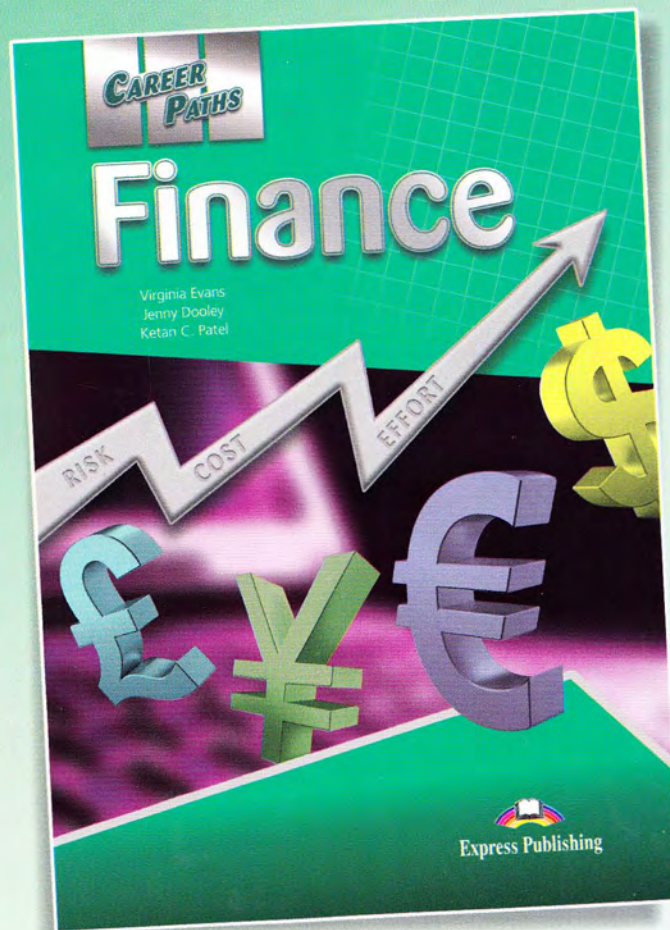


# Teacher's Book

Virginia Evans - Jenny Dooley  
Ketan C. Patel



Express Publishing

**CAREER  
PATHS**

# Finance

## Teacher's Book

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# Book 1 Answer Key

## Unit 1

### 1 Suggested Answers

- Some common writing utensils include: pens, pencils and markers.
- Other office supplies include legal pads for writing notes on, staplers for attaching loose papers together, and highlighters for highlighting pieces of text.

2 1 F    2 T    3 F

3 1 C    3 B    5 A  
2 F    4 D    6 E

4 1 A binder    B tape  
2 A marker    B staple

### 5 Suggested Answer

You should notify the manager.

6 1 B    2 A

7 1 pens    4 fill out  
2 supply room    5 easy enough  
3 bottom shelf    6 Right here

### 8 Suggested Answer

- A: Hello, Jane. Do you know where we keep the staples.  
B: Yeah. They're back in the supply room. I'll show you.  
A: Great. Thanks.  
B: The pens and pencils are up here. Down here are the legal pads and binders, and on the bottom shelf is everything else including the staples.  
A: So, can I take whatever I need?  
B: Yeah. You just have to fill out one of these checkout sheets.  
A: That's fair enough. Where do the sheets go?  
B: Right here in this box.

### 9 Suggested Answer

Quantity	Supplies Needed
3	Binders
4	Boxes of Staples
1	Stapler
3	Legal Pads

## Unit 2

### 1 Suggested Answers

- In an office it is necessary that employees have a desk to place their work on, a chair and cabinets

to store files and stationary in. Some offices also require chairs for clients to sit on.

- There are certain items that make an office more comfortable, these could include sectionals.

2 1 C    2 B    3 D

<b>Furniture to sit on</b>	sectional, office chair
<b>Organizational Items</b>	file cabinet, bookcase
<b>Furniture Descriptions</b>	adjustable, ergonomic

4 1 store    3 swivel  
2 desk lamp    4 desk

### 5 Suggested Answer

There are three varieties of oak bookcases available at the advertised price.

