



TASHKENT FINANCIAL INSTITUTE

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Business Matters

For the students of Management Major



“IQTISOD-MOLIYA” – 2013

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The book is proposed for the first year students of economic faculties. The aim of the work is to help students to become skillful in understanding and interpreting the economic texts, to master certain minimum of economic terms, to generate skills of writing, listening, speaking and reading.

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Preface

The book is intended for the first year students of economic faculties. The aim of the work is to help students to become skillful in understanding and interpreting the economic texts, to master certain minimum of economic terms, to generate skills of writing, listening, speaking and reading.

The book consists of 20 lessons, active vocabulary, and lexical exercises to the text. A set of exercises are aimed to the formation of main communicative skills on the language of speciality.

Lesson 1

Business: A Definition

Business is the organized effort of individuals to produce and sell, for a profit, the goods and services that satisfy society's needs. The general term *business* refers to all such efforts within a society (as in "American business") or within an industry (as in "the steel business"). However, *a business* is a particular organization, such as Dudley Products, Inc., American Airlines, Inc., or Cracker Barrel Old Country Stores. To be successful, a business must perform three activities. It must be organized. It must satisfy needs and earn a profit.

Today, businesses are usually classified as one of three specific types. *Manufacturing businesses* are organized to process various materials into tangible goods, such as delivery trucks or towels. For example, Intel produces computer chips that are in turn sold to companies that manufacture computers.

Service businesses produce services, such as haircuts, legal advice, or tax preparation.

Some firms called *marketing intermediaries* – are organized to buy products from manufacturers and then resell them. Sony Corporation is a manufacturer that produces stereo equipment, among other things. These products may be sold to a marketing intermediary such as Kmart Corporation, which then resells them to consumers in retail stores. Consumers are individuals who purchase goods and services for their own personal use.

Questions:

1. What is business? Give your own examples of businesses.
2. What kind of activities must business perform?
3. How many types of businesses are there?
4. Explain the types of businesses, and give your own examples.

Active Vocabulary:

English	Uzbek	Russian
consumer	- iste'molchi	- потребитель
delivery	- yetkazib berish	- поставка, доставка
earn	-islab topmoq, foyda ko'rmoq	-зарабатывать, получать прибыль

equipment	- jihoz	-оборудование, снаряжение
goods	- tovar, mol	- товар, товары
industry	- sanoat, industriya	-индустрия, промышленность, производство
manufacture	-islab chiqarish, qayta ishlov, tayyorlov	-производство, обработка, изготовление
marketing intermediary	– marketing vositachisi	-маркетинговый посредник
needs	- ehtiyoj	-нужды, запросы; потребность
organization	- tashkilot	- организация, устройство, формирование
organize	-tashkil qilmoq, rejalashtirmoq	-организовать, планировать, устраивать
perform	- bajarmoq, qilmoq	-исполнять, выполнять, делать, совершать
produce	- islab chiqarmoq	-производить, выпускать; вырабатывать, изготавливать
profit	-foyda	- доход
purchase	-xarid qilmoq, sotib olmoq	-покупать; закупать, приобретать
resell	-qayta sotmoq	-перепродавать
retail	-chakana savdo	-розничная продажа
sell	-sotmoq	-продавать, торговать
service	-xizmat	- обслуживание, услуга
tangible goods	-moddiy tovarlar	-материальные товары
tax	-soliq, yig'im	-налог, пошлина, сбор

Ex.1 Give equivalents in your native language to the following word combinations.

Consumer goods, canned goods, foreign goods, domestic goods, identical goods, agricultural goods, goods and services, economic goods, household goods,

overpriced goods, durable goods, non-durable goods; delivery service, full service, free service, range of services, limited services, managerial services, quality of services, service firm; daily living needs, financial needs, essential needs, meet the needs, needs for cash, needs analysis; bank organization, non-profit organization, organization plan, organization success, organization structure, non-governmental organization; branch of industry, heavy industry, high-tech industry, consumer goods industry, domestic industry, process industry; to perform a contract, to perform a task, capability to perform; to sell retail, to sell at a loss; free delivery, deadline for delivery, home delivery, price delivery; business equipment, production equipment, durable equipment, office equipment.

Ex.2 Match the synonyms:

- | | |
|---------------|-------------------------------|
| 1 Goods | a) to market |
| 2 to perform | b) to buy, acquire , purchase |
| 3 profit | c) charge, levy, duty |
| 4 to organize | d) user, buyer |
| 5 to produce | e) facilities, hardware |
| 6 to sell | f) to manufacture |
| 7 tax | g) income, benefit |
| 8 consumer | h) to do, fulfill |
| 9 to purchase | i) to arrange |
| 10 equipment | j) products |

Ex.3 Match the antonyms:

- | | |
|-----------|-------------|
| 1 profit | a) external |
| 2 to sell | b) clean |
| 3 retail | c) to lose |
| 4 to open | d) debit |
| 5 to gain | e) loss |
| 6 dirty | f) senior |

7 internal	g) wholesale
8 import	h) to close
9 credit	i) to buy
10 junior	j) export

Ex. 4 Make up sentences using following words:

general noun	personal noun	verb	adjective
production	producer	produce	productive
organization	organizer	organize	organizational
performance	performer	perform	performing
consumption	consumer	consume	consuming
purchase	purchaser	purchase	purchasable
deliverance (-y)	deliverer	deliver	deliverable

Ex. 5 Translate the following sentences into Uzbek:

1. The plant produces electronic goods. 2. We have enough time for delivering of the ordered goods. 3. The company deals with a wide range of products from day-to-day products to the durable products. 5. Our company has launched a new product onto the market. 6. The company made a profit of \$500000. 7. The manufacturer delivered 120 jet airlines. 8. The corporation performed well last year. 9. Englishmen are believed to be the biggest consumers of tea. 10. A new machine consumes much less power than the previous one. 11. A manufacturer faces many challenges in the new global economy. 12. Our firm cannot afford big-ticket purchases.

Ex 6. Text for self-study: read and summarize it:

To Be a Successful Employee

Deciding on the type of career you want is only a first step. To get a job in your chosen field and to be successful at it, you will have to develop a plan, or road map, that ensures that you have the skills and knowledge the job requires. Today's employers are looking for job applicants who can *do something*, not just fill a spot on an organizational chart. You will be expected to have both the technical skills needed to accomplish a specific task and the ability to work well with many types of people in a culturally

diverse work force. These skills, together with a working knowledge of the American business system, can give you an inside edge when you are interviewing with a prospective employer.

This course, your instructor, and all the resources available at your college or university can help you acquire the skills and knowledge you will need for a successful career. But don't underestimate your part in making your dream a reality. It will take hard work, dedication, perseverance, and time management to achieve your goals. Time management is especially important because it will help you accomplish the tasks that you consider most important. As an added bonus, it is also a skill that employers value. (Communication skills are also important. Today, most employers are looking for employees who can compose a business letter and put it in mailable form. They also want employees who can talk with customers and use e-mail to communicate to people within and out-side of the organization. Employers will also be interested in any work experience you may have had in cooperative work/school programs, during summer vacations, or in part-time jobs during the school year. These things can make difference when it is time to apply for the job you really want.

Business profit

A business receives money (sales revenue) from its customers in exchange for goods or services. It must also pay out money to cover the expenses involved in doing business. If the firm's sales revenue is greater than its expenses, it has earned a profit. More specifically, **profit** is what remains after all business expenses have been deducted from sales revenue. (A negative profit, which results when a firm's expenses are greater than its sales revenue, is called a *loss*.)

The profit earned by a business becomes the property of its owners. So in one sense, profit is the reward business owners receive for producing goods and services that consumers want.

Profit is also the payment that business owners receive for assuming the considerable risks of ownership. One of these is the risk of not being paid. Everyone else—employees, suppliers, and lenders—must be paid before the owners. A second risk that owners run is the risk of losing whatever they have invested into the business. A business that cannot earn a profit is very likely to fail, in which case the owners lose whatever money, effort, and time they have invested. Internet-based book and CD retailer Amazon.com Inc. currently spends over \$ 115 million each month to keep the company on track toward the eventual day when the firm will sell enough merchandise to generate profits for its shareholders. To date, Amazon's six years of operating losses total more than \$1.2 billion, scaring away some who fear the firm will never reach the promised profit goals set by visionary founder Jeff Bezos. When a business is profitable, some businesses choose to give back a portion of their profits to the communities they serve. To satisfy society's needs, and make a profit, a business must operate within the parameters of a nation's economic system.

Questions:

1. How does business receive money?
2. What is profit?
3. How many risks of ownership are there?
4. Give examples of your own to a profitable business?

Active Vocabulary:

assume	-(o'z zimmasiga) olmoq	-принимать на себя, приобретать
community	- jamiyat, birlasma	-объединение, сообщество
deduct	-chegirib tashlamoq, ushlamoq	-вычитать, сдерживать, сбавлять

expense	- sarf, harajat, chiqim	-затрата, расход
fail	-muvaaffaqiyatsizlikka uchramoq	- потерпеть неудачу
generate	-keltirib chiqarmoq, sabab bo'lmoq	-порождать
merchandise	- tovar, tovarlar	- товар, товары
operate	-ishlamoq, faoliyat yuritmoq	- работать, действовать, функционировать
portion	- qism, bo'lak	-часть
profitable	-foydali, foyda keltiradigan	-прибыльный, доходный, выгодный
run	-1.boshqarmoq, yuritmoq 2.yengib o'tmoq	-1.руководить,вести; 2.преодолевать
sales revenue	-tovar aylanmasi, sotuv hajmi	-товарооборот, объём продаж

Ex.1 Give equivalents in your native language to the following word combinations:

Assume control, assume responsibility, assume measures; cover of payment, cover of loss, cover expenses, insurance cover, interest cover; bank customer, customer demand, customer order, customer's needs, delivery to customer, customer complaint; joint efforts, concerted efforts; full-time employee, part-time employee, white-collar employee, blue-collar employee; administrative expenses, avoid expenses, consumption expenses, living expenses; to fail miserably, to fail in business; to invest in a company, to invest heavily, to invest in stocks; money lender; to lose one's work; bring profit, to make profit, net profit, missed profit, total profit, profit tax; serve a customer; controlling shareholder, dividend to shareholder, ordinary shareholder; supplier of goods, major supplier, key supplier, supplier default; terms of payment, method of payment, rental payment.

Ex.2 Match the definitions.

- | | |
|-----------|--|
| 1.to lose | a) the money that you make in business or by selling things |
| 2.owner | b) money that business spends on supplies, workers, services, etc. on order to operate |

3.to pay	c) a person who is paid for work
4.profit	d) a person or organization that possesses smth.
5.goods	e) the possibility of smth bad happening at some time in the future
6.expenses	f) to fail to keep money
7.employee	g) physical things that are produced to be sold
8.risk	h) to give smb for work, goods, services

Ex.3 Match the synonyms:

1.customer	a) get, gain, obtain
2.employee	b) part
3.expense	c) be employed, work, cater
4.lender	d) stockholder, shareowner
5.owner	e) client
6.portion	f) gainful
7.profitable	g) hand, worker
8.receive	h) creditor
9.serve	i) provider, purveyor
10.shareholder	j) proprietor, possessor
11.supplier	k) expenditure

Ex.4 Make up sentences using following words.

general noun	personal noun	verb	adjective
profitability	profiteer	profit	profitable
loss	loser	lose	losing
investment	investor	invest	investable
payment	payer (-ee)	pay	payable

ownership	owner	own	owned
employment	employer (-ee)	employ	employed (-able)

Ex. 5 Translate the following sentences into your native language.

1. The company made profit higher than expected. 2. Profit forecast on sales of a new brand is \$50000. 3. After tax profit of the regional branch was substantial. 4. The company became more profitable after hiring a skilled manager. 5. A great number of businesses have failed due to the financial crisis. 6. The director of our plant made a business contract with a foreign supplier of high-tech machinery. 7. Business competition of “Coca-Cola” and “Pepsi” lasts for many years. 8. The board of directors decided to employ more workers for full-time. 9. The company promised to pay my travel expenses. 10. The board of directors decided to invest much of the profit to the research and development.

Ex 6. Text for self-study: read and summarize it.

How to Start Your Own Business?

Some people prefer to work for themselves, and they open their own businesses. To be successful, business owners must possess many of the same skills that successful employees have. They must be willing to work hard and put in long hours.

It also helps if your small business can provide a product or service that customers want. For example, Mark Cuban started a small Internet company called Broadcast.com that now provides hundreds of live and on-demand audio and video programs ranging from rap music to sporting events to business events over the Internet. This new, high-tech startup company quickly became a major player in electronic business or what many refer to as e-business. E-business is the organized effort of individuals to produce and sell, for a profit, the products and services that satisfy society's needs *through the facilities available on the Internet*. When Cuban sold Broadcast.com to Yahoo! Inc., he became a billionaire. Today he is an expert on how the Internet and e-business will affect society in the future and believes that many small technology firms will fail over the next ten years. According to Cuban, there is a real need for all companies—not just technology companies—to provide something that their customers want. If they don't do that, their company could very well fail. Unfortunately, many small-business firms fail; 70 percent of them fail within the first five years.

Lesson 3

Factors of production

Economics is the study of how wealth is created and distributed. By *wealth* we mean anything of value, including the products produced and sold by business. *How wealth is distributed* simply means, "who gets what." The way in which people deal with the creation and distribution of wealth determines the kind of economic system, or economy, that a nation has.

Over the years, the economic systems of the world have differed in essentially two ways: (1) the ownership of the factors of production and (2) how they answer four basic economic questions that direct a nation's economic activity. Factors of production are the resources used to produce goods and services. There are four such factors:

Natural resources—elements in their natural state that can be used in the production process. Typical examples include crude oil, forests, minerals, land, water, and even air.

Labor—human resources such as managers and workers.

Capital—money, facilities, equipment, and machines used in the operation of organizations. While most people think of capital as just money, it can also be the manufacturing equipment on a Ford automobile assembly line or a computer used in the corporate offices of Ace Hardware.

Entrepreneurship—the willingness to take risks and the knowledge and ability to use the other factors of production efficiently. An entrepreneur is a person who risks his or her time, effort, and money to start and operate a business.

Questions:

1. What is Economics? Explain the meaning of the word *wealth*.
2. What are the factors of production?
3. What are the natural resources?
4. Give the definitions to the terms *capital* and *labor*.
5. What is an entrepreneurship?

Active Vocabulary:

activity	- faoliyat, faollik	- деятельность, активность
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affect	- ta'sir, ta'sir ko'rsatish	- влияние, оказывать воздействие
apparent	- aniq, ravshan	- видимый, видный
assembly line	-yig'uvchi konveyer	- сборочный конвейер, сборочная линия
capital	-sarmoya	- капитал
corporate	- korporatsiyaviy, aktsiyador	- корпорационный, акционерный
create	- yaratmoq, vujudga keltirmoq; ishlab chiqarmoq	-создавать, творить; производить
distribute	- taqsimlamoq, tarqatmoq	- распределять, разделять
efficiently	- samarali, oqilona	- рационально, разумно
entrepreneur	- tadbikor	- предприниматель
entrepreneurship	- tadbikorlik, ishbilarmonlik	- предпринимательство
facility	- qulaylik, imtiyoz, xizmat	- удобство, льгота, услуга
factor	- omil, ko'rsatkich	- фактор, коэффициент
human resources	- xodimlar, mehnat resurslari	- персонал, трудовые ресурсы
impact	- ta'sir, turtki	- влияние, воздействие
labor	- mehnat, ish	- труд, работа
machines	- mashina, uskuna	- машина, механизм
manager	- boshqaruvchi, rahbar	- руководитель, управляющий
money	- pul	- деньги
natural resources	- tabiiy boyliklar	- природные богатства
operation	- faoliyat, ish	- деятельность, работа
process	- jarayon	- процесс, ход развития
value	- qiymat	- ценность

wealth	- boylik	- богатство
worker	- ishchi, xizmatchi	- рабочий, работник

Ex. 1 Give equivalents in your native language to the following word combinations:

Initial capital, to attract capital, to invest capital, to raise capital, to provide capital, foreign capital, private capital, bank capital, working capital; hard labour, forced labour, labour code, labour force, manual labour, skilled labour, wage labour, office manager, general manager, business manager, branch manager, project manager, sales manager, assistant manager, to earn money, to save money, to spend money, to borrow money, to change money, to invest money, to lend money, money in cash, local money; white-collar worker, productive worker, experienced worker, low-paid worker, part-time worker, professional worker, seasonal worker, workers on strike, blue-collar worker.

Ex.2 Match the synonyms.

- | | |
|---------------------|----------------------------|
| 1) to affect | a) businessman |
| 2) apparent | b) work |
| 3) corporate | c) administrator |
| 4) distribute | d) evident, obvious |
| 5) entrepreneur | e) labour force, personnel |
| 6) entrepreneurship | f) apportion, divide |
| 7) labour | g) enterprise |
| 8) worker | h) influence |
| 9) human resources | i) incorporated |
| 10) manager | j) employee |

Ex. 3 Match the definitions.

- | | |
|-----------------|--|
| 1) wealth | the quantity of goods, materials, or food that is produced |
| a) distribute | b) a person who works, especially one who does a particular kind of work |
| b) to sell | c) a large amount of smth. worth having |
| c) production | d) a business or administrative concern united or constructed for a particular end |
| d) organization | e) to make a product available to customers |
| e) worker | f) to give smth. to smb. in exchange for money |

Ex. 4 Guess whether the following sentences are true or false:

1. Economics is the study of how production is created and distributed.
2. Wealth is anything of value, including the products produced and sold by business.
3. There are five factors of production.
4. Typical examples of natural resources include crude oil, forests, minerals, land, water, and even air.
5. Labor - money, facilities, equipment, and machines used in the operation of organizations.
6. Human resources are people who start a business.
7. Capital includes managers and workers.
8. An entrepreneur is a person who risks his or her time, effort, and money to start and operate a business.

