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МІНІСТЕРСТВО ОСВІТИ І НАУКИ УКРАЇНИ  
УКРАЇНСЬКИЙ ДЕРЖАВНИЙ УНІВЕРСИТЕТ  
ХАРЧОВИХ ТЕХНОЛОГІЙ

## **АНГЛІЙСЬКА МОВА**

**МЕТОДИЧНІ ВКАЗІВКИ**  
до практичних занять  
за фахом “Економіка підприємства”  
для студентів I–II курсів  
факультету економіки та менеджменту  
денної та заочної форм навчання

СХВАЛЕНО  
на засіданні кафедри  
іноземних мов  
Протокол № 2 від

Київ УДУХТ 2001

**Англійська мова: Метод. вказівки до практичних занять за фахом “Економіка підприємства” для студ. I–II курсів факультету економіки та менеджменту ден. та заоч. форм навчання / Уклад.: О.П. Авраменко, Л.Ю. Шапран. — К.: УДУХТ, 2001. — 100 с.**

Укладачі: *О.П. Авраменко*, канд. філол. наук  
*Л.Ю. Шапран*,  
*Л.І. Куниця*,  
*Г.А. Чередніченко*,  
*О.В. Никитенко*

Відповідальна за випуск *О.П. Авраменко*, канд. філол. наук, доц.

## ВСТУП

Методичні вказівки призначені для студентів I–II курсів факультету економіки і менеджменту денної та заочної форм навчання.

Тематика, лексичний мінімум, система проблемних та творчих завдань спрямовані на досягнення головної мети.

**Мета** даних методичних вказівок — допомогти студентам в опануванні бізнесової англійської мови на матеріалі оригінальних текстів загальнобізнесової тематики; а також ознайомити майбутніх фахівців з реаліями країн з розвиненим бізнесом та з самим бізнесом цих країн.

Методичні вказівки складаються з п'яти основних розділів, що містять тексти та завдання з такої тематики: форми бізнесових організацій, їх структура (за організаційною схемою), види взаємовідносин в організації, функціональні підрозділи організації, сучасний офіс, інформаційні технології тощо.

В додатку до основних розділів подано тексти для самостійного читання, що більш поглиблено чи в іншому ракурсі освітлюють теми основного розділу або містять додаткову інформацію. У додатку також подано стислий словник бізнесового жаргону та основних бізнесових термінів.

Система завдань основних розділів будується на базовій бізнесовій лексиці, спрямована на полегшення засвоєння поданого тематичного та мовного матеріалів та містить ряд проблемних завдань, що розвивають творче мислення студентів.

Методичні вказівки є додатковим спонукальним мотивом до удосконалення навичок усного та писемного мовлення. Вони надають допомогу студентам в оволодінні бізнесовою англійською мовою та закладають основу для подальшого опанування фахової лексики.

## ORGANISATION STRUCTURE AND COMMUNICATION

### Unit 1 Forms of Business Ownership

All business owners must decide which form of legal organisation – a sole proprietorship, a partnership, or a corporation – best meets their needs. The decision is very important because the choice affects many managerial and financial issues, including income taxes and the owners' liability. In determining which legal form their business should take, owners must consider the advantages and disadvantages of each.

#### Sole Proprietorship

As the very first legal form of organisation, sole proprietorships date back to ancient times. They are equally popular today. In fact, around seventy-five percent of the nation's sixteen million businesses – about twelve million US companies - sole proprietorships. But they account for only about six percent of business revenues.

*SOLE PROPRIETORSHIP* - a business owned (and usually operated) by one person who is personally responsible for the firm's debts.

Typically, the sole proprietorship is the ownership form chosen for the small-town restaurant, the neighbourhood grocery store, the local auto repair shop, and the bakery. Most sole proprietorships are small businesses, often having one employee. However, there are some sole proprietorships that are large businesses. Many of today's largest companies started out as sole proprietorships. Although the owner may employ someone to manage the business, more commonly the owner is the active manager of the firm. The capital necessary for operating the business is normally provided by the sole proprietor from personal wealth, frequently aided by borrowing. The owner usually makes all decisions personally rather than delegating them to employees. If the business is the owner's sole source of income, the ability to operate it at a profit is extremely important to him or her.