6 1 F    2 T    3 F

7 1 desk    4 what you mean  
2 What's wrong    5 How much  
3 It's hurting my arms    6 That's not bad

### 8 Suggested Answer

- A: Hi, Phil. Are you enjoying our new office?  
B: The office is nice. But this chair is pretty uncomfortable.  
A: Oh really? What's wrong with it?  
B: It's too low to use as a computer chair. It's hurting my back.  
A: I see what you mean. I'll find you a different one.  
B: I saw some for sale in the furniture catalog.  
A: Oh yeah? How much do they cost?  
B: Only fifty dollars.  
A: That's pretty cheap. I'll order one.

### 9 Suggested Answer

Qty	Description of Item	Price
1	desk	\$100
2	chair	\$50

## Unit 3

### 1 Suggested Answers

- Modern offices have many different pieces of equipment. Some of these include copiers and shredders.
- There are a number of important computer accessories. These include a mouse, and a monitor for viewing information.

- 2 1 machines      3 shared      5 old  
 2 computer      4 fax machine

- 3 1 copier      3 fax machine      5 printer  
 2 shredder      4 toner

- 4 1 D    2 C    3 B    4 A    5 E

## 5 Suggested Answer

The manager will be getting rid of the old fax machine, it will be unnecessary as documents will be sent via the Internet instead.

- 6 2 ✓    4 ✓

- 7 1 equipment      4 printing a little light  
 2 ergonomic keyboard      5 toner  
 3 printer      6 printer might be

## 8 Suggested Answer

- A: Hi, Bill. How is the new keyboard working for you?  
 B: It's working great. I love the mouse too.  
 A: Have you used the copier yet?  
 B: I have. It's printing a little dark.  
 A: Well it can take a couple of times for the toner to come out right.  
 B: That's what I thought.  
 A: But the copier could be the problem. Let me know what happens with it.  
 B: Will do.

## 9 Suggested Answer

### Office Supplies Unlimited Product Exchange Form

**Company Name:** Finance Advisors Llc  
**Purchase Date:** 10/10  
**Product:** Copier  
**Reason for Exchange:** Machine is not working correctly.

## Unit 4

### 1 Suggested Answers

- 1 Some common financial documents include contracts, bank statements, and applications.  
 2 A financial advisor can help with a number of things. These include organizing files and insurance.

- 2 1 F    2 T    3 T

- 3 1 contract      3 business plan      5 reviewed  
 2 file      4 finance

- 4 1 statement      4 insurance policy  
 2 legal tender      5 application  
 3 record

## 5 Suggested Answer

Sheila Spires can help people planning a vacation by helping them to find the best exchange rates for international legal tender.

- 6 1 C    2 A

- 7 1 meet with an advisor      4 have an opening  
 2 regarding      5 sounds great  
 3 business plan      6 schedule

## 8 Suggested Answer

- A: Franklin Financial Advisory. How can I help you today?  
 B: Hi. This is Melanie Chesney, with Chesney Appliances. I'd like to make an appointment to meet with an advisor.  
 A: Hello Melanie, what can I help you with.  
 B: I'd like to revise our business plan. We're considering taking on some new products.  
 A: That's great. We have an opening on Thursday at ten a.m. Does that work for you?  
 B: Thursday morning sounds great. Thank you.  
 A: Great. I'll put it on the schedule.

## 9 Suggested Answer

**New Appointment**  
**Client Name:** Melanie Chesney  
**Date:** Thursday  
**Time:** 10 am  
**Reason for visit:** Would like to discuss revising her business plan.

## Unit 5

### 1 Suggested Answers

- 1 I prefer to use cash for payment, this way I can monitor my expenditure more easily and not go over my budget. This is not the case when I use my credit card, which I use without thinking. A debit card is a good solution but I still prefer using cash.  
 2 All types of currency are accepted in my country, including coins and cash.

- 2 1 B    2 D    3 B

- 3 1 C    3 A    5 F  
 2 E    4 D    6 B

- 4 1 A change                      B petty cash  
 2 A expenditure                B currency

## 5 Suggested Answer

The company's petty cash policy says that there should be a maximum of \$100 in the petty cash fund each week. If cash or coins are taken from the fund, weekly deposits will replenish it.