Ex.5 Make up sentences using following words:

general noun	personal noun	verb	adjective
act, activity	actor	act	actable
capital	capitalist	capitalize	capital
distribute	distributor	distribute	distributable
creation	creator	create	creative
work	worker	work	workable
entrepreneurship	entrepreneur		entrepreneurial

Ex. 5 Translate the following sentences into your native language.

1. The Board of directors was quick to act to solve the problem. 2. The chief accountant of the company acts on laws. 3. They made him sign the act of sale before the payment. 4. The company is active more than 20 countries. 5. His business activity is in its prosperity. 6. The initial capital was taken from the investment company. 7. Last year the company made enough profit distributable for dividends. 8. The company has become the major distributor of beverages in local market. 9. The factory employed more than a thousand blue-collar workers a month ago. 10. The marketing manager made a presentation on the latest research.

Ex 6. Text for self-study: read and summarize it.

The New Millennium

Quick test! Answer the following questions:

1. Do you own a cell phone?
2. Do you own a computer or use a computer at work?
3. How much time do you spend surfing the Internet?

Three quick questions, but they serve as a crude measuring stick to determine the importance of information technology in the world today. As we begin the new millennium, information technology will continue to fuel the new economy. There will be more investment spending on information technology and Internet usage will increase at even faster rates. The importance of e-business—a topic that we will continue to explore throughout this text—will increase dramatically. In addition to

information technology, the growth of service businesses and increasing opportunities for global trade will also impact the way American firms do business in the twenty-first century. Because they employ over half of the American work force, service businesses are a very important component of our economy. As a result, service businesses must find ways to improve productivity and cut costs while at the same time providing jobs for even a larger portion of the work force.

American businesses are beginning to realize that to be successful; they must enter the global marketplace. In short, American firms must meet the needs not only of American consumers but also of foreign consumers. And foreign firms are now selling record amounts of products and services to American consumers. Indeed, the world—as far as business is concerned—is becoming smaller. (Both our service economy and our place in the global marketplace are discussed more fully later in the text.)

Lesson 4

Types of Economic Systems: Market economy

Capitalism is an economic system in which individuals own and operate the majority of businesses that provide goods and services. Capitalism stems from the theories of Adam Smith. Adam Smith's pure *laissez-faire* capitalism is an economic system in which decisions are made by individuals and businesses as they pursue their own self-interest. In a *laissez-faire* capitalist system factors of production are owned by private entities and all individuals are free to use these resources as they fit. This freedom to enter or to leave a market at will has given rise to the term market economy. A **market economy (free-market economy)** is an economic system in which businesses and individuals make the decisions about what to produce and what to buy, and the market determines how much is sold and at what prices. The economic role of government is limited to protecting competition. The French term *laissez faire* describes Smith's capitalistic system and implies that there shall be no interference in the economy. Loosely translated, it means "let them do".

The United States is rooted in the *laissez-faire* capitalism of Adam Smith. However, the United States' real-world economy is not as "laissez faire" as Smith would have liked because government participates as more than umpire and rule maker. It is, in fact, a **mixed economy**, one that exhibits elements of both capitalism and socialism.

Questions:

1. What kind of economic systems is capitalism?
2. Who was Adam Smith?
3. What kind of economic system is a market economy?
4. What is the meaning of the French term laissez faire?

Active Vocabulary:

competition	- raqobat, musobaqa	- конкуренция, соперничество
decision	- qaror	- решение
to determine	- aniqlamoq, belgilamoq	- определять, устанавливать
economy	- iqtisodiyot, xalq xo'jaligi	- экономика, народное хозяйство
entity	- iqtisodiy ob'ekt, tashkilot	- экономический объект
to fit	- mos, to'g'ri kelmoq	- подходить, соответствовать
to give rise	- keltirib chiqarmoq, qo'zg'amoq	- дать повод, давать начало
to imply	- ko'zda tutmoq	- подразумевать, предполагать
individual	-yakka tartibdagi, xususiy	- индивидуальный, частный
interference	- aralashuv	- вмешательство
laissez- faire	- aralashmaslik (erkin raqobat)	- невмешательство
to limit	- cheklamoq, chegaralamoq	- ограничивать, лимитировать
loosely	- noaniq, erkin	- неточно; свободно
price	- narx, qiymat	- цена;
to protect	- himoya qilmoq, saqlamoq	- защищать, предохранять
to provide	- ta'minlamoq	- снабжать, обеспечивать
to pursue	- intilish	- стремление

self-interest	- shaxsiy manfaatdorlik	- собственная выгода, заинтересованность
to stem	- kelid chiqmoq	- происходить, возникать
umpire	- hakam	- третейские судья, арбитр

Ex. 1 Give equivalents in your native language to the following word combinations:

Market economy, planned economy, national economy, political economy, sound economy, wartime economy, domestic economy, productive economy, open economy, traditional economy; to own land, privately owned territory, to own business; economic plan, economic reform, economic aid, economic analysis, economic benefits, economic collapse, economic conditions, economic development, economic pattern, economic system; economical car, economical activity, economical way, economical growth; high price, low price, to increase price, to cut price, to lower price, fixed price, for half price, stable price, basic price, best available price; to provide aid, to provide smb with goods, to provide a family; to limit the expense, to fix limit, credit limit, age limit, price limit, time limit.

Ex.2 Match the synonyms.

- | | |
|-----------------|------------------------|
| 1. decision | a) enterprise |
| 2. to determine | b) restrict |
| 3. entity | c) define, identify |
| 4. to fit | d) accommodate, supply |
| 5. to imply | e) resolution |
| 6. to limit | f) appropriate |
| 7. to protect | g) suggest, mean |
| 8. to provide | h) defend |

Ex. 3 Match the definitions.

- | | |
|-----------------|---|
| 1)entity | a) a)the policy of allowing businesses to develop without government control |
| 2)decision | b) single person or a thing |
| 3)provide | c) a situation in which people or organizations compete against each other |
| 4)laissez-faire | d) the act of making up one's mind |
| 5)competitive | e) the relationship between production, trade and the supply of money in a particular country or region |
| 6)to fit | f) to give smb for them to use |
| 7)individual | g) a business that exists as a separate unit and has its own legal identity |
| 8)economy | to be suitable for smth. |

Ex.4 Make up sentences using following words:

general noun	personal noun	verb	adjective
economy	economist	economize(-ise)	economic (-al)
competition	competitor	compete	competitive
provision	provider	provide	provided
limit (-ation)	limiter	limit	limited
protection	protector	protect	protected(-ive)
decision	decision-maker	decide	decisive

Ex. 5 Translate the following sentences into your native language.

1. An economic value of the bank is estimated over \$ 1 billion. 2. He got a Doctor's degree in economics 5 years ago. 3. Uzbekistan is developing steadily, as it selected its own way in market economics. 4. Our company uses the most economical method of production. 5. A young couple decided to buy an economical car. 6. E-mail is an economical way of communicating with customers. 7. The country is facing a crisis, both economically and socially. 8. The bank reduced credit limit for companies. 9. A decree was accepted in order to strengthen the economy. 10. China is one of the fastest-growing economies in the world.

Ex 6 Translate the following text into your native language and summarize it.

Adam Smith

Smith, Adam, 1723–90, Scottish economist, educated at Glasgow and Oxford. He became professor of moral philosophy at the Univ. of Glasgow in 1752, and while teaching there wrote his *Theory of Moral Sentiments* (1759), which gave him the beginnings of an international reputation. He traveled on the Continent from 1764 to 1766 as tutor to the duke of Buccleuch and while in France met some of the physiocrats and began to write *An Inquiry into the Nature and Causes of the Wealth of Nations*, finally published in 1776.

In that work, Smith postulated the theory of the division of labor and emphasized that value arises from the labor expended in the process of production. He was led by the rationalist current of the century, as well as by the more direct influence of Hume and others, to believe that in a laissez-faire economy the impulse of self-interest would bring about the public welfare; at the same time he was capable of appreciating that private groups such as manufacturers might at times oppose the public interest. Smith was opposed to monopolies and the concepts of mercantilism in general but admitted restrictions to free trade, such as the Navigation Acts, as sometimes necessary national economic weapons in the existing state of the world. He also accepted government intervention in the economy that reduced poverty and government regulation in support of workers.

Smith wrote before the Industrial Revolution was fully developed, and some of his theories were voided by its development, but as an analyst of institutions and an influence on later economists he has never been surpassed. His pragmatism, as well as the leaven of ethical content and social insight in his thought, differentiates him from the rigidity of David Ricardo and the school of early 19th-century utilitarianism. In 1778, Smith was appointed commissioner of customs for Scotland. His *Essays on Philosophical Subjects* (1795) appeared posthumously.

Lesson 5

Types of Economic Systems: Command economy

In a **command economy**, government decides what goods and services will be produced, how they will be produced, who gets available goods and services, and what prices will be charged. The answers to all four basic economic questions are determined, at least to some degree, through centralized government planning. Today, two types of economic systems—*socialism* and *communism*—serve as examples of command economies.

In a *socialist* economy, the key industries are owned and controlled by the government. Such industries usually include transportation, utilities, communications, banking, and industries producing important materials such as steel. Land, buildings, and raw materials may also be the property of the state in a socialist economy. Depending on the country, private ownership of smaller businesses is permitted to varying degrees.

Communism if Adam Smith was the father of capitalism; Karl Marx was the father of communism. In his writings during the mid-nineteenth century, Marx advocated a classless society whose citizens together owned all economic resources. All workers would then contribute to this *communist* society according to their ability and would receive benefits according to their need.

The best remaining examples of communism are North Korea and Cuba. Today these so-called communist economies seem to practice a strictly controlled kind of socialism. Almost all economic resources are owned by the government. The basic economic questions are answered through centralized state planning, which sets prices and wages as well.

Questions:

1. What kind of economic system is a command system?
2. How many types of the command economy are there?
3. Explain the difference between them.

Active Vocabulary:

ability	-qoboliyat, layoqat	- способность, умение
advocate	- himoya qilmoq	-защищать, поддерживать
available	- ixtiyorida bo'lgan, mavjud, foydalanishi mumkin bo'lgan	-имеющийся в распоряжении, доступный
benefit	– manfaat, foyda, afzallik	- выгода, польза, преимущество
centralized	-markazlashgan	- централизованный
charge	-narx belgilamoq, so'ramoq, to'latmoq	-назначать цену, просить, взыскивать (цену)
citizen	- fuqaro	-гражданин
classless	-(ijtimoiy) sinfsiz	- бесклассовый
command	-buyruqbozlik tizimi	-административно-командная система
communications	- aloqa, aloqa tizimi	-коммуникация, связь
private	- xususiy, shaxsiy	-частный, личный
ranking	-yuqori lavozimdagi shaxslar	-вышестоящий лица
remain	- qolmoq	-оставаться
seem	- tuyulmoq	-казаться, представляться
set price	- narx belgilamoq	-устанавливать, назначать цену
so-called	- shunday nomlanadigan	- так называемый
socialist	- sotsialistik	-социалистический
society	- jamiyat	-общество
strictly	- qattiqqo'llik bilan	- строго, сурово
utilities	- kommunal xizmatlar	-коммунальные услуги
varying	- o'zgaruvchan	- меняющийся

Ex. 1 Give equivalents in your native language to the following word combinations:

Price control, quality control, work control, production control, to be in control, exchange control, financial control, export control, wage control, to take control, to get control, to keep control, to lose control, monetary controls; manufacturing industry, insurance industry, car industry, business and industry, basic industry, private industry, food industry, service industry, steel industry; local organs of government, central government, city / municipal government, federal government, provincial government, government owned, government control, government program, government employee, government property, government reserve; British owned company, privately owned; to receive goods, to receive information, to receive interest, to receive payment, to receive assurance, to receive on account.

Ex.2 Match the synonyms.

- | | |
|--------------|---------------------------|
| 1. ability | a) accessible, obtainable |
| 2. advocate | b) profit, income, gain |
| 3. available | c) individual |
| 4. benefit | d) support |
| 5. charge | e) stay |
| 6. citizen | f) quote, set |
| 7. private | g) capability |
| 8. remain | h) changing, fluctuating |
| 9. varying | j) inhabitant |

Ex. 3 Match the definitions.

- | | |
|---------------|--|
| 1. to control | a) a thing or things that are owned by smb |
| 2. society | b) to get something |

- | | |
|-----------------|--|
| 3. government | c) to have power over a person, company, country, etc |
| 4. to receive | d) a natural or basic substance that is used to make smth in an industrial process |
| 5. raw material | e) the system or form by which a community or other political unit is governed |
| 6. property | f) a native inhabitant of any place |
| 7. private | g) a group of people who join together for a particular purpose |
| 8. citizen | h) owned, managed or provided by an individual person |

Ex.4 Guess whether these sentences are true or false and correct the false sentences.

1. In a command economy, individuals decide what goods and services will be produced, how they will be produced, who gets available goods and services, and what prices will be charged.
2. Two types of economic systems—socialism and communism—serve as examples of market economies.
3. In a socialist economy, the key industries are owned and controlled by the government.
4. Karl Marx was the father of capitalism.
5. Marx was against a classless society whose citizens together owned all economic resources.
6. All workers would then contribute to this communist society according to their ability and would receive benefits according to their need.
7. The best remaining examples of communism are North Korea and the Netherlands.
8. Almost all economic resources are owned by the government in North Korea.

Ex. 5 Translate the following sentences into your native language.

1. He decided to buy most of his valuables in order to hold the control of the company.
2. The director had lost control over the plant before the workers' rebel.
3. As the Russian state had acquired a controlling share of Gazprom earlier in the year, the 20% restriction on foreign investment in Gazprom was lifted and the company became fully open to foreign investors.
4. He liked working as a doctor in private practice.
5. This territory is private. The sign said 'Private Property. Keep out.'
6. The company's export operation contributed \$30000 to profits last year.
- 7.

The company launched a new product line of cosmetics. 8. Our firm serves local markets of the country. 9. Breakfast is served between 6 and 10 a.m. 10. There was only one person serving behind the counter in the shop.

Ex 6 Text for self-study: read and summarize it: Warranties and Guarantees

An important feature to consider before buying a product or service is the warranty that comes with it. When review warranties, use the guidelines below.

1. Do not wait until the product fails or needs repair to find out what is covered in the warranty.
2. If the product costs \$15 or more, the law says that the seller must let you examine any warranty before you buy, if you ask to see it. So use your rights to compare the terms and conditions of warranties (or guarantees) on products or services before you buy. Look for the warranty that best meets your needs.
3. When purchasing a product or service, ask these questions:
 - How long is the warranty, and when does it start and end?
 - What is covered? Which parts? What kinds of problems?
 - Will the warranty pay for 100% of repair costs, or will it pay for parts, but not for labor to do the repairs? Will it pay for testing the product before it is repaired? Will it pay for shipping and/or a loaner?
 - What do you have to do and when? Are regular inspections or maintenance required? Do you have to ship the product out of state for repairs?
 - Who offers the warranty, manufacturer or retailer? How reliable are they?
4. Keep sales receipts and warranties in a safe place.
5. Some states have additional warranty rights for consumers. Check with your state or local consumer protection office to find the laws in your state.

Lesson 6

Measuring Economic Performance

One way to measure a nation's economic performance is to assess its productivity. **Productivity** is the average level of output per worker per hour. An increase in productivity results in economic growth because a larger number of goods and services are produced by a given labor force. Although U.S. workers produce more than many workers in other countries, the rate of growth in productivity has declined in the United States and has been surpassed in recent years by workers in Japan and the United Kingdom. Productivity improvements are expected to improve dramatically as more economic activity is transferred onto the

Internet, reducing costs for servicing customers and handling routine ordering functions between businesses. The resulting time and money savings allow businesses to increase their profits and turn their efforts to other business opportunities.

Questions:

1. What is productivity?
2. Why an increase in productivity results in economic growth?
3. Why productivity improvements are expected?

Economic Terms:

economic performance	- iqtisodiy ko'rsatkichlar	-экономические показатели, результаты
increase of productivity	- ishlab chiqarishning o'sishi	- увеличение производительности
measures of performance of economy	- iqtisodiyotning samarali funktsiyanishi kriteriyalari	- критерии эффективности функционирования экономики
rate of growth	- o'sish sur'ati, rivojlanish sur'ati	- темп роста, темп увеличения, темп развития

Active Vocabulary:

assess	- baholamoq	- оценивать
average	- o'rtacha	- средний
costs	- sarf-harajatlar, chiqimlar	- затраты, издержки
decline	- pasyish, tushish, tanazzul	- снижение, падение, спад
handle	- tartibga solmoq, boshqarmoq	- регулировать, управлять
increase	- osish	- увеличение
force	- kuch	- сила
level	- daraja	- уровень

measure	- o'lchash, o'lchovlar, daraja	- измерение, меры, степень
order	- buyurtma	-заказ
output	- chiqarilgan mahsulot, mahsulot	- выпуск , продукция
per hour	- soatiga, soatbay	- в час, почасовая
productivity	- unumdorlik, mahsuldorlik	- производительность, продуктивность
reduce	- qisqartirmoq	- сокращать
routine	- tartib	- заведенный порядок, режим
savings	- jamg'arma	- сбережения
surpass	- oshirmoq, ilgarilamoq	- превосходить, превышать; опережать
transfer	- ko'chirmoq, o'tkazmoq	- переносить, передавать; переводить

Ex.1 Give equivalents in your native language to the following word combinations.

On average, below average, above average, annual average, annual average, average costs, average increase, average speed, average production, daily average, average interest, average hours of work, average weight, weekly average; decline in prices, decline in value, decline in jobs, decline in sales, decline in population growth, economic decline; to handle affairs, to handle the day's mail, to handle jobs; average increase, increase imports, increase in demand, increase in supply, increase salary, rate increase, slight increase; to enter into force, law in force, economic forces, to remain in force, use force, peacekeeping force, productive force; level of business, economical level, educational level, level of employment, level of production, profit level, quality level, change of level, to be on a low level.

Ex. 2 Match the synonyms.