#### (General) Partnership

General partnership is really a sole proprietorship multiplied by a number of partners. There is no legal limit to the number of partners. There may be as many as a hundred or more or as few as two. Moreover, partners may invest equal or unequal sums of money and they may earn profits that bear no relation to their investments. For example, in two-person partnership, a partner with no financial investment may receive fifty percent or more of the profits.

*GENERAL PARTNERSHIP* - a business with two or more owners who share in the operation of the firm and in financial responsibility for the firm's debts.

The most striking feature of general partnerships is their ability to grow by adding talent and money. Like a sole proprietorship, a partnership is simple to organise, with few legal requirements. Even so, all partnerships must begin with an arrangement of some kind. It may be written, oral or even unspoken. Wise partners however insist on drafting a written agreement to avoid trouble later. This agreement should spell out such things as:

- who invested what sums of money in the partnership;
- who will receive what share of the partnership's profits;

- who does what and who reports to whom;
- if desired, how could the partnership be dissolved and in what event, how assets left over would be distributed among the partners;
- how surviving partners would be protected from claims by surviving heirs if a partner dies.

By law each partner may be held personally liable for all debts incurred in the name of the partnership. And if any partner incurs any debts, even if the other partner knows nothing about it, they are all liable if the offending partner cannot pay up. A partnership legally dissolves when one partner dies or pulls out, even if the other partners agree to stay. It is also difficult to transfer ownership. No partner may sell out without the other partners' consent. Finally, partnership provides little or no guidance in resolving conflict between the partners. For example, suppose one partner wants to expand the business rapidly and the other wants to grow slowly. If under the partnership agreement the two are equal it may be difficult for them to decide what to do.

Of the three common types of business ownership, partnerships are the least used.

#### *(Regular) Corporation*

Another very common form of business ownership is the regular corporation. Almost all larger businesses use this form. They account for around eighty percent of all revenues generated by the nation's sixteen million businesses. Yet they make up only about twenty percent of the total number of businesses - about three million. Corporations employ large numbers of people and are owned by large numbers of investors. Only large businesses can mass-produce and mass-market the goods and services consumers need and want.

When we think of the corporations we may think of giant businesses like General Motors and IBM. The mighty world corporation inspires awe and respect and suggests power. Yet, the tiny corner has as much right to incorporate as does a giant oil refiner. And the newsstand and Exxon will have the same basic characteristics that all corporations share legal status as a separate entity, property rights and obligations, and an indefinite life span.

*CORPORATION* - a business considered by law to be a legal entity separate from its owners with many of the legal rights and privileges of a person, a form of business organisation in which the liability of the owners is limited to their investment in the firm.

A corporation is a legal entity which is created by the law as an artificial being that has the rights, duties, and powers of a person. A corporation does not change its identity with changes in ownership. A corporation is brought into existence through a charter, which is a document issued by a state authorising the formation of a corporation.

Corporation can raise money in different ways, one of them is by selling shares in the business - called stock - to investors. These investors are known as stockholders, or shareholders. Stockholders are the owners of a business, and stock is a share of ownership in corporation. Business profits are distributed among stockholders in form of dividends.

*Dividend* - a part of corporation's profits paid out on a per share basis to those hold its stock.

Corporate stock may be either preferred or common.

*Common stock* - shares whose owners usually have last claim on the corporation's assets but who have voting rights in the firm.

*Preferred stock* - shares whose owners have last claim on the corporation's assets and profits but who usually have voting rights in the firm. They may attend all of the meetings of the firm and vote its decisions. When investors cannot attend a stockholder's meeting they can grant authority to vote the shares to someone who will attend a meeting. This procedure, called a *proxy*, is the way almost all individual investors vote. Proxy is a legal document temporarily transferring the voting rights of a shareholder to another person.

By law, in every state the governing body of a corporation is its *board of directors* - a group of individuals elected by a firm's stockholders and charged with overseeing and taking legal responsibility for the firm's actions.