- 6 1 T    2 T    3 F

- 7 1 petty cash                      4 be enough  
 2 expenditure                    5 change  
 3 make an exception            6 Will do

## 8 Suggested Answer

- A: Mr. Spencer, the coffee maker is broken. Can I use petty cash to go buy some more?  
 B: Sure, as long as it really doesn't work. That's an acceptable expenditure.  
 A: It will cost a little more than thirty dollars though. Can we make an exception to the maximum withdrawal rule?  
 B: Yes. That'll be fine. Will fifty be enough?  
 A: Oh, definitely.  
 B: Okay, here you go. Bring back any change and make sure you keep the receipt.  
 A: Will do. Thanks.

## 9 Suggested Answer

**Petty Cash Withdrawal Ledger**  
**Employee name:** Frank Henford  
**Date:** 10/11/2012  
**Withdrawal amount:** \$ 50  
**Items purchased:** coffee maker

## Unit 6

### 1 Suggested Answers

- 1 The symbol % is pronounced percent and the symbol + is pronounced plus.  
 2 1800 is said one-thousand eight hundred or eighteen hundred.

- 2 1 T    2 F    3 T

- 3 1 plus                      3 times                      5 comes to  
 2 Add                        4 hundred                    6 less

- 4 1 plus                      3 equals                      5 over  
 2 Subtract                4 divided by                6 multiplied by

## 5 Suggested Answer

The symbol that is used to take away from something is the minus symbol (-), it can be interpreted as asking us to subtract one number from another.

- 6 1 D    2 C

- 7 1 have a minute                4 subtracted  
 2 something is off                5 instead  
 3 eleven hundred                6 forgot to update

## 8 Suggested Answer

- A: Good morning, Jenny. Do you have a minute?  
 B: Of course.  
 A: I just checked the petty cash and something is off. You were the last person to use it, weren't you?  
 B: Yes. What's wrong?  
 A: There's seven hundred dollars in it. But the records say we should only have six hundred.  
 B: Oh, that's my fault. I was going to pay for the new copier with cash. So I subtracted one hundred from the total.  
 A: But you didn't use it?  
 B: No, I used the credit card instead. I just forgot to update the records.

## 9 Suggested Answer

### Petty Cash Correction Slip

**Employee:** Jenny  
**Date of Error:** 10/10/2012  
**Explanation of Error:** New printer copier paid for by credit card not cash.  
**Incorrect Petty Cash Total:** six hundred dollars  
**New Petty Cash Total:** seven hundred dollars

## Unit 7

### 1 Suggested Answers

- 1 A sales decline can be described as a decrease in sales, or that sales figures have actually bottomed out.  
 2 Stock that is increasing in value can be described as steadily increasing or peaking in its value.

- 2 1 T    2 F    3 F

### 3 To Become Larger

peak                      expand                      increase

### To Become Smaller

bottom out                decline                      shrink

- 4 1 C    2 B    3 D    4 A

## 5 Suggested Answer

According to the sales report, the product with the least fluctuating sales was headphones.

6 1 B 2 A

- |                   |                |
|-------------------|----------------|
| 7 1 have a moment | 4 fluctuate    |
| 2 fill me in      | 5 increased by |
| 3 decreased       | 6 more than    |

## 8 Suggested Answer

- A: Jon, do you have a moment?  
 B: Sure thing, Pam. What do you need?  
 A: Well, I missed your sales report. Can you fill me in?  
 I just need the basic changes.  
 B: Of course I can. First, computer sales decreased a bit.  
 A: Should we be worried?  
 B: No. Those usually fluctuate. And second, software sales increased by fifteen percent.  
 A: That's great news!  
 B: It is. Software sales grew more than any other product.

## 9 Suggested Answer

**Jackson Manufacturing**  
**Product:** Computer  
**Sales Activity:** decreased a bit  
**Product:** Software  
**Sales Activity:** increased by fifteen percent

## Unit 8

### 1 Suggested Answers

- A business's assets are valuable; these include inventory as well as property and equipment that have been bought.
- Things that detract from a business's profit include its long-term debts, and salaries that it needs to pay.