- | | |
|------------|---------------|
| 1. assess | a) cope |
| 2. decline | b) production |

- | | |
|-------------|----------------|
| 3. handle | c) expenditure |
| 4. increase | d) power |
| 5. force | e) degree |
| 6. level | f) evaluate |
| 7. output | g) rise, go up |
| 8. costs | h) decrease |

Ex.3 Match the definitions.

- | | |
|-------------|---|
| 1. transfer | a) an increase in the size, amount /degree of smth |
| 2. output | b) a position on a scale of quantity or value |
| 3. growth | c) a thing that is made to be used or sold |
| 4. decline | d) to move from one place to another |
| 5. goods | e) a process or period of becoming weaker, smaller or less good |
| 6. level | f) the amount of smth that a person, a machine, an organization or an industry produces |

Ex.4 Guess whether these sentences are true or false and correct the false sentences.

1. The only way to measure a nation's economic performance is to assess its productivity.
2. Productivity is the average level of output per worker per hour.
3. U.S. workers produce more than workers of other countries do.
4. The rate of growth in productivity has increased in the United States.
5. Productivity improvements are expected to improve dramatically as more economic activity is transferred onto the Internet.

6. The resulting time and money savings allow businesses to lower their profits and turn their efforts to other business opportunities.

Ex. 5 Translate the following sentences into your native language.

1. The Board of directors decided to raise wage rates for employees. 2. Attempting to raise production levels human resources department made decision to do in training for workers, which can lead to greater productivity. 3. The plant produces 2 mln cars a year. 4. The sports shoes are produced in Indonesia, China and in Vietnam. 5. It is difficult to assess the impact of advertising on sales. 6. How does your manager assess whether or not you're doing a good job? 7. The company products were assessed to have a high level. 8. He used his savings to start up his own company. 9. The equipments were transferred by ship. 10. The company increased its labour force to 1500 workers.

Ex 6 Translate the following text into your native language and summarize it.

Fairness and Honesty

Fairness and honesty in business are two important ethical concerns. Besides obeying all laws and regulations, businesspersons are expected to refrain from knowingly deceiving, misrepresenting, or intimidating others. The consequences of failing to do so can be expensive. Recently, for example, the German automobile firm of Bayerische Motoren Werke AG (BMW) received a court order to pay \$2 million to a U.S. buyer because it had failed to inform him that his car paint had been damaged and retouched. Testimony showed that about one thousand other Americans had also unknowingly bought touched-up BMWs.

In another case, Prudential Insurance Company agreed to pay a record fine of \$35 million for misleading sales practices. This settlement followed a series of accusations of fraud and misrepresentation that have plagued the company for a decade.

Lesson 7

Economic Indicators

In addition to productivity, a measure called gross domestic product can be used to measure the economic well-being of a nation. **Gross domestic product (GDP)** is the total dollar value of all goods and services produced by all people within the boundaries of a country during a one-year period. For example, the value of automobiles produced by employees in both an American-owned General Motors

plant and a Japanese-owned Toyota plant *in the United States* are both included in the GDP for the United States.

The gross domestic product figure facilitates comparisons between the United States and other countries, since it is the standard used in international guidelines for economic accounting. It is also possible to compare the GDP for one nation over several different time periods. This comparison allows observers to determine the extent to which a nation is experiencing economic growth. To make accurate comparisons of the GDP for different years, we must adjust the dollar amounts for inflation. **Inflation** is a general rise in the level of prices. By using inflation-adjusted figures, we are able to measure the *real* gross domestic product for a nation. In effect, it is now possible to compare the products and services produced by a nation in constant dollars—dollars that will purchase the same amount of goods and services.

Questions:

1. What does the GDP stand for?
2. Why this measure is used? Give your own example.
3. What is inflation?

Economic terms:

economic accounting	-xo'jalik hisobi	-самофинансирование, хозрасчет
gross domestic product	- yalpi ichki mahsulot	-валовой продукт внутренний

Active Vocabulary:

adjust	-aniqlashtirmoq, tartibga keltirmoq	-уточнять, приводить в порядок
constant -	o'zgarmas, doimiy, barqaror	-неизменный, постоянный, устойчивый
domestic	- mahalliy, ichki	-внутренний, отечественный
extent	- daraja, o'lchov; o'lcham	-степень, мера; размер
facilitate	-ko'maklashmoq; yordam ko'rsatmoq	-способствовать; помогать

figure	- raqam	-цифра
gross	- yalpi, katta, ulgurji	- валовой; большой, оптовый
guideline	-ko'rsatma, yo'l- yo'riq	-руководящее указания, руководство
indicator	-ko'rsatkich	-показатель, указатель
inflation	-inflyatsiya	-инфляция
observer	-kuzatuvchi	- наблюдатель, эксперт
standard	- mezon, me'yor	- стандарт, норма, мера
total	- umumiy, yig'indi, jami	-целый, сумма, итог
value	- qiymat; narx	-ценность; стоимость
well-being	- farovonlik, ravnaq topish	- благосостояние, процветание

Ex. 1 Give equivalents in your native language to the following word combinations.

Domestic business, domestic service, domestic company, domestic experience, domestic industry, domestic life, domestic manufacture, domestic products, domestic supply, domestic market; to adjust debts, to adjust prices, to adjust to current prices, to adjust salaries; constant dollar value, constant prices, constant rate; anti-monopoly measures, effective measures, safety measures, to take measures, appropriate measure, restrictive measure, measures of productivity; controlled inflation, hidden inflation, anticipated inflation, unanticipated inflation, inflation rate; to be above / below the standard, to be up to the latest standard, commercial standard, cotton standard, living standard, quality standard, standard design, high standard, to set standard.

Ex. 2 Match the synonyms:

1. accurate

a) to relieve

2. to adjust

b) norm, quota, rate

3. domestic	c) gross, entire, whole
4. to facilitate	d) exact, precise
5. figure	e) internal, home
6. standard	f) cost
7. total	g) to correct, to order
8. value	h) number, digit

Ex.3 Match the definitions.

1. accounting	a) the knowledge and skill that you have gained through doing smth for a period of time
2. figure	b) a sign or figure that shows you what smth is like or how a situation is changing
3. experience	c) the work of keeping and checking the financial records of a person, a company or an organization
4. indicator	d) a factory or place where power is produced or an industrial process takes place
5. observer	e) a particular length of time
6. people	f) a number representing a particular amount, especially one given in official information
7. period	g) a person who watches and studies particular events
8. plant	h) the men and women who work for a particular person or organization

Ex. 4 Guess whether these sentences are true or false and correct the false sentences.

1. Gross domestic product is used to measure the economic well-being of a nation.
2. Gross domestic product (GDP) is the total dollar value of all goods and services produced by all people within the boundaries of a country during 5 years period.
3. The value of automobiles produced by employees in both an American-owned General Motors plant and a Japanese-owned Toyota plant in the United States are both included in the GDP of Japan.
4. The gross domestic product figure facilitates comparisons only in the United States for economic accounting.
5. It is also possible to compare the GDP for one nation over several different time periods.
6. This comparison allows observers to determine the extent to which a nation is experiencing economic growth.
7. To make accurate comparisons of the GDP for different years, we must adjust the dollar amounts for inflation.
8. Inflation is a general rise in the level of productivity.

Ex. 5 Translate the following sentences into your native language

1. Tourism contributed about 10% of GDP last year. 2. The company makes 30% profits from its investments annually. 3. The firm is family-owned businesses since 1995. 4. Toyota has car assembly plants in the United States and Canada. 5. It is becoming region's most productive car plant. 6. The latest survey showed rising jobless figures. 7. The company made a significant growth in its international business. 8. The government made some restrictions in international trade. 9. There was slight rose in inflation again according to the latest report. 10. The offer is available for 2 years period.

Ex. 6 Text for self-study: read and summarize it:

Corporations: Wal-Mart

Wal-Mart Stores, Inc. is an American public corporation that runs a chain of large, discount department stores. It is the world's largest public corporation by

revenue, according to the 2008 Fortune Global 500. Founded by Sam Walton in 1962, it was incorporated on October 31, 1969, and listed on the New York Stock Exchange in 1972. It is the largest private employer in the world and the third-largest utility or commercial employer, trailing the British National Health Service, and the Indian Railways. Wal-Mart is the largest grocery retailer in the United States, with an estimated 20% of the retail grocery and consumables business. It also owns and operates the North American company, Sam's Club.

Wal-Mart operates in Mexico as Walmex, in the UK as Asda, and in Japan as Seiyu. It has wholly owned operations in Argentina, Brazil, Canada, and Puerto Rico. Wal-Mart's investments outside North America have had mixed results: its operations in South America and China are highly successful, while it was forced to pull out of Germany and South Korea when ventures there were unsuccessful.

On July 2, 1962, Walton opened the first Wal-Mart Discount City store located at 719 Walnut Ave. in Rogers, Arkansas. The building is now occupied by a hardware store and a pawnshop. Within five years, the company expanded to 24 stores across Arkansas and reached \$12.6 million in sales. In 1968, it opened its first stores outside Arkansas, in Sikeston, Missouri and Claremore, Oklahoma.

Lesson 8

The Business Cycle

A nation's economy fluctuates rather than grows at a steady pace every year. These fluctuations are generally referred to as the **business cycle**, that is, the recurrence of periods of growth and recession in a nation's economic activity. Generally, the business cycle consists of four states: prosperity, recession, depression, and recovery.

During *prosperity*, unemployment is low and total income is relatively high. As long as the economic outlook remains prosperous, consumers are willing to buy products and services. In fact, businesses often expand and offer new products and services during prosperity in order to take advantage of the consumer's increased buying power.

Economists define a *recession* as two consecutive three-month periods of decline in a country's gross domestic product. Because unemployment rises during a recession, total buying power declines. In a recession, many businesses focus on the products and services that provide the most value to their customers.

Economists define a *depression* as a severe recession that lasts longer than a recession. A depression is characterized by extremely high unemployment rates, low wages, reduced purchasing power, lack of confidence in the economy, and a general decrease in business activity. To offset the effects of recession and depression, the

federal government uses both monetary and fiscal policies. **Monetary policies** are the Federal Reserve's decisions that determine the size of the supply of money in the nation and the level of interest rates. Through **fiscal policy**, the government can influence the amount of savings and expenditures by altering the tax structure and changing the levels of government spending.

Recovery is the movement of the economy from depression or recession to prosperity. High unemployment rates decline, income increases, and both the ability and the willingness to buy rise. It results greater demand for products and services.

Questions:

1. What is a business cycle?
2. How many stages does it consist of?
3. Give definition to each stage.
4. Explain the difference between monetary and fiscal policy

Active Vocabulary:

alter	-o'zgartirmoq, qaytadan qilmoq	-изменять(ся), переделывать
consecutive	- keying, kelgusi	-последующий, следующий
cycle	- iqtisodiy davr	-экономический цикл, период
depression	-tushkunlik, inqiroz, tanazzul	-падение, кризис, упадок
extremely	- haddan ziyod	- чрезвычайно, крайне
fluctuate	- beqaror bo'lmoq, o'zgarmoq, tebranmoq	быть неустойчивым, меняться, колебаться
focus	-(diqqatni) bir joyga to'plamoq, qaratmoq	сосредотачивать, обращать (внимание)
offset	- balanslashtirmoq	-сбалансировать
outlook	- istiqbol	- перспектива
pace	- tezlik, sur'at	-скорость, темп
prosperity	-gullab-yashnash, ravnaq	процветание, благополучие

	topish	
prosperous	-gullab yashnayotgan, muvaffaqiyat qozonayotgan	-процветающий, преуспевающий
rate	-daraja, me'yor, stavka, kurs	- уровень, норма, ставка, курс
recession	-pasayish, tanazzul, sekinlashuv	- снижение, спад
recovery	-tiklanish	- восстановление
recurrence	-takrorlanish; qaytarilish	- повторение; возвращение
relatively	-nisban, qiyosan	- относительно, сравнительно
steady	-barqaror, mustahkam	- устойчивый, прочный
take advantage	- biror narsadan foydalanimoq	- воспользоваться чем-л.

Ex. 1 Give equivalents in your native language to the following word combinations.

Depression of industry, depression of the market, the Great depression, severe depression, depression of trade, major depression, world depression, to alter a decision, to alter an order, to alter one's way of living, to alter a firm, to alter a trade mark; economic /trade cycle, budget cycle, life cycle costs; long-term outlook, near-term / short-term outlook, inflation rate, at a high rate, birth rate, buying rate, current rate, dollar rate, fixed rate, growth rates, poverty rate, exchange rate; to be in recession, hit by recession, to fall into recession, to recover from recession, a deep recession, global / world recession; recovery of debt, recovery of damages, recovery of local industry; steady pace, steady job, steady demand, steady progress, steady increase, steady income, steady growth; to increase the pace of smth, to change the pace of smth, slow pace, fast pace, to keep pace with smb, to keep pace with demand.

Ex. 2 Match the synonyms.

- | | |
|---------------|---------------|
| 1. alter | a) decline |
| 2. cycle | b) well-being |
| 3. depression | c) affluent |
| 4. offset | d) change |

5. outlook	e) speed
6. pace	f) period
7. prosperity	g) upturn
8. prosperous	h) neutralize
9. recovery	i) perspective

Ex. 3 Match the definitions.

- | | |
|-----------------|---|
| 1. recession | a) to change frequently in the size, amount, level, etc. of smth |
| 2. consumer | b) the money that a person/ a country, etc. earns from work, from business |
| 3. prosperity | c) the process of improving or becoming strong again |
| 4. depression | d) the number of people without a job |
| 5. to fluctuate | e) the state of being successful |
| 6. unemployment | f) period when there is little economic activity, many businesses fail and many people are poor or without jobs |
| 7. recovery | g) a person who buys goods or services for their own use |
| 8. income | h) period in the economy of a country, when there is less trade and industrial activity than usual and more people are unemployed |

Ex. 4 Guess whether these sentences are true or false and correct the false sentences.

1. The business cycle is the recurrence of periods of growth and recession in a nation's economic activity.
2. Generally, the business cycle consists of five states: prosperity, recession, depression, recovery, and unemployment.
3. During prosperity, unemployment is high and total income is relatively high.

4. Unemployment declines during a recession, total buying power declines.
5. Depression is characterized by extremely high unemployment rates, low wages, reduced purchasing power, lack of confidence in the economy, and a general decrease in business activity.
6. Recovery is the movement of the economy from prosperity to depression or recession.
7. To offset the effects of recession and depression, the federal government uses both monetary and fiscal policies.
8. Monetary policies are the Federal Reserve's decisions that determine the size of the supply of credits in the nation and the level of interest rates.
9. The government can influence the amount of savings and expenditures through fiscal policy.

Ex. 5 Translate the following sentences into your native language.

1. The company's stocks fluctuated dramatically last year. 2. The firm altered its advertising strategy. 3. Most countries of the world are officially in global financial recession now. 4. The country is taking measures not to sink into the depression. 5. There are no signs yet of an economic recovery. 6. Future prosperity of the country depends on economic growth. 7. Thousands workers join unemployment line every year. 8. The management decided to focus resources on promising products. 9. Retail sales rose in January at their fastest pace in two years. 10. The unemployment rate is expected to remain steady.

Ex. 6 Text for self-study: read and summarize it:

Corporations: Apple Inc.

Apple Inc., formerly Apple Computer Inc., is an American multinational corporation, which designs and manufactures consumer electronics and software products. The company's best-known hardware products include Macintosh computers, the iPod and the iPhone. Apple software includes the Mac OS X operating system, the iTunes media browser, the iLife suite of multimedia and creativity software, the iWork suite of productivity software, and Final Cut Studio, a suite of professional audio and film-industry software products. The company operates more than 250 retail stores in nine countries and an online store where hardware and software products are sold.

Established in Cupertino, California on April 1, 1976 and incorporated January 3, 1977, the company was called "Apple Computer, Inc." for its first 30 years, but

dropped the word "Computer" on January 9, 2007 to reflect the company's ongoing expansion into the consumer electronics market in addition to its traditional focus on personal computers. Apple has about 35,000 employees worldwide and had worldwide annual sales of US\$32.48 billion in its fiscal year ending September 29, 2008. For reasons as various as its philosophy of comprehensive aesthetic design to its distinctive advertising campaigns, Apple has established a unique reputation in the consumer electronics industry. This includes a customer base that is devoted to the company and its brand, particularly in the United States. In 2008, Fortune magazine named Apple the most admired company in the United States.

Lesson 9

Types of Competition

Business competition is essentially a rivalry among businesses for sales to potential customers. In a free-market economy, competition works to ensure the efficient operation of business. Competition also ensures that a firm will survive only if it serves its customers well. There are four different degrees of competition. These are pure competition, monopolistic competition, oligopoly, and monopoly.

Pure competition is the market situation in which there are many buyers and sellers of pure product, and no single buyer or seller is powerful enough to affect the price of that product. When pure competition exists, every seller should ask the same price that every other seller is asking. In pure competition sellers and buyers must accept the going price. The price of each product is determined by the actions of *all buyers and all sellers together*, through the forces of supply and demand.

Monopolistic competition is a market situation in which there are many buyers along with a relatively large number of sellers. Each seller attempts to make its product different from the others by providing unique product features. Product differentiation is the process of developing and promoting differences between one's products and all similar products.

An oligopoly is a market situation (or industry) in which there are few sellers. Generally, these sellers are quite large, and sizable investments are required to enter into their market. Examples of oligopolies are the automobile, car competitors' sales.

A monopoly is a market with only one seller. Because only one firm is the supplier of a product, it would seem that it has complete control over price. *A legal monopoly or a limited monopoly* is created when the federal government issues a copyright, patent, and trademark. A copyright, patent, or trademark exists for a specific period of time and can be used to protect the owners of written materials, or product brands from unauthorized use by competitors that have not shared in the time, effort, and expense required for their development.

Questions:

1. What is business competition?
2. How many degrees of competition are there?
3. What is pure competition?
4. What is monopolistic competition?
5. What kind of market situation is an oligopoly?
6. What kind of market situation is a monopoly?