**Questions:**

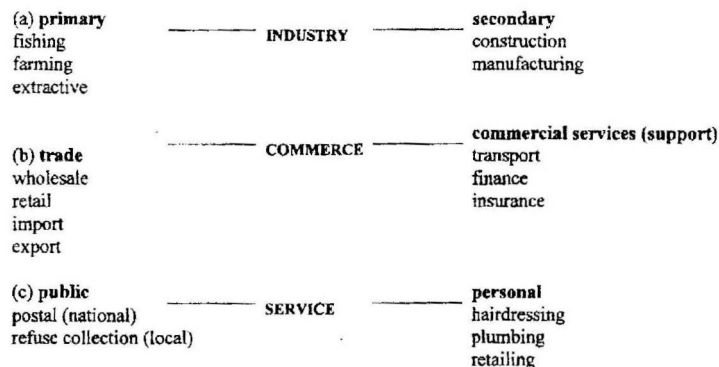
1. What are the different forms of business ownership?
2. What are some advantages and disadvantages of each?
3. Which form of business involves the most risk?

**Questions for discussion:**

1. Name some businesses that you are familiar with. Do you know what forms of ownership they represent? Explain. Describe the products or services they offer.
2. Which of the three forms of ownership do you come in contact with most frequently? Why?
3. Where are the various forms of business located in your community?
4. Which type of business do you like shopping at the most? Why?
5. If you were to open your own business, what form of ownership would you choose? Why?

**Types of organisation**

Mixed economy is demonstrated by the varied, inter-related, and often interdependent, sectors of economic activity.



Within these main sectors there are, as you can see, many different types of organisation, each of which has its own particular characteristics, functions, and benefits. Some are easily recognised as **private enterprise**, some are definitely **public enterprises**.

***Private Enterprise***

<i>Type of organisation</i>	<i>Functional area</i>	<i>Characteristics</i>
Sole proprietor	Usually personal services such as hairdresser, corner shop, painter and decorator.	<ol style="list-style-type: none"> <li>1. The owner provides the necessary capital, operates the business, takes the profits, and is liable for debts.</li> <li>2. Problems can be limited capital and limited liability.</li> <li>3. Advantages can be independence, direct customer contact, and the ability to change quickly, according to market demands.</li> </ol>
(Unlimited) partnership	Can be personal services, small industrial concerns, and small commercial organisations..	<ol style="list-style-type: none"> <li>1. The provision of capital is easier with 2-20 partners, and liability for debts is spread.</li> <li>2. Management of the business is shared and there is wider expertise available.</li> <li>3. Liability for debts is unlimited.</li> <li>4. Problems can arise on death or withdrawal of partner.</li> </ol>
(Limited) partnership	Same basic principles as unlimited partnership, but some partners, who must not be involved in <u>managing the business</u> , have limited liability for debts.	
(Limited) private company	Medium-sized or small organisations: e.g. building, wholesalers, manufacturing, transport	<ol style="list-style-type: none"> <li>1. The company must be registered.</li> </ol>
Public limited liability company (plc)	Large-scale organisations: e.g. construction, manufacturing, commercial services	<ol style="list-style-type: none"> <li>1. Anybody can become a shareholder, and there is no limit on the number.</li> <li>2. Information on the company must be available to the public, and shares are bought and sold on the stock exchange.</li> <li>3. Much more capital becomes available.</li> <li>4. Ownership of shares can be transferred without affecting management.</li> <li>5. Management is through Board of Directors specially appointed to run the business.</li> </ol>
Multi-national company	Large-scale organisations: variety of activities within the general 'interest areas' of the company(ies).	<ol style="list-style-type: none"> <li>1. Produces goods in more than one country.</li> <li>2. Owns and controls the producing agencies.</li> <li>3. Can contribute enormously to the economy of a country by 'importing' capital and technology.</li> <li>4. If a multi-national decides to move resources (e.g. capital, or a production process) from one country to another, it can damage the economy of the original country.</li> </ol>