2 1 D 2 C 3 D

3 **assets** - inventory, accounts receivable, property & equipment  
**liabilities** - accounts payable

4 1 E 3 D 5 B  
 2 C 4 A 6 F

### 5 Suggested Answer

The business letter says that Carson Electronics owes \$230,000 in debts and expenses. This is made

up of \$80,000 in accounts payable and \$100,000 in prospective salaries and \$50,000 in long-term and short-term debt.

6 1 F 2 F 3 T

- |                  |                       |
|------------------|-----------------------|
| 7 1 This is      | 5 make the adjustment |
| 2 discrepancy    | 6 I appreciate it     |
| 3 What's wrong   | 7 equity              |
| 4 my records say |                       |

## 8 Suggested Answer

- A: Hi, Jeremy. This is Billy Jordan from Jordon Electronics.  
 B: Hello, Billy. Did you receive my letter?  
 A: I did. I found a discrepancy.  
 B: I'm sorry. What's wrong?  
 A: Your summary reports \$6,000 in cash. But my records say \$4,000.  
 B: Okay. Thanks for telling me. I'll make the adjustment right now.  
 A: Thanks Jeremy. I appreciate it.  
 B: Not a problem. With the adjustment, your equity value comes to five thousand.  
 A: Perfect. Thanks again, Jeremy.

## 9 Suggested Answer

Dear Mr. Jordan,  
 After adjusting your cash value from \$6,000 to \$4,000 your new equity value comes to five thousand.  
 Sincerely,  
 Jeremy

## Unit 9

### 1 Suggested Answers

- People spend money in order to make purchases of new items that they may need or want. They may also need to be careful not to spend more than they can afford by using their credit card too often.
- In order to save more money you can do a few things. For example, you can invest, doing this allows you to put money away and perhaps even earn some money back for doing so.

2 1 C 2 B 3 B

3 1 D 3 E 5 A  
 2 C 4 B 6 F

- |            |                |             |
|------------|----------------|-------------|
| 4 1 invest | 3 credit limit | 5 purchases |
| 2 charges  | 4 Monitor      |             |



## 5 Suggested Answer

It is suggested in the newspaper column that you would use a credit card to pay for an unexpected visit to the dentist.

6 1 F 2 T 3 T

7 1 speaking 4 waiting room  
2 do for you 5 for customers  
3 confused about 6 I'll fix it

## 8 Suggested Answer

A: Hello. Jane Morris speaking. How can I help you?

B: Jane, its Sam Jackson here, the company accountant.

A: Hello, Sam. What can I do for you?

B: I'm a bit confused about a purchase you made. It was on the 24th of last month. You spent \$3,000 on 'office furniture'?

A: Oh, yes. That was for the new desks for the typists.

B: Okay. So they are actually for staff, not customers, right?

A: Yes, that's right. Sorry, I entered the expense in the wrong column.

B: No problem, Jane. I'll fix it. Thanks for clearing that up.

## 9 Suggested Answer

**Accounting Dept.**

**June Purchases**

**Date:** 24th

**Item:** Desk for typists

**Cost:** \$3,000

## Unit 10

### 1 Suggested Answers

1 There are different types of bank accounts such as a checking account, which means you can access your money when you want, a savings account which is for money that you don't want to spend straight away but to save for the future.

2 Bank accounts have different benefits and depending on what the customer wants they choose the account which most suits their interests. For example a checking account may provide an overdraft service and a savings account may give a high rate of interest.

2 1 F 2 T 3 F

3 1 D 3 E 5 C 7 F  
2 A 4 B 6 G

4 1 provide 2 rate 3 Inquire

## 5 Suggested Answer

The advertisement for the bank suggests that the longer that you keep your money in their savings account, the higher the rate of interest you benefit from. Therefore a long-term savings plan will mean you get a lot more from your savings account.

6 2 ✓ 3 ✓ 4 ✓

7 1 checking accounts 4 need to see  
2 like to know 5 minimum deposit  
3 open an account 6 documents

## 8 Suggested Answer

A: Good morning, Madam. How can I help you?