Economic terms:

legal monopoly	- yuridik asosga ega yakkahokimlik	- монополия, имеющая юридическую основу
limited monopoly	- cheklangan yakkahokimlik	- ограниченная монополия
monopolistic competition	- yakkahokimlik asoslangan raqobat	- монополистическая конкуренция
monopoly	-yakkahokimlik	- монополия
oligopoly	- oligopoliya (yirik firmalarning soni cheklangan bozor vaziyati)	- олигополия (рыночная ситуация с ограниченным числом крупных фирм)
perfect competition	- mukammal raqobat	- совершенная конкуренция
pure competition	- sof raqobat	- чистая конкуренция

Active Vocabulary:

accept	-1)qabul qilmoq,yo'l qoymoq 2) ma'qullamoq	1) принимать, допускать 2) соглашаться
affect	- ta'sir qilmoq, ta'sir ko'rsatmoq	-воздействовать на кого-л., влиять
attempt	1) urinmoq, harakat qilmoq 2) chora ko'rmoq	1)пытаться, стремиться 2) предпринимать

brand	- fabrika tamg'asi, savdo belgisi	- фабричная марка, товарный знак
competition	- raqobat, musobaqa	- конкуренция, состязание
copyright	- mualliflik huquqi	- авторское право
demand	- 1) ehtiyoj 2) talab	-1) потребность 2) требование, спрос
efficient	- samarali, unumli	- эффективный, результативный
effort	- urinish, intilish	- усилие
ensure	- kafilatlamoq, ta'minlamoq	- гарантировать, обеспечивать
exist	- mavjud bo'lmoq	- существовать
issue	- muomalaga chiqarish, emissiya	- выпуск, выдача; эмиссия
legal	- qonuniy, huquqiy	- законный, правовой
limited	- cheklangan	- ограниченный
operation	- 1) faoliyat, ish 2) moliyaviy operatsiya, bitim	- 1) деятельность, работа 2) финансовая операция, сделка
patent	- patent, imtiyoz	- патент, привилегия
potential	- imkoniy, ehtimoliy	- возможный, потенциальный
sizable	- katta, kichik, emas yirik	- большой, немалый, значительный
supply	- ta'minot, yetkazib berish	- снабжение, поставка
survive	- omon qolmoq, jon saqlamoq	- пережить, выдержать
unauthorized	- ruxsat etilmagan, ta'qiqlangan	- неразрешенный, запрещенный
unique	- noyob, o'ziga xos	уникальный

Ex. 1 Give equivalents in your native language to the following word combinations.

Brand image, brand product, brand product, brand name, well-known brand, world-class brand, favourite brand; to accept a contract, to accept the goods, to accept for employment, to accept deposits; to attempt a difficult task, to attempt an excuse; active competition, healthy competition, direct competition, effective competition, to enter into competition, foreign competition, free competition, potential competition, to win a competition, aggressive, competition, unfair competition; combined effort, minimal effort, to make an effort, without effort; to apply for a patent, patent right, patent owner, patent laws, patent in force, to obtain patent, to grant a patent, expired patent; to keep up with demand, increase in demand, excess of demand over supply, strong demand, declining demand, domestic demand, world demand, consumer demand.

Ex.2 Match the synonyms.

- | | |
|----------------|-----------------------|
| 1. affect | a) trademark |
| 2. attempt | b) possible |
| 3. brand | c) influence |
| 4. competition | d) assure, guarantee |
| 5. efficient | e) try |
| 6. ensure | f) provision |
| 7. operation | g) specific, peculiar |
| 8. potential | h) rivalry |
| 9. supply | i) effective |
| 10. unique | j) work, performance |

Ex. 3 Match the definitions.

- | | |
|----------------|---|
| 1) accept | a) the right to be the only person who may publish, broadcast, make copies of, etc. |
| 2) buyer | b) a place where people buy and sell goods; the open area or the building where they meet to do this |
| 3) copyright | c) a person or company that buys smth, especially something valuable like a business or a home |
| 4) competition | d) to continue to live, endure or last |
| 5) demand | e) to agree to take smth such as an offer, a job or money |
| 6) market | f) a situation in which people or organizations compete with each other for smth that not everyone can have |
| 7) process | g) the desire or need of customers for goods or services which they want to buy or use |
| 8) survive | h) a series of things that are done in order to achieve a particular result |

Ex 4 Guess whether these sentences are true or false and correct the false sentences.

1. Business competition is essentially a rivalry among customers.
2. In a free-market economy, competition works to ensure the efficient sales of products.
3. There are 6 different degrees of competition.
4. These are pure competition, oligopolistic competition, oligopoly, and monopoly.
5. Pure competition is the market situation in which there are many buyers and sellers of pure product.

6. Monopolistic competition is a market situation in which there are many buyers along with a relatively large number of sellers.
7. An oligopoly is a market situation (or industry) in which there are few sellers.
8. A monopoly is a market with only one seller.
9. A legal monopoly or a limited monopoly is created when the federal government issues a copyright, patent, and trademark.
10. A copyright, patent, or trademark exists for a specific period of time and can be used to protect the owners of written materials, or product brands from unauthorized use by competitors that have not shared in the time, effort, and expense required for their development.

Ex. 5 Translate the following sentences into your native language.

1. New measures were taken to identify actual and potential problems.
2. The latest figures evaluating present financial situation were not reliable.
3. The company sinks into a difficult situation.
4. The price charged to customers may be changed.
5. The company holds a unique position in the marketplace.
6. The expensive marketing plan is unique to that company.
7. The company bought efficient manufacturing equipments.
8. There is an aggressive competition between food producing companies.
9. Growing rivalry in industry may lead to an unfair competition.
10. Coca-Cola is one of America's most successful consumer brands.

Ex. 6 Text for self-study: read and summarize it:

Corporations: The Coca-Cola Company

Coca-Cola is a carbonated soft drink sold in stores, restaurants and vending machines worldwide (The Coca-Cola Company claims that it is sold in more than 200 countries). It is produced by The Coca-Cola Company in Atlanta, Georgia and is often referred to simply as Coke or as Cola or Pop. Originally intended as a patent medicine when it was invented in the late 19th century by John Pemberton, Coca-Cola was bought out by businessman Asa Griggs Candler, whose marketing tactics led Coke to its dominance of the world soft-drink market throughout the 20th century.

The company produces concentrate, which is then sold to various licensed Coca-Cola bottlers throughout the world. The bottlers, who hold territorially exclusive contracts with the company, produce finished product in cans and bottles from the concentrate in combination with filtered water and sweeteners. The bottlers then sell, distribute and merchandise Coca-Cola in cans and bottles to retail stores and vending machines. Such bottlers include Coca-Cola Enterprises, which is the largest single Coca-Cola bottler in North America and Western Europe. The Coca-

Cola Company also sells concentrate for fountain sales to major restaurants and food service distributors.

The Coca-Cola Company has, on occasion, introduced other cola drinks under the Coke brand name. The most common of these is Diet Coke, which has become a major diet cola. However, others exist, including Caffeine-Free Coca-Cola, Diet Coke Caffeine-Free, Cherry Coke, Coca-Cola Zero, Vanilla Coke, and special editions with lemon, lime, or coffee.

In response to consumer insistence on a more natural product, the company is in the process of phasing out E211, or sodium benzoate, the controversial additive linked to DNA damage and hyperactivity in children, of Diet Coke. The company has stated that it plans to remove the controversial additive from its other products, including Sprite and Oasis, as soon as a satisfactory alternative is discovered.

Lesson 10

The Basics of Supply and Demand

The supply of a particular product is the quantity of the product that producers are willing to sell at each of various prices. Producers are rational people, so we would expect them to offer more of a product for sale at higher prices and to offer less of the product at lower prices.

The demand for a particular product is the quantity that *buyers are willing to purchase at each of various prices*. Buyers, too, are usually rational, so we would expect them—as a group—to buy more of a product when its price is low and to buy less of product when its price is high. This is exactly what happens when the price of wheat rises dramatically. People buy other grains or do without and reduce their purchases of wheat. They buy more wheat only when the price drops.

The Equilibrium or Market Price. There is always one certain price at which the demanded quantity of a product is exactly equal to the produced quantity of that product. Suppose producers are willing to *supply* 2 million bushels of wheat at a price of \$4 per bushel, and buyers are willing to *purchase* 2 million bushels at a price of \$4 per bushel, in other words, supply and demand are in balance, or *in equilibrium*, at the price of \$4. Economists call this price the market price. The market price of any product is the price at which the quantity demanded is exactly equal to the quantity supplied. If suppliers produce 2 million bushels, then no one who is willing to pay \$4 per bushel will have to go without wheat, and no producer who is willing to sell at \$4 per bushel will be stuck with unsold wheat.

Questions:

1. What is supply?

2. What is demand?
3. What is equilibrium?
4. What is market price?

Active Vocabulary:

bushel	-bushel (sochiluvchan va suyuqlik o'lchov birligi =36,3l.)	- бушель (мера вместимости сыпучих или жидких тел =36,3л)
dramatically	- samarali, hayratlanarli, sezilarli	- эффектно, поразительно, значительно
drop	- tushmoq, pasaymoq	- падать, снижаться
equal adj. v.	- teng, bir xil barobar bo'lmoq	- равный, одинаковый -равняться, быть равным
equilibrium	- muvozanat, balans	- равновесие, баланс
exactly	- aniq	- точно
expect	- kutmoq, ko'zlamq	- ожидать, полагать
grain	- donli ekinlar	- зерно, хлебные злаки
rational	- aqlli	- разумный, мыслящий
stick	- 1) ushlab olmoq, bog'lanib qolmoq 2) botib qolmoq	- 1) держаться, привязаться 2) завязнуть
unsold	- sotilmagan	- непроданный, нераспроданный
various	- xilma-xil, turli-tuman	- различный, разный

Ex.1 Give equivalents in your native language to the following word combinations.

Equal in value, equal to demand, equal right, equal risk, equal terms, equal distribution, equal opportunities; equilibrium between cost and prices, equilibrium

price, equilibrium position, general equilibrium, market equilibrium, partial equilibrium, to be in equilibrium, to bring to equilibrium, equilibrium of forces, unstable equilibrium; rational plan, rational explanation, rational being, rational method, rational behavior, rational allocation of resources; agricultural product, banking product, complete product, brand product, foreign product, domestic product, high-quality product, to make product, pioneer product, product life cycle, product manager, product planning, product strategy, product testing, total product; to reduce a price, to reduce costs, to reduce production, to reduce staff, to reduce the risk.

Ex.2 Match the synonyms.

- | | |
|----------------|--------------------------|
| 1. to equal | a) to propose, suggest |
| 2. to expect | b) diverse, different |
| 3. equilibrium | c) to equalize |
| 4. exactly | d) to decrease, cut down |
| 5. to offer | e) intellectual |
| 6. rational | f) altogether, entirely |
| 7. to reduce | g) to suspect, suppose |
| 8. various | h) balance |

Ex.3 Match the definitions.

- | | |
|----------------|--|
| 1. demand | a) the amount of money that you must pay for smth |
| 2. equilibrium | b) an amount or a number of smth |
| 3. supply | c) the desire or need of customers for goods or services which they want to buy or use |
| 4. quantity | d) an increase in an amount, a number or a level |
| 5. product | e) the amount of smth that is offered for sale |
| 6. drop | f) to become or make smth weaker, lower or less |
| 7. price | g) a thing that is manufactured, developed, produced or grown, usually for sale |

8. rise

h) a situation in which the amount of particular goods/services that people want to buy at a particular price equals the amount that businesses want to supply

Ex.4 Guess whether these sentences are true or false and correct the false sentences.

1. The supply is the quantity of the product that producers are willing to sell at each of various prices.
2. Producers offer more of a product for sale at lower prices and to offer less of the product at higher prices.
3. The demand is the quality that buyers are willing to purchase at each of various prices.
4. Buyers buy more of a product when its price is higher prices.
5. When supply and demands are not stable, or in equilibrium, it's called the market price.
6. The market price of any product is the price at which the quantity demanded is not equal to the quantity supplied.

Ex.5 Translate the following sentences into your native language.

1. The company decided to purchase the hotel. 2. You can pay for your purchases by several ways in that shop. 3. The sale of the company's stocks raised \$100 000. 4. They made an agreement to give him 10% commission on each sale. 5. The shop starts its fortnight sale on 28 December. 6. The price of stocks dropped by 1, 5%. 7. The company decided to raise the price of some goods. 8. Inflation dropped dramatically last year. 9. The company produced small quantity of household goods. 10. These companies are equal in size.

Ex. 6 Text for self-study: read and summarize it:

Corporations: Johnson & Johnson

Johnson & Johnson is a global American pharmaceutical, medical devices and consumer packaged goods manufacturer founded in 1886. Its common stock is a component of the Dow Jones Industrial Average and the company is listed among the Fortune 500. Johnson & Johnson is known for its corporate reputation, consistently ranking at the top of Harris Interactive's National Corporate Reputation

Survey, ranking as the world's most respected company by Barron's Magazine, and was the first corporation awarded the Benjamin Franklin Award for Public Diplomacy by the U.S. State Department for its funding of international education programs.

The corporation's headquarters is located in New Brunswick, New Jersey, United States. Its consumer division is located in Skillman, New Jersey. The corporation includes some 250 subsidiary companies with operations in over 57 countries. Its products are sold in over 175 countries.

Johnson & Johnson's brands include numerous household names of medications and first aid supplies. Among its well-known consumer products are the Band-Aid Brand line of bandages, Tylenol medications, Johnson's baby products, Neutrogena skin and beauty products, Clean & Clear facial wash and Acuvue contact lenses.

Lesson 11

Consumerism

Consumerism consists of all activities undertaken to protect the rights of consumers. The fundamental issues pursued by the consumer movement fall into three categories: environmental protection, product performance and safety, and information disclosure. It was in 1960s that President John F. Kennedy declared that the consumer was entitled to a new "bill of rights."

President Kennedy's consumer bill of rights asserted that consumers have a right to safety, to be informed, to choose, and to be heard. Two additional rights added in the last decade are the right to consumer education and to courteous service. These six rights are the basis of much of the consumer-oriented legislation that has been passed during the last forty years. These rights also provide an effective outline of the objectives and accomplishments of the consumer movement.

The consumers' right to safety means that the products they purchase must be safe for their intended use, must include thorough and explicit directions for proper use, and must be tested by the manufacturer to ensure product quality and reliability. The right to be informed means that consumers must have access to complete information about a product before they buy it. The right to choose means that consumers must have a choice of products, offered by different manufacturers and sellers, to satisfy a particular need. The right to be heard means that someone will listen and take appropriate action when customers complain. In 1975 President Gerald Ford added to the consumer bill of rights the right to consumer education, which entitles people to be fully informed about their rights as consumers. In 1994 President Bill Clinton added a sixth right: the right to service, which entitles

consumers to convenience, courtesy, and responsiveness from manufacturers and sellers of consumer products.

Notes:

"Bill of Rights"	- davlat organlari bilan fuqarolarning o'zaro aloqalarida ularning huquqlarini kafolatlaydigan, konstitusion normlar yig'indisi	совокупность конституционных норм, гарантирующих права граждан в их взаимоотношений с органами государственной власти
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Questions:

1. What does the consumerism consist of?
2. What is "Bill of Rights"? When it was declared?
3. How many rights are in the USA?
4. What rights have consumers?

Active Vocabulary:

accomplishment	- bajarish, ijro etmoq, tugallash	- выполнение, исполнение
appropriate	- mos, to'g'ri keladigan	- соответствующий, подходящий
assert	- tasdiqlamoq, bildirmoq	- заявлять, утверждать
consumer –oriented	- xaridorga mo'ljallangan	- предназначенный для потребителя
courteous	- muloyim, iltifotli	- вежливый, любезный
courtesy	- muloyimlilik, iltifotlilik	- вежливый, „любезность"
decade	- o'n yillik, (10 ...)	- десятилетие
declare	- e'lon qilmoq, ma'lum qilmoq	- объявлять, заявлять
disclosure	- (ma'lumotlarni) ochmoq, oshkora etish	- открытие, раскрытие (информации)
entitle	- huquq bermoq	- давать право
explicit	- aniq	- ясный, точный

intend	- ahd qilmoq, niyat qilmoq	- намереваться
legislation	- qonunchilik	- законодательство
objective	- maqsad, vazifa	- цель, задача
outline	- xomaki loyiha, reja, chizgi	- очертание, набросок, черта
proper	- o'ziga xos, xos bo'lgan	- присущий, свойственный
responsiveness	- mas'uliyatlilik	- отзывчивость
safety	- xavfsizlik	- безопасность
thorough	- astoydil, to'liq	- тщательный, полный

Ex.1 Give equivalents in your native language to the following word combinations.

Average consumers, individual consumer, online consumer, consumer attitudes consumer choice, consumer habits, consumer needs, consumer taste, consumer spending, consumer behaviour, consumer goods, consumer information, consumer interests, consumer price, consumer protection; human rights, political rights, labour rights, ownership rights, broadcasting rights, distribution rights, licensing rights, marketing rights, civil rights, right to education, right to rest, right to work; a good choice, large choice, wide choice a limited choice, choice of goods, freedom of choice, poor choice, individual choice, to make choice; big seller, large seller, leading seller, intermediate seller; to give information, for your information, to gather information, to obtain information, to provide information, company information, competitor information, financial information.

Ex.2 Match the synonyms

- | | |
|-------------------|---------------------------|
| 1) accomplishment | a) goal, purpose |
| 2) appropriate | b) user, buyer |
| 3) courteous | c) fulfillment, execution |
| 4) objective | d) assert, proclaim |
| 5) safety | e) producer |

- | | |
|-----------------|-------------|
| 6) consumer | f) follow |
| 7) manufacturer | g) security |
| 8) thorough | h) polite |
| 9) declare | i) proper |
| 10) pursue | j) careful |

Ex. 3 Match the definitions.