**Public Enterprise**

<i>Type of organisation</i>	<i>Functional area</i>	<i>Characteristics</i>
Public corporation e.g. National Coal Board	Usually <b>key areas</b> of economic activity. Can provide goods and services which would not be profitable for a private concern.	1. Run by a Board appointed by the government.
Mixed enterprise (organisations in which the government has substantial stake) e.g. BP, ICI.	Any area, but often production.	1. The State is a shareholder in the company (i.e. <b>public</b> and <b>private</b> enterprise together).
Central government departments e.g. Employment Health Social Services	1. Basically an administrative role in a specialist area on a nationwide basis. 2. Can exert influence over the activities of all organisations, both public and private, and therefore affects all economic and social life.	1. Usually bureaucratic and slow to change.
Local government departments e.g. Rates Housing Education	Usually have a statutory duty to provide services to local community.	1. There are likely to be differences in the level of service offered by different Local Authorities.

**ASSIGNMENT: Local employment**

You work for the Town Clerk's Department as an administrative assistant and have become involved in a project to draw up an analysis of the types of business that can be found in your particular area. One of the objectives of the exercise is to establish the range of employment opportunities available to people living in, or moving to, the area, and you and two colleagues have been asked to do some of the 'spadework.'

**Task 1**

Working as a team, you should draw up a street plan of our area and indicate what organisations are operating, 'plotting' them on the plan. Use a detailed key to indicate what type of business each is.

**Task 2**

In order to give clear guidance to the researchers on the range of organisation operating in your area, draw up a table similar to the one given below giving all the information



indicated for each organisation. An example is given to show the type of information required.

Organisation	Sample activities	Public or private enterprise	Industrial, commercial or service sector	Type of organisation
Bank	personal accounts business accounts investments mortgages loans	private	commercial	public company

Note: The assignment should be completed in six hours (including field research).

### ACTIVITY 1 Setting up a limited company.

Derek, Roger, Malcolm and John have started a limited company in Britain.

Roger - £20,000	<b>DRMJ Ltd</b> <b>£100,000</b> <b>(100,000 x</b> <b>£1)</b>	Derek - £55,000	John - £10,000
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Derek, Roger, Malcolm and John are all investors and shareholders.

Roger invested £20,000. John put £10,000.

Derek is the majority shareholder (he owns the most shares).

Derek also has a controlling interest (he owns more than 50% of the shares).

The company's capital (the money it has for buying goods and equipment) is £100,000.

The company's capital is divided into 100,000 shares of £1 each.

£1 is the nominal value (or the par value, or the face value) of each share.

Malcolm owns 15,000 shares. The nominal value of his shares is £15,000.

After a year, the company makes £15,000 profit. This is divided between the shareholders.

The company announces a dividend of 15p per share (£15,000 profit : 100,000 shares).

Malcolm received £2,250 (15,000 shares x 15p).

In pairs, ask and answer questions about WDJ Ltd using the vocabulary above, like this:

A: Who is the majority shareholder? B: Dorothy.

A: What is the par value of Janet's shares? B: £1,500.

Wendy - £2,500	<b>WJD Ltd</b> <b>£10,000</b> <b>(20,000 x</b> <b>50p)</b>	Dorothy - £6,000	Janet - £1,500
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Profit after the first year =£1,000.

## ACTIVITY 2

### Investing in a limited company

When a limited company has started trading, you do not invest in shares by giving more capital to the company. You buy them from one of the shareholders. If it is a private limited company, a shareholder can only sell shares if all the other shareholders agree. If it is a public limited company, a shareholder can only sell shares if all the other shareholders agree. If it is a public limited company, shares can be bought and sold freely, usually at a Stock Exchange. If the company is doing well and paying high dividends, then you might pay more than the face value of the shares. If it is doing badly, you might pay less than the face value of the shares. The price you pay at the Stock Exchange (or to a shareholder) for your shares is their market value.

If the company fails, it will stop trading and go into liquidation. This means that all the company's property and equipment (its assets) must be sold and the money from the sale will be used to pay its debts to its creditor. The shareholders may lose the money they paid for the shares. If the company still does not have enough money to pay all its debts, the shareholders do to pay any more money. In other words, the shareholders' liability for debts is limited to the value of their shares.