B: I have a question about your savings account.

A: Certainly, Madam. What would you like to know?

B: What documents do I need to open an account?

A: We need to see your passport, employment contract and a bank statement from your current bank.

B: Okay. Do I need to make a minimum deposit?

A: Yes, we ask that customers open accounts with at least 10,000 rupees.

B: Okay, thank you very much. I'll come back in the next few days with those documents.

## 9 Suggested Answer

**Account Application Form**

**Name:** Sally Ghupta

**Type of Account:** savings account

**Occupation:** travel agent

**Salary:** 4500 rupees

**Required Documents:** passport, employment contract, bank statement from current bank

**Minimum Deposit Account:** 10,000 rupees

## Unit 11

### 1 Suggested Answers

1 There are various banking services that I use, in particular online banking, which I find useful and saves me from wasting time waiting in line. I also use the bank's bill pay service and ATMs.

2 Banks usually charge for some of their services, such as their ATM service which allows you to withdraw cash from any cash machine, as well as the issuing of a cashiers check, which is a check guaranteed by a bank.

2 1 F 2 F 3 T

3 1 C 3 F 5 B 7 G  
2 A 4 E 6 D

4 1 charge 3 transfer  
2 cashier's check 4 access

## 5 Suggested Answer

The pamphlet states that Asteya Bank, is the only bank to offer free withdrawals at other banks' ATMs.

6 1 T 2 F 3 T

7 1 bank statement 4 Do you know  
2 charge 5 funds  
3 a check 6 my balance

## 8 Suggested Answer

A: Good morning, sir. How can I help you?  
B: I want to inquire about a charge on my bank statement. I have a copy of it right here.  
A: Can you show me which charge?  
B: Yes, it is this one. It's a charge for 2,000 rupees last week. What is it for?  
A: Oh, yes. It seems a check was returned.  
B: Really? Do you know why?  
A: There were insufficient funds in your account.  
B: Oh dear. I guess I'll have to check my balance more often.

## 9 Suggested Answer

**June Statement**  
**Account Holder:** Mr Singh  
**Account Number:** 2536471  
**Fees:**  
**Date:** 12/4/12  
**Charge:** 2,000 rupees  
**Reason:** Insufficient funds in account

## Unit 12

### 1 Suggested Answers

- 1 People get personal loans for all sorts of reasons. They may want to take a holiday, or to make a purchase such as a new car with an auto loan.
- 2 There are some extra costs in mortgage loans, such as insurance, which can mean that you can pay your mortgage even if you become unemployed. Also, an early payoff penalty could be an extra cost; it means that you need to pay money to the bank if you want to pay off your mortgage before the agreed time.

2 1 F 2 F 3 T

3 1 E 2 A 3 B 4 D 5 C

4 1 auto loan 4 early payoff penalty  
2 term 5 personal loan  
3 interest rate

## 5 Suggested Answer

The advertisement states that if you apply for a loan before the summer, the bank will waive the closing costs.

6 1 B 2 A

7 1 How can I help 4 early payoff penalty  
2 auto loan 5 charge  
3 tell you 6 come back in

## 8 Suggested Answer

A: Hi, welcome to the First Choice Bank. How can I help you?  
B: I have a question about my personal loan.  
A: Okay, what can I tell you?  
B: Well, I just received a large sum of cash. I'd like to pay off the entire loan. Will I have an early payoff penalty?  
A: No. We don't charge those anymore. But there is a waiting period.  
B: Waiting period?  
A: Yes. You have to wait at least four months into the term to pay off the loan.  
B: I see. I'll come back next month.

## 9 Suggested Answer

**First Choice Bank**  
**Account Holder:** Mr Brian Franklin  
**Account Number:** 24518639  
**Type of loan:** Personal  
**Interest Rate/Term:** 4 months  
**Loan Amount:** 40,000 rupees  
**Payment amount:** 40,000 rupees  
**Early Payoff Penalty:** N

## Unit 13

### 1 Suggested Answers

- 1 Someone can own a business outright, when they are sole proprietor, or part of a business, such as when they are in a partnership. They can also own shares in a public company.
- 2 A very large company is more often than not a public company with many owners who are strangers. A small company is often privately owned by one individual or sometimes more, but who know each other well.