- | | |
|----------------|---|
| 1) consumer | a) a law or a set of laws passed by a parliament |
| 2) right | b) a business whose work involves doing smth for customers but not producing goods |
| 3) president | c) a person who buys goods or services for their own use |
| 4) purchase | d) the standard of smth when it is compared to other things like it |
| 5) service | e) the act or process of buying smth |
| 6) need | f) to make sure that smb/smith isn't harmed, injured, etc. |
| 7) quality | g) the chief executive or head of state or a republic |
| 8) legislation | h) the things that smb requires in order to live in a comfortable way or achieve what they want |

Ex.4 Guess whether these sentences are true or false and correct the false sentences.

1. Consumerism consists of activities undertaken to protect the rights of sellers.
2. The issues pursued by the consumer movement fall into 5 categories: environmental protection, additional education, product performance and safety, environmental safety, and information disclosure.
3. It was in 1960s that President John F. Kennedy declared that the consumer was entitled to a new "pay for bill."
4. President Kennedy's consumer bill of rights asserted that consumers have a right to safety, to be informed, to choose, and to be heard.
5. Four additional rights added in the last decade are the right to consumer education and to courteous service.
6. In 1975 President Gerald Ford added consumer education, which entitles people to be fully informed about their rights as consumers.
7. In 1994 President Bill Clinton made addition to the sixth right.

Ex. 5 Translate the following sentences into your native language.

1. The company adopted new rules for consumer service. 2. The shop makes about 40% of its annual profit during winter consumer boom. 3. Consumer behaviour heavily depends on advertisement. 4. Our shop provides a home-delivery service. 5. The country's service industry grows year by year. 6. We provide a 5-year guarantee service for electronic appliances. 7. A new research improved the quality of the finished product. 8. It became the best-selling brand product. 9. The marketing department analyses customer needs to the company. 10. The Congress passed the law for the development of business.

Ex. 6 Text for self-study: read and summarize it:

Corporations: History of McDonald's

The business began in 1940, with a restaurant opened by brothers Dick and Mac McDonald in San Bernardino, California. Their introduction of the "Speedee Service System" in 1948 established the principles of the modern fast-food restaurant. The original mascot of McDonald's was a man with a chef's hat on top of a hamburger shaped head whose name was "Speedee." Speedee was eventually replaced with Ronald McDonald in 1963.

The present corporation dates its founding to the opening of a franchised restaurant by Ray Kroc, in Des Plaines, Illinois on April 15, 1955, the ninth McDonald's restaurant overall. Kroc later purchased the McDonald brothers' equity in the company and led its worldwide expansion and the company became listed on the public stock markets in 1965. Kroc was also noted for aggressive business practices, compelling the McDonald's brothers to leave the fast food industry. The

McDonald's brothers and Kroc feuded over control of the business, as documented in both Kroc's autobiography and in the McDonald brothers' autobiography. The site of the McDonald brothers' original restaurant is now a monument.

With the expansion of McDonald's into many international markets, the company has become a symbol of globalization and the spread of the American way of life. Its prominence has also made it a frequent topic of public debates about obesity, corporate ethics and consumer responsibility.

Lesson 12

Forms of business ownership: Sole Proprietorships

A **sole proprietorship** is a business that is owned (and usually operated) by one person. Although a few sole proprietorships are large and have many employees, most are small. Sole proprietorship is the simplest form of business ownership and the easiest to start. In most instances, the owner (the *sole proprietor*) simply decides he or she is in business and begins operations.

Sole proprietorships are most common in retailing, service, and agriculture. Thus, the clothing boutique, corner grocery, and television repair shop down the street are likely to be sole proprietorships. The current shortage of highly sought after knowledge workers in Internet-related information technology industries has created an enormous opportunity for individuals to start up their own consulting services firms by working on a contractual basis for various clients. Skilled Internet web site designers, e-commerce programmers, software trainers, and many others have found that they are better off working for themselves. Not only can they choose which job assignments to accept, they have also found that they can earn more money by not working exclusively for one firm as a salaried employee.

Most of the advantages of sole proprietorships arise from the two main characteristics of this form of ownership: simplicity and individual control.

The disadvantages of a sole proprietorship stem from the fact that these businesses are owned by one person. Some capable sole proprietors experience no problems. Individuals who start out with few management skills and little money are most at risk.

Questions:

1. What is sole proprietorship?
2. What spheres are sole proprietorships common?
3. How do the advantages of sole proprietorships arise?

4. What do the disadvantages of sole proprietorships stem?

Active Vocabulary:

arise from	- kelib chiqmoq	- происходить, проистекать
capable	- qobiliyatli	- способный, умелый
contractual	- kelishilgan, shartnomaviy	- договорный, конвенционный
current	- joriy, kundalik	- данный, текущий
enormous	- ulkan, juda katta	- громадный, огромный
off work	- ishdan so'rab qolish	- отпроситься с работы
shortage	- yetishmovchilik, taqchilik, kamomad	- нехватка, недостаток, дефицит
software trainers	- dastur ta'moniti bo'yicha instructor	- инструктор по программному обеспечению
sole proprietor	- hususiy tadbirkor	- частный предприниматель
sole proprietorship	- yakka egalik, hususiy tadbirkorlik	- единоличное владение, индивидуальное предприятие
sought after	- talab etilayotgan, mashhur	- пользующийся спросом, популярный
stem	- kelib chiqmoq, natijasi bo'lmoq	- происходить от (чего-л.), являться результатом (чего-л.)

Ex. 1 Give equivalents in your native language to the following word combinations.

Landed proprietor, proprietor of enterprise, registered proprietor, proprietor of patent, joint proprietor, present proprietor; sole right, sole responsibility; food shortage, job shortage, teacher shortage, wartime shortage, shortage of money, shortage of cash, shortage in weight, shortage of resources, commodity shortage; to operate a factory, to operate at full capacity, to operate machine, to operate on electricity, to operate under a theory, to operate worldwide; individual achievements, individual behaviour, individual income, individual property, individual proprietor, individual retirement account, private individual, individual investors; to start a business, to start a proposal, to

start a question, a new start, promising start, to start a subject, to start the machine, to start on project, to start working.

Ex. 2 Match the synonyms

- | | |
|----------------|---------------------|
| capable | a) work, manage |
| 1. contractual | b) customer |
| 2. enormous | c) able |
| 3. shortage | d) owner |
| 4. operate | e) lack, deficit |
| 5. proprietor | f) agreed |
| 6. client | g) worker |
| 7. employee | h) huge, tremendous |

Ex. 3 Match the definitions.

- | | |
|---------------|--|
| 1. proprietor | a) the activity and business of providing expert advice, esp. about how a business can be improved |
| 2. shortage | b) the knowledge and skill that you have gained through doing smth for a period of time |
| 3. retailing | c) a situation when there is not enough of the people or things that are needed |
| 4. industry | d) the owner of a business, a hotel, land or buildings, etc |
| 5. consulting | e) a person who is paid to work for smb |
| 6. employee | f) the people and activities involved in producing a |

particular thing/ in providing a particular service

7. experience g) money that employees receive for doing their job, that is usually paid every month
8. salary h) the business of selling goods to the public, especially through shops/stores

Ex. 4 Guess whether these sentences are true or false and correct the false sentences.

1. A sole proprietorship is a business that is owned by a group of people.
2. Although a few sole proprietorships have many employees, most are small.
3. Sole proprietorship is not the simplest form of business ownership, the easiest to start.
4. Sole proprietorships are most common in wholesaling, service, and agriculture.
5. The clothing boutique, corner grocery, and television repair shop down the street are sole proprietorships.
6. Most of the advantages of sole proprietorships arise from 4 characteristics of this form of ownership.
7. The disadvantages of a sole proprietorship stem from the fact that these businesses are owned by one person.

Ex. 5 Translate the following sentences into your native language.

Most of the advantages of sole proprietorships arise from the two main characteristics of this form of ownership: simplicity and individual control. 1) Ease of Start-Up. 2) Retention of All Profits 3) Flexibility 4) Possible Tax Advantages 5) Secrecy

The disadvantages of a sole proprietorship stem from the fact that these businesses are owned by one person. Some capable sole proprietors experience no problems. Individuals who start out with few management skills and little money are most at risk. 1) Unlimited Liability 2) Lack of Continuity 3) Lack of Money 4) The limited ability 5) Limited Management Skills 6) Difficulty in Hiring Employees.

retention	- foydaning bo'linmay saqlab qolinishi	- сохранение прибыли от распределения
secrecy	- maxfiylik	- секретность

Ex. 6 Text for self-study: read and summarize it:ge.

Henry Ford

Henry Ford created the first inexpensive mass-produced automobile “the Model T” and revolutionized American industry by developing and refining assembly line manufacturing. Ford began his working life as a machinist, then became an engineer with the Edison Illuminating Company. (He and Thomas Edison remained close friends for decades.) In his spare time, Ford tinkered with creating a motorized vehicle, and in 1896 introduced the Quadricycle, a four-wheeled cart with a gasoline engine. (Ford has often been credited with inventing the automobile, though historians now agree he was only one of many people who built motorized cars.) In 1903 the Ford Motor Company was founded, and in 1908 Ford introduced the Model T. By 1924 10 million Model T cars had been sold and Detroit had become the auto-making capital of America. Ford remained one of the country's most famous and influential businessmen until his death in 1947.

Lesson 13

Partnerships

A person who would not think of starting and running a business alone may enthusiastically seize the opportunity to enter into a business partnership. This form of ownership is much less common than the sole proprietorship or the corporation. Often, a partnership represents a pooling of special managerial skills and talents; at other times, it is the result of a sole proprietor's taking on a partner for the purpose of obtaining more capital. All partners are not necessarily equal. Some may be active in running the business, whereas others may have a limited role.

General Partners: A general partner is a person who assumes full or shared responsibility for operating a business. General partners are active in day-to-day business operations, and each partner can enter into contracts on behalf of the other partners. A general partnership is a business co-owned by two or more general partners who are liable for everything the business does.

Limited Partners: A limited partner is a person who contributes capital to a business but who has no management responsibility or liability for losses beyond his or her investment in the partnership. A limited partnership is a business co-owned by one or more general partners who manage the business and limited partners who invest money in it. Limited partnerships may be formed to finance real estate, oil and gas, motion picture, and other business ventures.

Questions:

1. What is a business partnership?
2. What does it represent?
3. What are general partners' responsibilities?
4. What is a limited partnership?

Active Vocabulary:

assume (<i>Syn.</i> undertake)	- (o'z zimmasiga) olmoq	- принимать на себя, принимать, брать на себя
co-owned	- birgalikda egalik qiluvchi, hamkorlik	- совладеть
corporate (<i>Syn.</i> incorporated)	- korporatsiya...(viy), aksiyadorlik	- корпоративный, акционерный
enter into contract	- shartnoma tuzmoq	- заключать договор
enthusiastically	- ishtiyoq bilan	- восторженно, с восторгом
liability	- majburiyat, mas'uliyat	- обязательство, ответственность
liable (<i>Syn.</i> responsible)	- mas'ul, javobgar	- обязанный, ответственный
on behalf	- nomidan	- от лица, от имени
pooling	- birlashish, qo'shilishi	- слияние
seize (<i>Syn.</i> grasp)	- ushlab olmoq	- схватить, ухватиться
venture	- tijorat korxonasi	- коммерческое предприятие, фирма

Ex. 1 Give equivalents in your native language to the following word combinations.

Family partnership, trade partnership, professional limited partnership, partnership property, partnership, to create a partnership, to work in partnership with smb., to dissolve a partnership, a member of partnership, to take smb. into partnership, social partnership; business partner, general partner, limited partner, silent partner, special partner; to enter into contract, make contract, sign a contract, to get contract, tender for contract, win a contract, a casual contract, fixed-term contract, long-term contract, permanent contract, a big contract, to cancel contract, to carry out contract, to draw contract, contract price, according to the contract,

contrary to the contract, delivery under the contract, terms & conditions of contract, contract of debt, contract in writing, consumer contract, illegal contract, to break contract.

Ex. 2 Match the synonyms

- | | |
|----------------|--------------------------|
| 1. assume | a) responsible |
| 2. corporate | b) contractor, associate |
| 3. contract | c) undertake |
| 4. partner | d) realty |
| 5. liable | e) enterprise |
| 6. seize | f) agreement |
| 7. venture | g) incorporated |
| 8. real estate | h) grasp |

Ex. 3 Match the definitions.

- | | |
|--------------------|--|
| 1. partnership | a) the total value of the land, buildings, machinery, shares in other companies, etc |
| 2. contract | b) a natural ability to do smth. well |
| 3. skill | c) a company whose owners have responsibility for paying only a limited amount of the company's debt |
| 4. owner | d) a business that is owned by a group of professional people who work together and share the profits |
| 5. limited company | e) a person or an organization that owns smth. |
| 6. talent | f) property in the form of land or buildings; the business of buying and selling this |
| 7. capital | g) an official written agreement |
| 8. real estate | h) a particular ability or type of ability, especially one that needs training and experience to do well |

Ex. 4 Guess whether these sentences are true or false and correct the false sentences.

1. Business partnership is form of ownership is more common than the sole proprietorship or the corporation.
2. It is the result of a sole proprietor's taking on a partner for the purpose of obtaining more capital.
3. All partners are equal.
4. General partners are not active in day-to-day business operations, and each partner can enter into contracts on behalf of the other partners.
5. A general partnership is a business co-owned by 1 person who is liable for everything the business does.
6. A limited partner is a person who contributes capital to a business but who has no management responsibility or liability for losses beyond his or her investment in the partnership.

Ex. 5 Translate the following sentences into your native language.

Articles of partnership are an agreement listing and explaining the terms of the partnership. Although both oral and written partnership agreements are legal and can be enforced in the courts, a written agreement has an obvious advantage: it is not subject to lapses of memory.

The partnership agreement should state who will make the final decisions, what each partner's duties will be, and the investment each partner will make. The partnership agreement should also state how much profit or loss each partner receives. Finally, the partnership agreement should state what happens if a partner wants to dissolve the partnership or dies. The breakup of a partnership can be as complicated and traumatic as a divorce, and it is never too early to consider what could happen in the future. Although the people involved in a partnership can draft their own agreement, most experts recommend consulting an attorney.

When entering into a partnership agreement, partners would be wise to let a neutral third party—a consultant, an accountant, a lawyer, or a mutual friend,—assist with any disputes that might arise. With no intense personal stake in the dispute, a third party can look beyond personal opinion and emotions to seek the best solution for the partnership. Each partner should agree to abide by the third party's decisions.

articles of partnership	- sheriklik, shirkat tuzish haqida shartnoma	- письменный договор об образовании товарищества
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enforce	- sud qoidalariga asosan majburiy ravishda amalga oshirmoq	- принудительно осуществлять в судебном порядке
lapse	- xotirani yo'qotish	- провал (памяти)
dissolve	- shartnomani bekorqilmoq	- прекратить (договор), аннулировать

Ex. 6 Text for self-study: read and summarize it:

Procter & Gamble

William Procter owned a candle making business; James Gamble owned a soap business. When the two young sole proprietors married sisters, their father-in-law convinced them that they should merge their business and form a partnership. He reasoned that a partnership would stand a much better chance of weathering the economic problems that small businesses were experiencing in the United States. In fact, the United States was experiencing a financial panic. Banks were closing and concerns for the economy ran deep throughout the nation. So, in 1837, with the optimism of young entrepreneurs, they formed a partnership and called it Procter & Gamble and set out to compete with fourteen other soap and candle-makers in Cincinnati, Ohio. Twelve years later, by 1859, their partnership was one of the largest companies in Cincinnati with annual sales of \$1 million and eighty employees. And during the Civil War their business continued to grow because Procter & Gamble won government contracts to supply soap and candles to the troops. The fact that soldiers brought their Procter & Gamble products home to their families when the war ended helped build brand recognition. Then in 1879, P&G introduced Ivory, the "floating" soap. By 1890, Procter & Gamble had grown into a multi-million dollar corporation selling more than thirty different products. With the invention of the electric light bulb, candles were phased out of their product line in the 1920s, but their research laboratory was cranking out one innovative product after another. Then in the 1930s, Procter & Gamble used radio advertising to sponsor soap operas and at the same time strengthen its share of the market for consumer products.

Today, Procter & Gamble is a global corporation that manufactures and markets more than three hundred brands of consumer goods with operations in more than seventy countries. Worldwide sales to over five billion customers totaled \$38.1 billion for 1999. Still don't believe how successful this corporation is? Every home in America has at least one product bearing the Procter & Gamble trademark. Open your kitchen cabinets; maybe you will find Crisco or Folgers coffee. Go into your laundry room; there you may see Tide or Bounce. How about Crest toothpaste or Charmin in your bathroom? And, oh yes, look at the baby's bottom. It was Procter

& Gamble that introduced Pampers-the disposable diaper! Not too bad for two optimistic entrepreneurs that formed a partnership in "not the best of times."

Lesson 14

Corporations

A corporation is an artificial being, invisible, intangible, and existing only in contemplation of the law. In other words, a corporation is an artificial person created by law, with most of the legal rights of a real person. These include the rights to start and operate a business, to buy or sell property, to borrow money, to sue or be sued, and to enter into binding contracts. Unlike a real person, however, a corporation exists only on paper.

Corporate Ownership: The shares of ownership of a corporation are called stock. The people who own a corporation's stock—and thus own part of the corporation—are called stockholders, or sometimes *shareholders*. Once a corporation has been formed, it may sell its stock to individuals. It may also issue stock as a reward to key employees in return for certain services, or as a return to investors (in place of cash payments).

A close corporation is a corporation whose stock is owned by relatively few people and is not sold to the general public. A person who wishes to sell the stock of a close corporation generally arranges to sell it *privately*, to another stockholder or a close acquaintance.

An open corporation is one whose stock is bought and sold on security exchanges and can be purchased by any individual. General Motors Corporation, the largest industrial company in the United States, is an example. Most large firms are open corporations, and their stockholders may number in the hundreds of thousands, or even millions. For example, General Motors has about 600,000, Walt Disney has over 650,000.

Questions:

1. What is a corporation?
2. What is stock?
3. Who are the stockholders?
4. Explain the difference between Close and Open Corporation.

