other financial inflows (incl. VAT refund)	+				
28	Loans (with break-downs), outflows	–				
29	Dividends paid	–				
30	Interest paid	–				
31	Other financial expenses (incl.financial lease)	–				
32	Net cash flow from financial activity	=24+25+26+27++28+29+30+31				
33	Debt from last periods:	=33.1+33.2				
	(+)/Inflows from pastdue trade receivables	+				
	(–)/Outflows from pastdue account payables	–				
34	Net cash inflows (outflows) and their equivalent for the period	=13+22+32+33				
35	Net cash flow and their equivalent at the beginning of period	0				
36	Net cash flow and their equivalent at the end of period	=34+35				

3. Answer the following questions:

1. Is if possible to explain in a engaging way with interesting information how the enterprise will be run for the next 3 to 5 years?
2. What is the business plan?
3. What is a good business plan?
4. What is the role of business plans?
5. What are primary purposes of a business plans?
6. Whom may the business plan be read?
7. Whose needs must the business plan try to satisfy?
8. What perspectives should be considered when preparing the plan?
9. Why is an executive summary such an important part of any business plan?
10. How can you present an overview for the project detailed understanding for a business plan reader?
11. How can you prove the quality of the managerial team?
12. Why is the business plan so important to the entrepreneur? To the investor? To the customer? To suppliers?

Complete the sentences.

1. Every successful business plan should include ...
2. The executive summary briefly sets ...
3. Section "Market Description and Analysis" profiles three key areas: ...
4. Section "Marketing Strategy" should clearly specify ...
5. The object of the section "Research and Development" is to explain ...
6. Graphs or charts help ...
7. The quality of the management team determines ...
8. Most companies require multiple stages of...
9. Start-up plans need to detail...

4. Exercises in word study

***4.1. Transcribe the following words and word combinations, mind the stresses. Try to memorize them*:**

Entrepreneur, external, venture, functional, resources, advisers, suppliers, whereas, perspective, technology, require, valuable, personnel, familiarize, viability, designated, particular, assumptions, complete, experience, requirements.

***4.2. Find the Ukrainian equivalents for the following words and word combinations. Make up your own sentences with them*:**

A written document; to describe the relevant external and internal elements; an integration of functional plans; short-term decision making; to satisfy the needs of everyone; to meet the needs; perspectives that should be considered; to understand the creativity and technology in the new venture; to be able to clearly articulate; to consider the business through the eyes of the customers, sound financial projections; to familiarize themselves with the venture; to be particular about; to be based on assumptions; cash requirements.

***4.3. Find in the text English equivalents for the following words and word combinations*:**

Письмовий документ, підготовлений власником підприємства; розпочинати нову справу; функціональні плани; прийняття рішення на тривалий період; посилатися на щось; консультуватися з кимось; бути корисним; допомагає визначити життєздатність підприємства; потенціальні інвестори; слід включити до бізнес-плану; об'єднання функціональних планів.

***4.4. Match the words in column one with their antonyms in column two*:**

1) relevant	a) non-perspective
2) to involve	b) to be useless
3) short-tern	c) irrelevant
4) Perspective	d) to finish
5) to be useful	e) to extract from, to derive
6) to start	f) long-term from

***4.5. Fill in the blanks with noun, verb or adjective forms. Use your dictionary if necessary*:**

Noun	Verb	Adjective
writing	to write	written
–	–	involved
–	to make	–
satisfying	–	satisfied
–	to require	–
valuation	–	–

***4.6. Translate into English*:**

1. Вона завжди давала мені багато корисних порад у бізнесі. 2. Я тільки що прочитав звіт наших партнерів. 3. Він надіслав нам ці документи позавчора. 4. Невже він повідомив вам цю новину? 5. У мене

був вільний час і я продивився ваш бізнес-план. 6. Ми обговорили план співробітництва з цією фірмою дві години тому. 7. Вони інвестували в мій бізнес велику кількість грошей. 8. Якщо ми одержимо цю оренду, то відкриємо ще один гіпермаркет у цьому місті. 9. Шкода, що ці фактори впливають на фінансовий стан нашої компанії. 10. Передбачення ризику складає основу підприємництва. 11. Бізнес-план допомагає визначити життєздатність підприємства. 12. Бізнес-план – це цінний, важливий письмовий документ для власника підприємства, потенційних інвесторів та для нового персоналу. 13. Підприємець розумів, що він мав задовольнити потреби кожного покупця. 14. Розпочинаючи нову справу, ви повинні бути готовими до прийняття рішень на тривалий період.

5. Communication.

5.1. Discuss the following questions. Prove your opinion with arguments.

1. Do you agree that a goal setting is an important part of business planning?
2. What are the primary barriers for planning and how can they be overcome?

5.2. Make up your own dialogue using the following expressions:

challenge	significance
to manage	to allocate
evidence	to measure
performance	effectively
financial projections	decision making

6. Suppose that you and your partner have decided to write a business plan. Working with a partner define the procedures of the preparation period of your work. Define the stages and main tasks of each stage.

7. Role play.

Study the following case and complete the tasks.

You need to present your firm. Form a team, share the tasks and make a short presentation. You should include the following points into your presentation.

History of a Firm;

Product or Service;
Market Description and Analysis;
Management;
Risks and Problems;
Finances.

8. Writing for understanding (you should write at least 100 words).

Write an essay to disclose the role of a good business plan as:
a strategic vision of your company;
the most important communication tool;
a document to obtain capital and investments;
a tool for planning and improving performance;
a basis for sound decision-making;
a way to motivate employees.

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