2 1 A 2 C 3 A

3 1 shareholders 4 public  
2 incorporated 5 partnership  
3 sole proprietor 6 LLCs

4 1 private 4 non-profit organization  
2 co-operative 5 owner  
3 corporation

## 5 Suggested Answer

The chapter states that it is an advantage to the employee if they work in a company that is a co-operative because all employees share the profits.

6 1 F 2 F 3 T

7 1 What type 4 fully responsible  
2 most appropriate 5 fewer taxes  
3 What's wrong with 6 sound of that

## 8 Suggested Answer

A: What type of business do you suggest for my new firm?

B: Well, I think an LLC is best for you and your partners.

A: Really? What about a simple partnership?

B: Starting a business is risky. If your company doesn't succeed, a partnership will leave you all fully responsible.

A: Okay. How is an LLC different?

B: An LLC protects its members from full financial responsibility. And you'll pay fewer taxes.

A: That sounds good. Let's open an LLC.

## 9 Suggested Answer

A partnership is risky because if your company doesn't succeed it will leave you with full financial responsibility.

The advantages of an LLC are that you can save your members from full financial responsibility and you will pay fewer taxes.

## Unit 14

### 1 Suggested Answers

- Some costs of running a business include fixed costs which stay the same if a lot of a product is made and variable costs which increase the more that is made of the good.
- Costs can change from month to month as the costs of storage, labor and production may go up, for example if taxes increase or the cost of materials goes up.

2 1 business owner 4 increases  
2 Fixed costs 5 Advertising  
3 business performance

3 1 C 3 D 5 F  
2 B 4 E 6 A

4 1 advertising 3 variable costs  
2 storage 4 production

## 5 Suggested Answer

The magazine article suggests that your approach to variable and fixed costs needs to be different because fixed costs are easy to determine, whereas variable costs require more careful monitoring.

6 1 T 2 F 3 T

7 1 It's my pleasure 4 storage costs  
2 making a profit 5 decreasing production  
3 cut back on 6 good start

## 8 Suggested Answer

A: Thanks for seeing me, Mrs Simpson. Did you get my records?

B: Not a problem. And yes, I looked over them.

A: So you saw that my company isn't making a profit. What can I do?

B: I think you can reduce some costs.

A: How? I already cut back on labor.

B: You produce too much. This means your storage costs are more than they need to be.

A: I know. Sometimes packages are stored for months.

B: I recommend decreasing production. You'll save money on storage.

A: That's a good idea. I'll do that.

## 9 Suggested Answer

From the Desk of Gregory Francis

The company spends too much on storage.

I recommend cutting back on production.

You can save money on storage.

## Unit 15

### 1 Suggested Answers

- Business owners ensure that they have enough money to run their business by ensuring that they don't get into debt and making sure that they have enough to pay their staff.
- When making budgets business owners should ensure that they don't overestimate their profits or underestimate their debts.

2 1 F 2 T 3 F

3 1 A operating budget B income  
2 A debt B budget  
3 A plan B staff

4 1 sufficient 4 cash budget  
2 master budget 5 profits  
3 overheads

### 5 Suggested Answer

According to the advice column to avoid getting into debt you should observe the limits of your cash budget.

6 1 B 2 A

7 1 operating budget 5 went down  
2 according to 6 didn't realize  
3 I don't understand 7 go over  
4 spend more

### 8 Suggested Answer

A: I'm not making sense of this new operating budget.  
Can my business afford these new expenses?

B: It can, according to the budget.

A: I don't understand. What about this increase in advertising expenses?

B: Last year, you spent fifteen percent of your budget on advertising. But costs went down. So you can spend more on ads.

A: Really? What costs went down?

B: Your suppliers are charging you less per order.

A: Great. I didn't realize my profits were so significant.  
Maybe you can go over some of these other changes, too.

B: Of course.