Active Vocabulary:

arrange	- uyushtirmoq; kelishmoq, bir bitimga kelmoq	- улаживать; договориться, приходить к соглашению
artificial	- sun'iy, soxta, qalbaki	- искусственный, поддельный, фиктивный
corporation	- korporatsiya, aksiyadorlik kompaniyasi	- корпорация, акционерное общество
enter into contract	- shartnoma tuzmoq	- вступить в договор
in contemplation of the law	- qonuniy tomondan	- в юридическом отношении
in return	- o'z navbatida	- в ответ, взамен, в свою очередь
intangible	- ko'rinmaydigan, nomoddiy	- «неосезаемый», нематериальный
security exchange	- fond birjasi, qimmanli qog'ozlar bozori	- фондовая биржа, рынок ценных бумаг
shareholder	- aksiyador	- акционер
stock	- aksiya	- акция
sue or be sued	- sudga ariza bermoq, yoki sudda javob bermoq	- подавать в суд, или отвечать (в суде)

Ex. 1 Give equivalents in your native language to the following word combinations.

Multinational Corporation, business corporation, a large corporation, a giant corporation, a global corporation, to create a corporation, to dissolve corporation, to liquidate a corporation, corporate structure, building corporation, private corporation, non-profit corporation, controlled corporation, capital of a corporation, trading corporation; corporate client, corporate development program, corporate finance, corporate headquarters, corporate income, corporate law, corporate stocks, corporate structure, corporate resources, corporate merger; majority shareholder, substantial shareholder, the controlling shareholder, principal shareholder, registered shareholder, dividend to shareholder, ordinary shareholder; to buy (in) stock, order stock, to keep stocks (of smth), to control stock, to get rid of stock, reduce stock, to sell off stock.

Ex.2 Match the synonyms.

- | | |
|----------------------|---------------------------|
| 1. borrow | a) individually, secretly |
| 2. buy | b) stock exchange |
| 3. legal | c) share |
| 4. ownership | d) juridical |
| 5. privately | e) stockholder |
| 6. security exchange | f) lend |
| 7. shareholder | g) purchase, acquire |
| 8. stock | h) proprietorship |

Ex. 3

- | | |
|----------------------|--|
| 1. corporation | a) a place where shares, bonds, etc. are bought and sold |
| 2. individual | b) the act of offering shares, bonds, etc. for sale |
| 3. issue | c) a business organization that has been officially created and is owned by shareholders |
| 4. property | d) a person or group that owns shares in a company or business |
| 5. securities market | e) a thing or things that are owned by smb |
| 6. sell | f) the shares of ownership of a corporation |
| 7. stock | g) a person considered separately rather than as part of a group |
| 8. stockholder | h) to give smth to smb in exchange for money |

Ex. 4 Guess whether these sentences are true or false and correct the false sentences.

1. A corporation is an artificial being, invisible, intangible, and existing government.
2. The legal rights include the rights to start and operate a business, to buy or sell property, to borrow money, to sue or be sued, and to enter into binding contracts.
3. A corporation exists like a real person.
4. The shares of ownership of a corporation are called bonds.
5. Stock owners' are called debtors.
6. Corporation sells its stock to juridical persons.
7. A close corporation is a corporation whose stock is owned by relatively few people and is not sold to the general public.
8. An open corporation is one whose stock is bought and sold on security exchanges and can be purchased only by juridical persons.

Ex. 5 Translate the following sentences into your native language.

Stockholders' Rights: There are two basic types of stock. An owner of common stock has one vote for each share owned. The owners of preferred stock have no voting rights, but their claims on dividends are paid before those of common-stock owners. A dividend is a distribution of earnings to the stockholders of a corporation. Other rights include examining corporate records, voting on changes to the corporate charter, and attending the corporation's annual stockholders' meeting, where they may exercise their right to vote. Because common stockholders usually live all over the nation, very few may actually attend a corporation's annual meeting. They vote by proxy. A proxy is a legal form listing issues to be decided and enabling stockholders to transfer their voting rights to some other individual or individuals. The stockholder can register a vote and transfer voting rights simply by signing and returning the form.

dividend claim	- dividendni o'tkazish bo'yicha talabnoma	- требование по перечислению дивиденда
preferred stock	- imtiyozli aksiya	- привилегированная акция
common stock	- oddiy, imtiyozga ega bo'lmagan aksiya	- обычные, непривилегированные акции
annual stockholders' meeting	- aksiyadorlarning har yillik majlisi	- ежегодное собрание акционеров
vote by proxy	- o'z ovoz berish huquqini boshqa kimsaga bermoq	- передать свой голос

Ex. 6 Text for self-study: read and summarize it:

The Hershey Company

The Hershey Company is the largest chocolate manufacturer in North America. Its headquarters are in Hershey, Pennsylvania, a town permeated by the aroma of cocoa on some days, and home to Hershey's Chocolate World. Hershey's candies and other products are sold worldwide. Hershey's is one of the oldest chocolate companies in the United States, and an American icon for its chocolate bar. In 1903, Hershey began construction of a chocolate plant in his hometown, Derry Church, Pennsylvania, which later came to be known as Hershey, Pennsylvania. The milk chocolate bars manufactured at this plant proved successful, and the company grew rapidly thereafter.

Milton Hershey knew that a fortune lay in creating and selling milk chocolate products. Milton built a milk-processing plant in the year 1896, to be able to create and refine a recipe for milk chocolate candies. In 1899, three years later, he developed the Hershey process. In 1907, Hershey introduced a new candy, small flat-bottomed conical-shaped pieces of chocolate that he named "Hershey's Kisses". Initially they were individually wrapped by hand in squares of foil, and the introduction of machine wrapping in 1921 simplified the process while adding the small paper ribbon to the top of the package to indicate that it was a genuine Hershey product. The product was trademarked three years later and went on to become one of the most successful and well-known products ever produced by the company. In 1941 Bruce Murrie, son of long-term President William F.R. Murrie, struck a deal with Forest Mars to create a hard sugar coated chocolate that would be called M&M's (named for the two men). The Hershey, Pennsylvania plant, covering two million square feet of manufacturing space (185,806 square meters), is the largest chocolate factory in the world.

Lesson 15

Corporate Structure

The organizational structure of most corporations is more complicated than that of a sole proprietorship or partnership. In a corporation, both the board of directors and the corporate officers are involved in management.

The board of directors is the top governing body of a corporation, and the stockholders elect directors. Board members can be chosen from within the corporation or from outside it. Directors who are elected from within the corporation are usually its top managers—the president and executive vice

presidents. Those elected from outside the corporation are generally experienced managers or entrepreneurs with proven leadership ability and/or specific talents the organization seems to need. In smaller corporations, majority stockholders usually serve as board members.

The major responsibilities of the board of directors are to set company goals and develop general plans (or strategies) for meeting those goals. They are also responsible for the firm's overall operation.

Corporate officers are appointed by the board of directors. The chairman of the board, president, executive vice presidents, corporate secretary, and treasurer are all corporate officers. They help the board make plans, carry out strategies established by the board, hire employees, and manage day-to-day business activities.

Periodically, they report to the board of directors. And, at the annual meeting, the directors report to the stockholders. In theory, then, the stockholders are able to control the activities of the entire corporation through its directors.

Questions:

1. How is the board of directors elected?
2. What are the major responsibilities of the board?
3. What are the responsibilities of corporate officers?
4. How can the stockholders control the activities of a corporation?

Active Vocabulary:

board of directors	- direktorlar kengashi	- совет директоров
corporate body	- korporativ tashkilot, yuridik shaxs	- корпоративная организация, юридическое лицо
corporate structure	- tashkilot tuzilmasi	- структура организации
executive	- ijrochi	- исполнительный
overall	- to'liq, umumiy	- полный, общий
proven	- isbotlangan	- доказанный
set goals	- maqsad qo'yimoq, belgilamoq	- поставить цель
specific	- o'ziga xos	- особенный, специфический

Ex.1 Give equivalents in your native language to the following word combinations.

Acting director, associate director, board of directors, company director, deputy director, director general, director of bank, director of contracts, director of marketing, director of operations, director of plant operations, director of studies, director's fee, dummy directors, managing director, non-executive director, outside director, personnel director, plant manager, project director, to be appointed (as) director, become a director, to act as a director, to resign as a director, to retire as a director, to step down as director, a finance production; full member, member country, Member of Congress, Member of Parliament, member of the board, member of the exchange, member of the family, member of the FRS, members of the press, team members, a leading member, an active member, a voting member, honorary member, life member.

Ex.2 Match the synonyms.

- | | |
|-----------------|--|
| 1. board | a) include |
| 2. director | b) chief, boss, head,
superintendent, principal |
| 3. entrepreneur | c) purpose, aim |
| 4. goal | d) businessman |
| 5. involve | e) full , complete , absolute |
| 6. meeting | f) special , particular |
| 7. overall | g) committee |
| 8. specific | h) conference |

Ex. 3 Match the definitions.

- | | |
|------------------------------|---|
| 1. annual general meeting | a) to choose smb to do a particular job by voting for them |
| 2. board of directors | b) the act of running and controlling a business or similar organization |
| 3. develop | c) the duty of being in charge of a particular activity, area, department, etc |
| 4. elect | d) a spoken or written description of smth, usually for smb that needs particular information |
| 5. management | e) a person who has an important job in a company or an organization |
| 6. officer | f) an important meeting of the shareholders or members of a company, held once a year, to present the accounts and discuss important topics |
| 7. report | g) the group of people chosen by shareholders to control a company, decide its policies and appoint senior officers |
| 8. responsibility (for smth) | h) to gradually grow or become bigger, more advanced, stronger, etc.; to make smth do this |

Ex. 4 Guess whether these sentences are true or false and correct the false sentences.

1. The organizational structure of most corporations is simple.
2. In a corporation, the board of directors and the corporate officers are not involved in management.

3. The board of directors is the top governing body of a corporation, and they are elected by the employees.
4. Board members can be chosen only from within the corporation or from outside it.
5. In smaller corporations majority stockholders usually serve as board members.
6. The major responsibilities of the board of directors are to set company goals.
7. Corporate officers are also appointed by employees.
8. The chairman of the board, supervisors, secretary, and employees are all corporate officers.
9. They help the board only by making plans.
10. At the annual meeting, the director report to the stockholders, stockholders are able to control the activities of the entire corporation through its directors.

Ex. 5 Translate the following sentences into your native language.

In 1884, Ed Fernandez began a one-person management information systems firm named Sherikon that was based in Louisiana. In 1984, Sherikon won its first government contract for computer services to the U.S. Department of the Interior. The contract was valued at \$35,000. Sherikon went on to win more government contracts and diversify into other areas of information technology including medical program management and telecommunications. Today, the business is a multimillion dollar corporation and is ranked No. 7 on the Hispanic Business High-Tech 50. Mr. Fernandez chose to incorporate his business because it provided a number of advantages that other forms of business ownership did not offer. Because a corporation is an artificial person or legal entity, it has some definite advantages when compared with other forms of ownership. The advantages of corporations are limited liability, ease of raising capital, ease of transfer of ownership, perpetual life, and specialized management. The disadvantages of corporations are difficulty and expense of formation, government regulation, double taxation, and lack of secrecy.

perpetual	- muddatsiz, tugamaydigan, doimiy	- бессрочный, бесконечный, вечный
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Ex. 6 Text for self-study: read and summarize it:

Toyota Motor Corporation

Toyota Motor Corporation is a multinational corporation headquartered in Japan, and currently the world's largest automaker. Toyota employs approximately 316,000 people around the world.

In 1934, while still a department of Toyota Industries, it created its first product Type A engine and in 1936 its first passenger car the Toyota AA. The

company was eventually founded by Kiichiro Toyoda in 1937 as a spinoff from his father's company Toyota Industries to create automobiles. Toyota currently owns and operates Lexus and Scion brands and has a majority shareholding stake in Daihatsu Motors, and minority shareholdings in Fuji Heavy Industries, Isuzu Motors, and Yamaha Motors. The company includes 522 subsidiaries.

Toyota is headquartered in Toyota City and Nagoya (both in Aichi), and in Tokyo. In addition to manufacturing automobiles, Toyota provides financial services through its division Toyota Financial Services and also creates robots. Toyota Industries and Finance divisions form the bulk of the Toyota Group, one of the largest conglomerates in the world. In 2002, Toyota managed to enter a Formula One works team and establish joint ventures with French motoring companies Citroën and Peugeot, a year after Toyota started producing cars in France.

Toyota ranked eight on Forbes 2000 list of world's leading companies for the year 2005. The company was number one in global automobile sales for the first quarter of 2008. Toyota was affected by the 2008-2009 financial crises and requested a loan from the Japanese government.

Lesson 16

S-Corporations, Limited liability companies

An **S-corporation** is a corporation that is taxed as though it were a partnership. In other words, the corporation's income is taxed only as the personal income of stockholders. Becoming an S-corporation can be an effective way to avoid double taxation while retaining the corporation's legal benefit of limited liability. Moreover, stockholders can personally claim their share of losses incurred by the corporation to offset their own personal income.

In addition to the traditional forms of business ownership already covered, a new and promising form of ownership is called a **limited liability company**. A limited liability company (LLC) is a form of business ownership that combines the benefits of a corporation and a partnership while avoiding some of the restrictions and disadvantages of those forms of ownership. Chief advantages of an LLC are

1. It is taxed like a partnership and thus avoids the double taxation imposed on most corporations.

2. Like a corporation, it provides limited liability protection. An LLC thus extends the concept of personal-asset protection to small business owners.

Although many experts believe the limited liability company is nothing more than a variation of the S-corporation, there is a difference. An LLC is not restricted to seventy-five stockholders—a common drawback of the S-corporation. LLCs are also

less restricted than S-corporations in terms of who can become an owner and who can make management decisions.

Questions:

1. What kind of corporation is an S-corporation?
2. What are the advantages of S-corporation?
3. What does the LLC stand for? What kind of company is it?
4. Explain the difference between S-corporation and LLC.

Active Vocabulary:

avoid	- bosh tortmoq, bo'yin tovlamoq	- избегать, уклоняться
claim	- talab qilmoq, da'vo qilmoq	- требовать; предъявлять требования
double taxation	- ikkitomonlama soliqqa tortish	- двойное обложение
drawback	- yetishmovcilik, salbiy tomon	- недостаток, отрицательная сторона
impose	- (soliqqa) tortmoq	- облагать (налогом)
incur losses	- zarar ko'moq	- потерпеть убытки
offset	- o'rnini qoplamoq, tovon to'lamoq	- возмещать, вознаграждать, компенсировать
personal-assets	- shaxsiy mol-mulk	- личное имущество, личная собственность
restriction	- cheklov	- ограничение
retain	- ushlab qolmoq, saqlab qolmoq	- удерживать, сохранять
s-corporation	- soliqdan qochish maqsadida shirkat deb e'lon qilingan korporatsiya -	- корпорация, считающаяся товариществом для целей налогообложения

Ex. 1 Give equivalents in your native language to the following word combinations.

Annual income, dividend income, exemption from income tax, expected income, family income, fixed income, gross income, independent income, monthly income, net

income, personal income, taxable income, weekly income, per capita income, to earn an income; double citizenship, double insurance, double liability, cost double, pay double; to avoid a contract, to avoid a title, to avoid expenses, to avoid the risk; absolute liability, to admit liability, to assume a liability, banking liability, cargo liability, civil liability, contest liability, corporate liability, criminal liability, current liabilities, damage liability, debt liability, employer's liability, to escape liability, to exempt from liability, fixed liabilities, government liability, income tax liability, legal liability, liability for damages, liability to pay taxes, limited liability, long-term liability, no liability, outstanding liabilities, pecuniary liability, primary liability.

Ex. 2 Match the synonyms

- | | |
|----------------|----------------------------|
| 1. avoid | a) tax |
| 2. benefit | b) neutralize , compensate |
| 3. chief | c) disadvantage |
| 4. claim | d) main, principal |
| 5. drawback | e) escape , evade |
| 6. impose | f) profit, income |
| 7. offset | g) limitation , limit |
| 8. restriction | h) demand, require |

Ex. 3 Match the definitions.

- | | |
|-------------------|--|
| 1. claim | a) a rule or law that limits what you can do or what can happen |
| 2. decision | b) the money that a person, a region, a country, etc. earns from work, from investing money, from business, etc. |
| 3. disadvantage | c) allowed or required by law |
| 4. income | d) an unfavourable circumstance, state of affairs, thing, etc. |
| 5. legal | e) a business that has a small number of employees |
| 6. liability | f) the act of making up one's mind |
| 7. restriction | g) the state of being legally responsible for smth. |
| 8. small business | h) to ask for sth from sb/sth, especially money, because you think it is your legal right to have it |

Ex. 4 Guess whether these sentences are true or false and correct the false sentences.

1. An S-corporation is a corporation that is taxed as though it were a partnership.
2. Becoming an S-corporation can be an effective way to come across with double taxation while retaining the corporation's legal benefit of limited liability.
3. A limited liability company is a form of business ownership that has the benefits of a corporation.
4. Chief advantage of an LLC is taxed like a partnership.
5. Like a corporation, it provides limited liability protection. An LLC thus extends the concept of personal-asset protection to small business owners.
6. Although many experts believe the limited liability company is nothing more than a variation of the S-corporation, there is a difference.
7. An LLC is not restricted to seventy-five stockholders—a common drawback of the S-corporation.
8. LLCs are also less restricted than S-corporations in terms of who can become an owner and who can make management decisions.

Ex. 5 Translate the following sentences into your own language.

To qualify for the special status of an S-corporation, a firm must meet the following criteria: 1. No more than seventy-five stockholders are allowed. 2. Stockholders must be individuals, estates, or certain trusts. 3. There can be only one class of outstanding stock. 4. The firm must be a domestic corporation. 5. There can be no nonresident alien stockholders. 6. All stockholders must agree to the decision to form an S-corporation. 7. Although the owners of an LLC must file articles of organization with their state's secretary of state, they are not hampered by lots of IRS rules and government regulations that apply to corporations. 8. As a result, experts are predicting that LLCs may become one of the most popular forms of business ownership available.

Ex. 6 Text for self-study: read and summarize it:

Corporations: Yahoo! Inc.