On the other hand, if you are an owner of a business which is not limited, for example a sole proprietorship (owned by one person) or a partnership (owned by between 2 and 20 people) and your business fails, you will go bankrupt. In this case you might have to sell your own private possessions (your house, car, furniture etc) to pay all your creditors. In other words, sole proprietors and partners have unlimited liability for their firm's debts.

#### Language notes

British English	American English
Banks do not pay interest on <i>current accounts</i> in Britain (account holders can pay by <i>cheque</i> ). Banks pay interest on <i>deposit accounts</i> , which are designed for people to save money.	Account holders of <i>checking accounts</i> can pay by <i>check</i> . They save money in a <i>saving account</i> .
When a limited company sells its assets to pay its debts it goes <i>into liquidation</i> . When private individuals or partnerships do the same, they <i>go bankrupt</i> .	When companies or private individuals sell their assets to pay their debts, they <i>go bankrupt</i> or <i>go into bankruptcy</i> .

#### Say in one word

1. The money shareholders put into a company to buy property and equipment so it can start trading.
2. One of the owners of a partnership.
3. The price you pay for shares when the company has started trading is their \_\_\_\_\_ value.
4. To put money into a business or a bank account so that it will make a profit.
5. The sole (only) owner of a business.
6. To buy and sell goods
7. The price written on a share is its \_\_\_\_\_ value.
8. Something belonging to a person or a business which can be sold.
9. One of the owners of a limited company.
10. Your legal duty to other people, e.g. to your creditors.
11. If a sole proprietorship or a partnership fails, the owners will go \_\_\_\_\_.
12. You can only buy or sell shares in a \_\_\_\_\_ limited company if the other shareholders agree.

13. A person you owe money to.
14. The shares in a \_\_\_\_\_ limited company can be bought and sold freely.
15. Another name for a business \_\_\_\_\_.
16. When a limited company fails, it goes into \_\_\_\_\_.
17. Money you owe to another person.
18. Shares in public limited companies are usually bought and sold at a \_\_\_\_\_ exchange (which is also called a \_\_\_\_\_ market).

**ACTIVITY 3** **Types of Business**

Complete this table about the four main kinds of business in Britain taking your information from the text above.

TYPES OF BUSINESS	NUMBER OF OWNERS	NAME OF OWNER(S)	LIABILITY OF OWNERS	IF THE BUSINESS FALLS	ADDITIONAL INFORMATION
Sole proprietorship	a	b	unlimited	owners go	/
d	e	Partners		c	
f	2 - 50	g	h	i	Name of company includes word Limited or abbreviation Ltd  Shares sold privately with agreement of other shareholders
j	2 or more				Must have Memorandum of Association and Articles of Association  Name of company includes words Public Limited Company or abbreviation plc.  Shares sold k

**Must/can**

Complete the following sentences with *must* or *can*. Take your information from the exercises above.

1. There \_\_\_\_\_ be at least two partners in a partnership.
2. A person who wants to start a business, but who has not got any partners \_\_\_\_\_ start a sole proprietorship.
3. Two people starting a business together \_\_\_\_\_ start a partnership or a private limited company.
4. You \_\_\_\_\_ have as many as 20 people in a partnership.
5. A sole proprietor \_\_\_\_\_ pay the firm's debts with his/her own money if necessary.
6. Each partner \_\_\_\_\_ pay the firm's debts with his/her own money if necessary.
7. Anyone \_\_\_\_\_ buy shares in a public limited company.

8. The name of a private limited company \_\_\_\_\_ include the word *limited* or the abbreviation *Ltd*.
9. You \_\_\_\_\_ only buy shares in a private limited company if the other shareholders agree.
10. You \_\_\_\_\_ draw up a Memorandum and Articles of Association when you start a limited company.