### 9 Suggested Answer

**Summary of new operating budget**

**Decreased costs:** suppliers

**Increased costs:** advertising

**Reason for cost changes:** suppliers charging less per order

# Audioscripts

## Unit 1

**Employee 1 (F):** Hey, Carl. Do you know where we keep the extra pens?

**Employee 2 (M):** Yeah. They're back in the supply room. I'll show you.

**Employee 1:** Great. Thanks.

**Employee 2:** The pens and pencils are up here. Down there are the legal pads and binders, and on the bottom shelf is everything else.

**Employee 1:** So, can I just take whatever I need?

**Employee 2:** Yeah. You just have to fill out one of these checkout sheets.

**Employee 1:** That's easy enough. Where do the sheets go?

**Employee 2:** Right here in this box.

## Unit 2

**Manager (F):** Hi, Brian. Are you enjoying our new office?

**Employee (M):** The office is nice. But this desk is pretty uncomfortable.

**Manager:** Oh really? What's wrong with it?

**Employee:** It's too high to use as a computer desk. It's hurting my arms.

**Manager:** I see what you mean. I'll find you a different one.

**Employee:** I saw some for sale in the furniture catalog.

**Manager:** Oh yeah? How much do they cost?

**Employee:** Only a hundred dollars.

**Manager:** That's not bad. I'll order one.

## Unit 3

**Manager (F):** Well, Sam, how is the new equipment working for you?

**Employee (M):** The computer is working great. And I love the ergonomic keyboard.

**Manager:** Good. Have you used the printer yet?

**Employee:** I have. It's printing a little light.

**Manager:** Is it? Sometimes it takes a couple of tries for the toner to come out right.

**Employee:** That's what I figured.

**Manager:** Of course, the printer might be the problem, too. Let me know if it sorts itself out.

**Employee:** Okay, I will.

## Unit 4

**Secretary (F):** Spires Financial Advisory. How can I help you today?

**Caller (M):** Hi. This is Daniel Stonebrook, with Stonebrook Appliances. I'd like to make an appointment to meet with an advisor.

**Secretary:** Hello Daniel, what is the appointment regarding?

**Caller:** I'd like to revise our business plan. We're considering taking on some new products.

**Secretary:** That's great. We have an opening on Friday the 4th at eleven a.m. Does that work for you?

**Caller:** Friday morning sounds great. Thank you.

**Secretary:** Great. I'll put it on the schedule.

## Unit 5

**Employee (F):** Mr. Cole, the coffee maker is broken. Can I use petty cash to go buy a new one?

**Manager (M):** Sure, as long as it really doesn't work. That's an acceptable expenditure.

**Employee:** It will cost a little more than twenty dollars though. Can we make an exception to the maximum withdrawal rule?

**Manager:** Yes. That'll be fine. Will forty be enough?

**Employee:** Oh, definitely.

**Manager:** Okay, here you go. Bring back any change and make sure you keep the receipt.

**Employee:** Will do. Thanks.

## Unit 6

**Employee 1 (F):** Good morning, Matt. Do you have a minute?

**Employee 2 (M):** Of course.

**Employee 1:** I just checked the petty cash and something is off. You were the last person to use it, weren't you?

**Employee 2:** Yes. What's wrong?

**Employee 1:** There's eleven hundred dollars in it. But the records say we should only have nine hundred.

**Employee 2:** Oh, that's my fault. I was going to pay for the new printer with cash. So I subtracted two hundred from the total.