Yahoo! Inc. - an American public corporation headquartered in Sunnyvale, California, (in Silicon Valley), that provides Internet services worldwide. The company is perhaps best known for its web portal, search engine, Yahoo! Directory, Yahoo! Mail, news, and social media websites and services. Yahoo! was founded by Jerry Yang and David Filo in January 1994. In April 1994, "Jerry and David's Guide to the World Wide Web" was renamed "Yahoo!", for which the official expansion is "Yet Another Hierarchical Official Oracle". Filo and Yang said they selected the name because they liked the word's general definition, which comes from Gulliver's Travels by Jonathan Swift: "rude, unsophisticated and uncouth".

By the end of 1994, Yahoo! had already received one million hits. The Yahoo! domain was created on January 18, 1995. Yang and Filo realized their website had massive business potential, and on March 1, 1995, Yahoo! was incorporated.

According to Web traffic analysis companies, the domain yahoo.com attracted at least 1.575 billion visitors annually by 2008. The global network of Yahoo! websites receives 3.4 billion page views per day on average as of October 2007. It is the second most visited website in the U.S., and in the world.

Yahoo! provides a wide array of internet services that cater to most online activities. It operates the web portal <http://www.yahoo.com/> which provides content including the latest news, Yahoo! Finance gives users quick access to other Yahoo! services like Yahoo! Mail, Yahoo! Maps, Yahoo! Groups and Yahoo! Messenger. The majority of the product offerings are available globally in more than 20 languages.

Lesson 17 Government-Owned Corporations, Not-for-Profit Corporations

A **government-owned corporation** is owned and operated by a local, state, or federal government. They are operated by the government. Most municipal bus lines and subways are run by city-owned corporations. A government corporation usually provides a service the business sector is reluctant or unable to offer. Profit is secondary in such corporations. In fact, they may continually operate at a loss, particularly if they are involved in public transportation. Their main objective is to ensure that a particular service is available.

In certain cases, a government will invite citizens or firms to invest in a government corporation as part owners. A business owned partly by the government and partly by private citizens or firms is called a quasi-government corporation.

A **not-for-profit corporation** is a corporation organized to provide a social, educational, religious, or other service, rather than to earn a profit. Various charities, museums, private schools, and colleges are organized in this way, primarily to ensure limited liability. Habitat for Humanity is a not-for-profit corporation and was formed to provide homes for qualified, low-income people who could not afford housing. Even though this corporation may receive more money than it spends, any surplus funds are "reinvested" in building activities to provide low-cost housing. It is a not-for-profit corporation because its primary purpose is to provide a social service. Other examples include the Public Broadcasting System (PBS), the Girl Scouts, and the Red Cross. Occasionally, some not-for-profit organizations are inspired with entrepreneurial zeal.

Questions:

1. What kind of corporation is government-owned corporation?
2. What kinds of services do government-owned corporations provide?
3. What kind of corporation is not-for-profit corporation?
4. Explain the difference between a government-owned, a not-for-profit, and a quasi-government corporation.

Active Vocabulary:

ensure	- kafolatlamoq, ta'minlamoq	- гарантировать
entrepreneurial zeal	- tadbirkorlik ishtiyoqi	- предпринимательский энтузиазм
inspire	- ruhlangan	- вдохновлённый
municipal	- shahar ..., o'z o'zini boshqarish	- городской, муниципальный
quasi-government	- yarim davlat (xususiy korxona kabi faoliyat	- квазигосударственная корпорация (действует как

corporation	yurituvchi, lekin davlat imtyozlaridan foydalanadi)	частное предприятие, но пользуется государственными привилегиями)
reinvest	- qayta sarmoya kiritish	- реинвестировать, снова вкладывать (капитал)
reluctant	- biror narsani xohishsiz, majburan qilayotgan	- делающий что-л. с большой неохотой, по принуждению
sector	- tarmoq, soha	- сектор; отрасль; область, сфера
surplus fund	- zahira fond	- резервный фонд

Ex. 1 Give equivalents in your native language to the following word combinations.

Municipal building, municipal transport, municipal authorities, municipal bond, municipal engineering, municipal government, municipal management, municipal security; business sector, claims on private sector, commercial sector, commodity-producing sector, distribution sector, energy sector, key sectors of production, non-commodity sector, private sector, production sector, public sector, related sectors, rural sector, sector of the national economy, services sector, urban sector; public broadcasting, public policy, to work in the public sector, in the public interest, public officer, public opinion, public debt, public life, public man, public attention, public library, public employee, public property, public recognition, public relations, public revenue, public sale, public sector, public service, public works.

Ex. 2 Match the synonyms.

- | | |
|-----------------|-----------------------------|
| 1. ensure | a) supply |
| 2. entrepreneur | b) branch, sphere |
| 3. inspire | c) main, basic, fundamental |
| 4. primary | d) businessman |
| 5. provide | e) additional |

- | | |
|------------|-------------------------|
| 6. public | f) ardour, enthusiasm |
| 7. sector | g) encourage |
| 8. surplus | h) governmental , state |
| 9. zeal | j) assure , guarantee |

Ex. 3 Match the definitions.

- | | |
|--------------|---|
| 1. citizen | a) owned, managed or provided by an individual person or an independent company, rather than by the state |
| 2. ensure | b) connected with the local government of a town, city, or district |
| 3. loss | c) a native registered or naturalized member of a state, nation, or other political community |
| 4. municipal | d) a business whose work involves doing sth for customers but not producing goods |
| 5. provide | e) to make certain or sure; guarantee |
| 6. private | f) money that has been lost by a business or an organization |
| 7. public | g) provided, especially by the government, for the use of people in general |
| 8. service | h) to give sth to sb or make it available for them to use |

Ex. 4 Guess whether these sentences are true or false, correct the false sentences.

1. A government-owned corporation is partly owned and operated by a local or federal government.
2. They are operated mostly by individuals.
3. Profit is secondary in such corporations.
4. In fact, they operate at a profit, particularly if they are involved in public transportation.
5. Their main objective is to ensure that a particular service is available.
6. A business owned partly by the government and partly by private citizens or firms is called a quasi-government corporation.
7. A not-for-profit corporation is a corporation organized to earn a profit.
8. It is a not-for-profit corporation because its primary purpose is to make a profit on a social service.

Ex. 5 Translate the following sentences into your native language.

1. Marketing mix is the main factors that influence a customer's decision to buy a particular product or service, which a business must consider when it is deciding how to advertise and sell its products. 2. Nike's marketing strategy is an important component of the company's success. 3. Nike is positioned as a premium-brand, selling well-designed and expensive products. 4. Nike lures customers with a marketing strategy centering around a brand image which is attained by distinctive logo and the advertising slogan: "Just do it". 5. Nike promotes its products by sponsorship agreements with celebrity athletes, professional teams and college athletic teams. 6. However, Nike's marketing mix contains many elements besides promotion. 7. These are summarised below. 8. In 1982, Nike aired its first national television ads, created by newly formed ad agency Wieden+Kennedy, during the New York Marathon. 9. This would mark the beginning of a remarkably successful partnership between Nike and W+K that remains intact today.

lure	- jalb etmoq	- завлекать, соблазнять
attain	- erishmoq, etishmoq	- добиваться, достигать
logo	- firma yoki tovar belgisi	- фирменный или товарный знак
slogan	- shior, oson esda qoladigan reklama iborasi	- лозунг, рекламное выражение
marketing mix	- marketing majmui	- комплекс маркетинга

Ex. 6 Text for self-study: read and summarize it:

Gazprom Public Joint Stock Company

Gazprom is the largest extractor of natural gas in the world and the largest Russian company. Separate Soviet gas industry was created in 1943. Large natural gas reserves discovered in Siberia and the Ural and Volga regions in the 1970s and 1980s enabled the Soviet Union to become a major gas producer.

In November 1992, Gazprom became a joint-stock company (Russian: OAO), and it was to be partly privatized as a single unit. In contrast, the oil monopoly was initially broken up into three separate companies before privatization. Gazprom was privatized in 1994, with the state holding 40 percent of shares. 15 percent were to be sold to workers and management at preferential prices. The leadership of Gazprom was able to keep control over privatisation by ensuring that sales of shares took place at closed auctions, with the company determining who could attend the auctions.

As measured by its market capitalization as of April 2007 (US\$348 billion), Gazprom was the world's third largest corporation. At that time, Gazprom Deputy Chairman Alexander Medvedev projected that the company's market capitalization could reach one trillion dollars by 2017, and that this would make it the world's biggest corporation. However, by December, 2008, it was reported in The New York Times that he was reported to have, in light of the subsequent collapse in the market value (down some 76% to \$85 billion; from 3rd in the world to 35th), attributed the fall in value to the condition of the Moscow stock market and to the global financial crisis.

Lesson 18 Cooperatives, Joint Ventures, and Syndicates

A **cooperative** is an association of individuals or firms whose purpose is to perform some business function for its members. The cooperative can perform its function more effectively than any member could by acting alone; thus, members benefit from its activities. For example, cooperatives purchase goods in bulk and distribute them to members; thus, the unit cost is lower than it would be if each member bought the goods in a much smaller quantity. Although cooperatives are found in all segments of economy, they are most prevalent in agriculture.

A **joint venture** is an agreement between two or more groups to form a business entity in order to achieve a specific goal or to operate for a specific period. Both the scope of the joint venture and the liabilities of the people or businesses involved are usually limited. Once the goal is reached or the period elapses, the joint venture is dissolved. Corporations, as well as individuals, may enter into joint ventures.

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.

Syndicates are most commonly used to underwrite large insurance policies, loans, and investments. To share the risk of default, banks have formed syndicates to provide loans to developing countries. Stock brokerage firms usually join together in the same way to market a new issue of stock.

Questions:

1. What kind of business is a cooperative?
2. What kind of business is a joint venture?
3. What kind of business is a syndicate?
4. Explain the difference between the joint venture and syndicate.

Active Vocabulary:

dissolve	- bekor qilmoq, tugatmoq	- ликвидировать, аннулировать
elapse	- tugamoq, bitmoq (muddat haqida)	- истекать (о времени)
in bulk	- ulgurji, ko'tarasiga	- оптом, большими партиями
issue	- chiqarish, aksiyalarni chiqarish, muomalaga chiqarish	- выпуск, издание акций; эмиссия
prevalent	- ortiq bo'lgan, ustun bo'lgan	- преобладающий
put up money for smth.	- mablag' bilan ta'minlamoq	- финансировать что-л.
risk of default	- majburiyatlarni bajarmaslik xavfi	- риск невыполнения обязательств
scope	- ko'lam, qamrov	- масштаб
segment	- qism, bo'lim	- часть отрасли
temporary	- vaqtinchalik	- временный
undertaking	- 1) tadbir (ish) 2) ish	- 1) предприятие (дело) 2) дело
underwrite	- 1) (qarzning) to'lanishini kafolatlamok; 2) sug'urtalash	1) гарантировать размещение (займа) 2) принимать в страховку

unit cost	- tannarxni hisob-kitob qiladigan mahsulot birligi	- цена на единицу продукции, себестоимость единицы продукции
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Ex. 1 Give equivalents in your native language to the following word combinations.

Bulk buyer, bulk buying, sale in bulk, bulk discount, in bulk, order in bulk; dissolve a partnership, dissolve an agreement, dissolve a firm; issue of banknotes and coins, issue of securities, currency issue, new issue; at one's own risk, at owner's risk, at the risk of one's life, face a risk, take a calculated risk, take / run risks, avoid the risk, business risk, degree of risk, economic risk, risk of loss; scope for investment, scope management, scope of an inquiry, scope of manufacturing, scope of market, scope of public services for population, scope of survey, scope reporting; employed on a temporary basis, temporary need, temporary job, temporary standard, temporary structure, temporary teamwork, temporary use; dangerous undertaking, industrial undertaking, joint undertaking, municipal undertaking, private undertaking, public undertaking, undertaking of wide scope.

Ex 2 Match the synonyms.

- | | |
|--------------|--------------------------|
| 1. in bulk | a) part |
| 2. dissolve | b) purpose, aim |
| 3. elapse | c) do , execute , fulfil |
| 4. goal | d) break up, separate |
| 5. perform | e) expire |
| 6. scope | f) interim |
| 7. segment | g) in large quantities |
| 8. temporary | h) range, scale |

Ex.3 Match the definitions.

- | | |
|---------------|--|
| 1. default | a) the possibility of sth bad happening at some time in the future |
| 2. to form | b) failure to do sth that is required by an agreement or by law, esp paying a debt |
| 3. investment | c) money that an organization such as a bank lends and smb borrows |
| 4. liability | d) to draw up; organize |
| 5. loan | e) to agree to pay for an activity and accept financial responsibility for any losses it may make |
| 6. market | f) the action or process of using money in order to make a profit or earn interest, for example by buying shares, bonds, property, etc |
| 7. risk | g) a particular area, country or section of the population that might buy goods or services |
| 8. underwrite | h) the amount of money that a company or a person owes |

Ex. 4 Guess whether these sentences are true or false and correct the false sentences.

1. A cooperative is an association of individuals or firms whose purpose is to perform some business function for other firms.
2. The cooperative can perform its function less effectively by acting alone.
3. Although cooperatives are found in all segments of economy, they are most prevalent in heavy industry.

4. A joint venture is an agreement between two or more groups to form a business entity in order to achieve a specific goal or to operate for a specific period.
5. The scope of the joint venture and the liabilities of the people or businesses involved are unlimited.
6. Only individuals may enter into joint ventures.
7. A syndicate is a temporary association of individuals or firms organized to perform a specific task that requires forming other companies.
8. The syndicate is formed because no one person or firm is willing to put up the entire amount required for the undertaking.
9. Syndicates are most commonly used to underwrite loans of bankrupt plants.
10. To share the risk of default, banks have formed syndicates to provide loans for starting businesses.

Ex. 5 Translate the following passage into your native language.

Financial Crisis Hits Hard

The U.S. economy began to unravel during the summer of 2007, when home prices began to drop and the rates on subprime mortgages started to increase, leading to foreclosures and defaults. Most of the banks that held these mortgages had sold them to investment banks, which in turn bundled the mortgages into securities and sold them to investors, including pension funds, hedge funds, and foreign national banks. The drop in home prices and the attendant increase in foreclosures caused a sharp fall in the value of the securities, leaving banks and investors with enormous losses and a diminished market for their assets.

Investment banks began to crumble. In March, the Federal Reserve approved a \$30 billion loan to JPMorgan Chase to take over Bear Stearns. The crisis grew direr over the summer, and in September, the U.S. government placed Fannie Mae and Freddie Mac—companies that together held more than half of the country's mortgages—under government conservatorship. Over the course of just days, the once venerable Lehman Brothers filed for bankruptcy, Bank of America acquired Merrill Lynch, and the Fed agreed to an \$85 billion rescue of insurance giant American International Group. In addition, JP Morgan Chase bought the majority of Washington Mutual almost immediately after the government seized the company. The Dow Jones Industrial Average plunged by hundreds of points during this tumultuous period.

unravel	- zaiflashmoq	- слабеть
subprime	- substandart (kredit haqida; nuqsonsiz kredit o'tmishga ega qarz oluvchilari uchun)	- субстандартный (о кредите; для заёмщиков с небезупречной кредитной историей)

mortgage	- ipoteka krediti; garovga olish	- ипотечный кредит, закладная
foreclosure	- garovga olingan mulkni qayta sotib olish huquqini yo'qotish	- потеря права выкупа заложенного имущества
bundle	- bog'lamoq	- связывать
hedge funds	- hejirlash usulidan foydalanuvchi fond (turli firmalar qimmatli qog'ozlarini maksimal foyda olishni maqsad qilib qo'ygan chayqovchi fondlar investitsiya fondi)	- хеджевый фонд (инвестиционный фонд, обычно имеются в виду спекулятивные фонды, нацеленные на получение максимальной прибыли при любых условиях)
diminished	- qisqartirilgan, kamaytirilgan	- уменьшенный; сокращённый
crumble	- sekin pasayish, tanazzul	- медленное снижение, распад
take over	- biror kimsadan (lavozim, ma'suliyatni) qabul qilish	- принимать (должность, обязанности) от другого
dire	- dahshatli, qo'rqinchli, baxtsizlikdan xabar beruvchi	- страшный, предвещающий несчастье
venerable	- muhtaram, hurmatli	- многоуважаемый, почтенный
filed for	- (ariza, so'rovnomalar bilan) murojat qilmoq	- обращаться (с заявлением, прошением), подавать какой-л. документ
plunge	- keskin pasaymoq	- стремительно падать
tumultuous	- shiddatli	- бурный

Ex. 6 Text for self-study: read and summarize it:

Corporations: General Motors Corporation

General Motors Corporation (GM) is an automaker founded on September 27, 1908, in Flint, Michigan, as a holding company for Buick, then controlled by William C. Durant. It is the world's second-largest automaker after Toyota, ranked by 2008 global unit sales. GM was the global sales leader for 77 consecutive calendar years from 1931 to 2008. It manufactures cars and trucks in 34 countries. With global headquarters in Detroit, Michigan, GM employs 252,000 people around the world, and sells and services vehicles in some 140 countries. In 2008, 8.35 million GM cars and trucks were sold globally under the following brands:

Buick, Cadillac, Chevrolet, GMC, GM Daewoo, Holden, Hummer, Opel, Pontiac, Saab, Saturn, Vauxhall and Wuling.

General Motors currently employs approximately 266,000 people around the world. GM's global headquarters is the Renaissance Center located in Detroit, Michigan, United States. In 2007, 9.35 million GM cars and trucks were produced in 19 different countries. GM is the majority shareholder in GM Daewoo Auto & Technology Co. of South Korea and has had many collaborations with the world's various automakers. This includes product, powertrain and purchasing collaborations with Suzuki Motor Corp. and Isuzu Motors Ltd. of Japan, advanced technology collaborations with Toyota Corporation and BMW AG of Germany and vehicle manufacturing ventures with several of the world's automakers including Toyota, Suzuki, Shanghai Automotive Industry Corporation of China, AvtoVAZ of Russia, Renault SA of France, and most recently, UzAvtosanoat of Uzbekistan. GM also had collaborations with Fiat S.p.A (see GM/Fiat Premium platform) and Ford Motor Company. To this day, GM retains various stakes in many different automakers.