#### **Unlikely possibilities**

*In pairs, discuss unlikely possibilities, like this:*

*A: If you buy shares, you'll own part of the company.*

*B: I'm not going to buy shares.*

*A: But if you bought shares, you'd own part of the company.*

1. If you start a business, you'll need capital.
2. If the bank gives you a loan, you'll pay interest on it.
3. You'll have unlimited liability if you start a partnership.
4. If you buy shares, you'll be a shareholder.
5. You'll be a partner if you invest in a partnership.
6. If the limited company fails, you'll only lose the value of your shares.
7. If you buy a controlling interest, it'll cost you several thousand pounds.

#### **ACTIVITY 4**

#### **Decision Making**

*Decide what sort of business you would start in these situations. There is no one correct answer in any case and you may be able to think of more than one possibility. Give reasons for the decisions you make.*

1. You and your spouse (husband or wife) want to start a grocery shop in a small village. There is already one grocery shop in the village owned by an old lady. Your bank will lend you the money you need.
2. Two couples have enough money to buy a small hotel which they will at work in. One of the couples has two young children.
3. You want to sell fruit and vegetables from a stall at the market. You need £500 capital which you can borrow from your father.

#### **ACTIVITY 5**

#### **A Memorandum of Association**

*In order to start a limited company, you must draw up two legal documents: a Memorandum of Association and the Articles of Association. In small groups, start your own company. Decide on the name of the company, what you are going to do and how much capital you are each going to invest. Then draw up the Memorandum. Write a full sentence for each of the six clauses, which say the following:*

1. The name of the company (*The name of the company will be ...*)
2. The country where the company is
3. The type of trade the company will carry on
4. A sentence saying that the liability of the shareholders is limited by the amount invested in shares in the company.
5. The amount of capital the company has and the number and value of its shares.
6. A sentence saying that the shareholders wish to form this company. Each shareholder signs the Memorandum and writes next to his/her name the number of shares he/she is buying. Write the date.

**NB** The Articles are more complicated and give details of how the company will be run, how often shareholders' meetings will be held etc. Do not write this document.

**ACTIVITY 5**                      **Vocabulary**

In each set, cross out the word that isn't similar in meaning. Discuss the relationships among the words in each set.

- |                        |                    |                 |                  |
|------------------------|--------------------|-----------------|------------------|
| 1. <b>inventory</b>    | stock              | product         | staff            |
| 2. <b>reputation</b>   | image              | illustration    | name             |
| 3. <b>bookkeeper</b>   | auditor            | accountant      | stockholder      |
| 4. <b>debt</b>         | mortgage           | dividend        | liability        |
| 5. <b>profit</b>       | expense            | income          | revenue          |
| 6. <b>asset</b>        | drawback           | benefit         | advantage        |
| 7. <b>burden</b>       | freedom            | responsibility  | strain           |
| 8. <b>renovate</b>     | improve            | destroy         | remodel          |
| 9. <b>proceed</b>      | progress           | continue        | stop             |
| 10. <b>rave</b>        | condemn            | praise          | compliment       |
| 11. <b>store</b>       | shop               | establishment   | infirmary        |
| 12. <b>keep on</b>     | stop               | continue        | remain           |
| 13. <b>betray</b>      | abandon            | loyal           | unfaithful       |
| 14. <b>teamwork</b>    | separate           | joined together | united           |
| 15. <b>accelerate</b>  | hurry              | delay           | promote          |
| 16. <b>support</b>     | help               | opposition      | involvement      |
| 17. <b>patron</b>      | customer           | shopper         | owner            |
| 18. <b>royalty fee</b> | profit             | regal           | payment          |
| 19. <b>yuppie</b>      | young professional | geriatric       | carrier-oriented |
| 20. <b>industrious</b> | lazy               | hardworking     | diligent         |

Навчальне видання

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Укладачі: Авраменко Ольга Петрівна  
Шапран Людмила Юліївна  
Куниця Людмила Іванівна  
Чередніченко Галина Анатоліївна  
Никитенко Ольга Василівна

Сканування та верстка А.І. Бойко

Підп. до друку 23.10.01р. Обл.-вид. арк. 5,72. Наклад 150 прим.  
Вид. № 158/01. Зам. № 1178

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РВЦ УДУХТ, 01033 Київ-33, вул. Володимирська, 68