Lesson 19

Corporate Growth

Growth seems to be a basic characteristic of business, at least for firms that can obtain the capital needed to finance growth. One reason for seeking growth has to do with profit: a larger firm generally has greater sales revenue and thus greater profit. Another reason is that in a growing economy, a business that does not grow is actually shrinking relative to the economy. A third reason is that business growth is a means by which some executives boost their power, prestige, and reputation. The main ingredient in growth is capital—and, as we have noted, capital is most readily available to corporations. Thus, to a great extent, business growth means corporate growth.

Growth from Within. Most corporations grow by expanding their present operations. Some introduce and sell new but related products—for example, Palm Computing hand-held electronic devices, Nintendo's electronic games, or Motorola's Startac cellular phone. Others expand the sale of the present products to new geographic markets or to new groups of consumers in geographic markets already served.

Growth from within, especially when carefully planned and controlled, can have relatively little adverse effect on a firm. For the most part, the firm continues to do what it has been doing, but on a larger scale. Because this type of growth is anticipated, it can be gradual and the firm can usually adapt to it easily.

Questions:

1. Explain growth, and reasons of seeking for growth.
2. Explain growth form within, and give your own examples.

Active Vocabulary:

adapt	- moslashmoq	- приспособливаться
adverse	- noqulay	- неблагоприятный
anticipate	- oldindan ko'rmoq, kutmoq	- ожидать, предвидеть
expand	- kengaytirmoq, o'smoq	- растягиваться, расширяться
gradual	- asta-sekin, izchil, muntazam	- постепенный; последовательный
ingredient	- tarkibiy qism	- составная часть
large scale	- keng ko'lam	- крупный масштаб
prestige	- obro', e'tibor	- авторитет, престиж
relative to	- qiyosan, nisban	- относительно, касательно
reputation	- obro' - e'tibor, shuhrat, yaxshi nom	- репутация; слава, доброе имя
shrink	- qisqarmoq, kichraymoq	- уменьшаться, сокращаться
to a great extent	- sezilarli darajada	- в значительной степени

Ex. 1 Give equivalents in your native language to the following word combinations.

Economic growth, rapid growth, to promote growth, growth of demand, growth of unemployment, earnings growth, profit growth, sales growth, growth of a company, growth of industry, growth pattern, growth potential, growth rate, growth strategy, domestic growth; obtain a licence, obtain a permit, obtain a result, obtain access, obtain compliance, obtain credit, obtain experience, obtain funds, obtain information; group tour, group activity, group process, age group, control group, social group, minority group, diversified group, employee group, ethnic group, group activity, group behaviour, group communication, group data, group

decision, group discussion; without effect, come into effect, in effect, bring into effect, price-decreasing effect, price-increasing effect, significant effect, no effect, a negative effect, to feel the effects (of smth).

Ex. 2 Match the synonyms.

- | | |
|---------------|----------------------------|
| 1. adapt | a) enlarge |
| 2. adverse | b) successive, consecutive |
| 3. anticipate | c) get, receive |
| 4. basic | d) component |
| 5. expand | e) wait, expect |
| 6. gradual | f) fundamental , ultimate |
| 7. ingredient | g) accommodate, adjust |
| 8. obtain | h) negative, unfavourable |

Ex. 3 Match the definitions.

- | | |
|----------------|--|
| capital | a) a distinguishing quality, attribute, or trait |
| characteristic | b) to become or cause to become smaller in size |
| economy | c) to give smth to smb in exchange for money |

effect	d) the ability to control or influence people, things, etc.
power	e) the relationship between production, trade and the supply of money in a particular country or region
prestige	f) an amount of money that is invested in or is used to start a business
sell	g) a change that smb/smith causes in smb/smith else; a result
shrink	h) the respect and admiration that sb/sth has because of their success, good quality, or social importance

Ex. 4 Guess whether these sentences are true or false and correct the false sentences.

1. Growth is an inessential characteristic of business for firms.
2. One reason for seeking growth has to do with profit: a smaller firm generally has smaller sales revenue and thus smaller profit.
3. Another reason is that in a growing economy, a business that does not grow is actually shrinking relative to the economy.
4. A third reason is that business growth is a means by which some executives boost their power, prestige, and reputation.
5. The main ingredient in growth is credit; it is most readily available to corporations.
6. Most corporations grow by shrinking their present operations.
7. Some introduce and sell new products.
8. Others expand the sale of the present products to new geographic markets or to new groups of consumers in geographic markets already served.
9. Growth from within, especially when carefully planned and controlled, can have relatively little positive effect on a firm.
10. For the most part, the firm changes to do what it has been doing, but on a larger scale.

Ex. 5 Translate the following passage into your native language.

Bush Administration Embarks on a Series of Bailouts

President Bush signed a \$700 billion bailout package in early October. The legislation gave the Treasury Department unprecedented authority to buy a wide range of troubled financial assets, gave the government an equity stake in companies that participate in the plan, and extended \$150 billion in tax breaks to individuals and companies. The day after Bush signed the bailout bill, the stock markets in America, Europe, and Asia experienced their steepest one-day decline in two decades. About one month after the bailout was passed, the Treasury Department shifted course and said it would help banks lend to consumers rather than buying troubled mortgage assets.

All the while, grim economic news continued to be reported by the government: the GDP experienced its first decline in 17 years, the unemployment rate continued to rise (by December, it had reached 6.7%), the National Bureau of Economic Research announced that the U.S. has been in recession since Dec. 2007, and U.S. manufacturing hit a 26-year low. By December, nearly 2 million people had lost jobs in 2008. In addition, the three major U.S. automakers—GM, Ford, and Chrysler—pleaded unsuccessfully to Congress for an industry-wide bailout package.

Embark	- boshlamoq; kirishmoq	- начинать; вступать
Bailout	- yordam (qiyinchiliklardan chiqish uchun)	- выручка, помощь
package	- chora-tadbirlar yig'indisi	- комплекс мер, "пакет"
Treasury Department	- AQSh Davlat xazinasi, AQSh Moliya vazirligi	- Государственное казначейство США, Министерство финансов США
unprecedented	- mislsiz, tengi yoq	- беспрецедентный; беспримерный
authority	- vakolat, huquq	- полномочия, права
equity stake	- aksiyalar	- акции
extend	- (kredit) taqdim etish	- предоставлять (кредит)
tax break	- soliq imtiyozi	- налоговая льгота
steep	- ishonib bo'lmaydigan, haqiqatdan yiroq	- невероятный, неправдоподобный

shifted course	- yo'nalishni o'zgartirmoq	- менять курс; направление
grim	- qattiqqo'l, rahmsiz	- жестокий, беспощадный
plead	- so'rovnoma bilan murojat qilmoq	-обращаться с просьбой, ходатайствовать

Ex. 6 Text for self-study: read and summarize it:

Corporations: ING Group N.V.

“ING Group N.V.” is a financial institution of Dutch origin offering banking, insurance and asset management services. ING is an abbreviation of Internationale Nederlanden Groep.

As of 2007, ING Group covers 85 million private, corporate and institutional clients in 50 countries with a workforce of over 130,000 people. It has offices in Australia, Austria, Belgium, Bulgaria, Canada, Chile, Colombia, Czech Republic, France, Germany, Greece, Hong Kong, Hungary, India, Italy, Japan, Mexico, the Netherlands, New Zealand, Peru, Poland, Romania, Singapore, Spain, Taiwan, Turkey, Thailand, UK and United States. It owns ING Direct, a virtual bank with operations in Australia, Canada, Italy, Spain, UK, USA and elsewhere. In the 2008 Forbes Global 2000, ING was the ninth-largest company in the world.

ING Direct is ING Group's marketing name for a branchless direct bank with operations in Australia, Canada, France, Germany (branded ING-DiBa), Austria (branded ING-DiBa), Italy, Spain, United Kingdom and the United States. It offers services over the Internet, phone, ATM or by mail.

Lesson 20

Corporate Growth through Mergers and Acquisitions

Another way a firm can grow is by purchasing another company. The purchase of one corporation by another is called a **merger**. An **acquisition** is essentially the same thing as a merger, but the term is usually used in reference to a large corporation's purchases of other corporations. Although most mergers and acquisitions are friendly, hostile takeovers also occur. A **hostile takeover** is a situation in which the management and board of directors of the firm targeted for acquisition disapprove of the merger, usually because their company will become a subsidiary of the purchasing firm and they will have to give up control.

When a merger or acquisition becomes hostile, a corporate raider—another company or a wealthy investor—may make a tender offer or start a proxy fight to gain

control of the target company. A **tender offer** is an offer to purchase the stock of a firm targeted for acquisition at a price just high enough to tempt stockholders to sell their shares. Corporate raiders may also initiate a proxy fight. A **proxy fight** is a technique used to gather enough stockholder votes to control the targeted company.

If the corporate raider is successful and takes over the targeted company, existing management is usually replaced. Faced with this probability, existing management may try the following techniques (sometimes referred to as "poison pills," "shark repellents," or "porcupine provisions") to maintain control of the firm and avoid the hostile takeover.

Questions:

1. Explain the difference between merger, acquisition and hostile takeover.
2. Who is a corporate raider?
3. What is a tender offer?
4. What is a proxy fight?

Active Vocabulary:

acquisition	1) qo'shib olish 2) sotib olish	1) поглощение 2) приобретение
corporate raider	- reyder (aksiyalarining nazorat to'plamini qo'lga kiritish maqsadida kompaniya aksiyalarini sotib oluvchi shaxs yoki kompaniya)	- рейдер (физическое лицо или организация, активно скупающая акции компании с целью приобрести контрольный пакет акций)
disapprove	- ma'qullamaslik	- не одобрять, осуждать (что-л.)
give up	- boshqaga o'tkazmoq, yon bermoq, voz kechmoq	- передать, уступить, отказаться
hostile takeovers	- dushmanlarcha qo'shib olish (bozorda aksiyalarini kompaniya rahbariyatining yoki asosiy aksiyadorlari roziligisiz nazoratni qo'lga kiritish harakati)	- враждебное поглощение (попытка получить контроль над компанией путем скупки ее акций на рынке против воли руководства или ведущих акционеров этой компании)
initiate	1) boshlamoq, kirishmoq 2) tashabbus ko'rsatmoq	1) начать, приступить, положить начало 2) проявить инициативу

merger	- qo'shilib ketish	- слияние, объединение
poison pills	- zaharli dori (kompaniya qo'shib olinayotganda yuqori narxda to'lanadiganyangi imtiyozli aksiyalarni chiqarish)	- ядовитая пилюля (выпуск новых привилегированных акций, погашаемых при поглощении компании)
porcupine provisions	- jayra shartlari (kompaniyani adovatli qo'sib olinishdan himoya qilish chora- tadbirlari)	- условие дикобраза (меры по защиты компании от враждебного поглощения)
proxy fight	-qo'shib olishga urinishda aksiyadirlarning ovozlari uchun kurash	- борьба за голоса акционеров в случае попытки поглощения
reference to	- ga asoslanib, nisbatan	- ссылаясь на, относительно
shark repellents	- "akulalarga qarshi vosita" (kompaniyani adovatli qo'sib olinishdan himoya qilish chora- tadbirlari)	- "средство от акул" (меры по защите компании от враждебного поглощения)
subsidiary	- sho'ba korxona	- дочерняя компания
target	- maqsad qilib qo'yimoq, mo'ljallamoq	- ставить цель
tempt smb. to do smth.	- biror kishini biror narsa qilishga undash	- уговаривать кого-л. сделать что-л.
tender offer	- tender taklifi (kompaniya aksiyalarini sotib olish taklifi orqali kompaniyani qo'shib olish uslubi)	- тендерное предложение (метод осуществления поглощения через публичное предложение акционерам поглощаемой компании купить их акции)

Ex. 1 Translate the following word combinations into your native language.

Production target, sales target, growth target, postea spending target, quantitative target, key target, intermediate target, ultimate target, target setting, by the target, hit the export target, beat the target; offer help, offer information, accept an offer, advantageous offer, attractive offer, best offer, cancel an offer, close with an offer, confirmation of an offer, contract offer, decline an offer, free offer, job offer, low offer, make an offer, more offers than enquiries, offer a price, offer for sale, offer price, offer to purchase, offer to the public, public offer, refuse an offer, take an offer, tender offer; to give smb. a start in life, to make a start, start in life, at

the start, from start to finish, from the start, for a start, start a business, start a proposal, start a question, start smb. at some salary.

Ex. 2 Match the synonyms.

- | | |
|----------------|-----------------------------|
| 1. Acquisition | a) consolidation, fusion |
| 2. gain | b) accumulation, collection |
| 3. hostile | c) encourage, keep |
| 4. maintain | d) propose, suggest |
| 5. management | e) displace, supersede |
| 6. merger | f) get, obtain |
| 7. offer | g) administrative authority |
| 8. replace | i) unfriendly |

Ex. 3 Match the definitions.

- | | |
|---------|---|
| avoid | a) to increase in size, number, strength or quality |
| control | b) (about a company) owned or controlled by another company |

grow	c) the act or process of buying smth
investor	d) to try to have an effect on a particular group of people or a particular area
purchase	e) the power to make decisions about how an organization, an area, a country, etc. is run
subsidiary	f) to make an effort or attempt
target	g) to prevent smth bad from happening
try	h) a person or an organization that invests money in order to make a profit or receive interest

Ex. 4 Guess whether these sentences are true or false and correct the false sentences.

1. A firm can grow by investing in another company. The investing in one corporation by another is called a merger.
2. An acquisition is used in reference to a large corporation's purchases of other corporations.
3. A hostile takeover is a situation in which the employees of the firm targeted for acquisition disapprove of the merger, usually because their company will become a subsidiary of the purchasing firm.
4. A corporate raider is a physical person who may make a tender offer or start a proxy fight to gain control of the target company.
5. A tender offer is an offer to purchase the stock of a firm targeted for acquisition at a price just high enough to tempt stockholders to sell their shares.
6. A proxy fight is a technique used to bankrupt the targeted company.
7. If the corporate raider is successful and loses the targeted company, existing management is usually replaced.
8. Faced with the probability of giving up control, existing management may try the techniques such as "poison pills," "shark repellents," or "porcupine provisions".

Ex. 5 Translate the following passage into your native language.

Responses in the European Union

The European Central Bank injected \$99.8 billion in a one-day money-market auction. The Bank of England pumped in \$36 billion. Altogether, central banks throughout the world added more than \$200 billion from the beginning of the week to September 17. On September 29, 2008 the Belgian, Luxembourg and Dutch authorities partially nationalized Fortis. The German government bailed out Hypo Real Estate.

On 8 October 2008 the British Government announced a bank rescue package of around £500 billion (\$850 billion at the time). The plan comprises three parts. First, £200 billion will be made available to the banks in the Bank of England's Special Liquidity scheme. Second, the Government will increase the banks' market capitalisation, through the Bank Recapitalisation Fund, with an initial £25 billion and another £25 billion to be provided if needed. Third, the Government will temporarily underwrite any eligible lending between British banks up to around £250 billion. In February 2009 Sir David Walker was appointed to lead a government enquiry into the corporate governance of banks.

In early December German Finance Minister Peer Steinbrück indicated that he does not believe in a "Great Rescue Plan" and indicated reluctance to spend more money addressing the crisis.

Inject	- kirgizmoq, qo'shmoq	- вставлять, добавлять
pump	- (pul, kapitalni) qo'ymoq	- вкладывать, "вливать" (деньги, капитал)
nationalize	- davlat egaligiga o'tkazish	- превращать в собственность государства
Real Estate	- ko'chmas mulk	- недвижимое имущество, недвижимость
Liquidity	- likvidlik (kompaniya, bank yoki mamlakatning majburiyatlarini o'z vaqtida to'laq olishlik qobiliyati	ликвидность (способность компании, банка или страны своевременно выполнять обязательства)
scheme	- reja, loyiha, dastur	- план, проект; программа
eligible	- yaroqli, maqbul, muvofiq	- пригодный, подходящий, приемлемый
government enquiry	- davlat ko'rib chiqish	- государственное рассмотрение
reluctance	- xohlamaslik	- нежелание

Ex. 6 Translate the following text into your native language and summarize it.

Corporations: The Exxon Mobil Corporation

The Exxon Mobil Corporation, or ExxonMobil, is an American oil and gas corporation. It is a direct descendant of John D. Rockefeller's Standard Oil company, formed on November 30, 1999, by the merger of Exxon and Mobil. ExxonMobil is the world's largest publicly traded company when measured by either revenue or market capitalization. Exxon Mobil's reserves were 72 billion oil-equivalent barrels at the end of 2007 and, at current rates of production, are expected to last over 14 years. The company has 38 oil refineries in 21 countries constituting a combined daily refining capacity of 6.3 million barrels.

While it is the largest of the six oil supermajors with daily production of 3.921 million BOE (barrels of oil equivalent) in 2008, this is only approximately 3% of world production and ExxonMobil's daily production is surpassed by several of the largest state-owned petroleum companies. When ranked by oil and gas reserves it is 14th in the world with less than 1% of the total.

The Exxon Mobil Corporation global headquarters are located in Irving, Texas. ExxonMobil markets products around the world under the brands of Exxon, Mobil, and Esso. The company employs over 82,000 people worldwide, as indicated in ExxonMobil's 2006 Corporate Citizen Report, with approximately 4,000 employees in its Fairfax downstream headquarters and 27,000 people in its Houston. Exxon Mobil Corporation was formed in 1999 by the merger of two major oil companies, Exxon and Mobil. Both Exxon and Mobil were descendants of the John D. Rockefeller Corporation and Standard Oil which was established in 1870. The reputation of Standard Oil in the public eye suffered badly after publication of Ida M. Tarbell's classic exposé *The History of the Standard Oil Company* in 1904, leading to a growing outcry for the government to take action against the company.