**Employee 1:** But you didn't use it?

**Employee 2:** No, I used the credit card instead. I just forgot to update the records.

## Unit 7

**Coworker 1 (F):** Rick, do you have a moment?

**Coworker 2 (M):** Sure thing, Karen. What do you need?

**Coworker 1:** Well, I missed your sales report. Can you fill me in? I just need the basic changes.

**Coworker 2:** Of course I can. First, computer sales decreased a bit.

**Coworker 1:** Should we be worried?

**Coworker 2:** No. Those usually fluctuate. And second, software sales increased by ten percent.

**Coworker 1:** That's great news!

**Coworker 2:** It is. Software sales grew more than any other product.

## Unit 8

**Owner (M):** Hi, Terry. This is Sam Carson from Carson Electronics.

**Accountant (F):** Hello, Sam. Did you receive my letter?

**Owner:** I did. But I found a discrepancy.

**Accountant:** I'm sorry. What's wrong?

**Owner:** Well, your summary reports \$90,000 in inventory. But my records say \$85,000.

**Accountant:** Okay. Thanks for telling me. I'll make the adjustment right now.

**Owner:** Thanks Terry. I appreciate it.

**Accountant:** Not a problem. With the adjustment, your equity value comes to two thousand.

**Owner:** Perfect. Thanks again, Terry.

## Unit 9

**Employee (M):** Hello. Marcus Smith speaking. How can I help you?

**Accountant (F):** Marcus, it's Janet Evans here, the company accountant.

**Employee:** Hello, Janet. What can I do for you?

**Accountant:** I'm a bit confused about a purchase you made. It was on the 20th of last month. You spent \$2,000 on 'office furniture'?

**Employee:** Oh, yes. That was for the new sofas in the waiting room.

**Accountant:** Okay. So they are actually for customers, not staff, right?

**Employee:** Yes, that's right. Sorry, I entered the expense in the wrong column.

**Accountant:** No problem, Marcus. I'll fix it. Thanks for clearing that up.

## Unit 10

**Clerk (F):** Good morning, sir. How can I help you?

**Customer (M):** I have a question about your checking accounts.

**Clerk:** Certainly, sir. What would you like to know?

**Customer:** What documents do I need to open an account?

**Clerk:** Well, we need to see your passport, employment contract and a bank statement from your current bank.

**Customer:** Okay. Also, do I need to make a minimum deposit?

**Clerk:** Yes, we ask that customers open accounts with at least 5,000 rupees.

**Customer:** Okay, thank you very much. I'll come back tomorrow with those documents.

## Unit 11

**Teller (M):** Good morning, madam. How can I help you?

**Customer (F):** I want to inquire about a charge on my bank statement. I have a copy of it right here.

**Teller:** Can you show me which charge?

**Customer:** This one. It's a charge for 1,500 rupees last month. What is it for?

**Teller:** Oh, yes. It seems a check was returned.

**Customer:** Really? Do you know why?

**Teller:** There were insufficient funds in your account.

**Customer:** Oh dear. I guess I'll have to check my balance more often.

## Unit 12

**Teller (F):** Hi, welcome to First Choice Bank. How can I help you?

**Customer (M):** I have a question about my auto loan.

**Teller:** Okay, what can I tell you?

**Customer:** Well, I just received a large sum of cash. I'd like to pay off the entire loan. Will I have an early payoff penalty?

**Teller:** No. We don't charge those anymore. But there is a waiting period.

**Customer:** Waiting period?

**Teller:** Yes. You have to wait at least six months into the term to pay off the loan.

**Customer:** I see. I'll have to come back in a month or two.

## Unit 13

**Businessman (M):** What type of business do you recommend for my new firm?

**Financial Advisor (F):** Well, I think an LLC is most appropriate for you and your partners.

**Businessman:** Really? What's wrong with a simple partnership?

**Financial Advisor:** Starting a business is risky. If your company fails, a partnership will leave you all fully responsible.

**Businessman:** I don't quite understand. How is an LLC different?

**Financial Advisor:** An LLC protects its members from full financial responsibility. And you'll pay fewer taxes.

**Businessman:** I like the sound of that. Let's get started.

## Unit 14

**Owner (F):** Thanks for seeing me, Mr. Francis. Did you get my records?

**Advisor (M):** It's my pleasure. And yes, I looked over your records.

# Audioscripts

**Owner:** So you saw that my company isn't making a profit. What can I do?

**Advisor:** I think you can reduce some costs.

**Owner:** How? I already cut back on labor.

**Advisor:** You produce more than you need. So you have a lot of storage costs.

**Owner:** That's true. Some packages are stored for months.

**Advisor:** I recommend decreasing production. You'll save money on storage.

**Owner:** That's a good start. I'll do that.

## Unit 15

**Owner (F):** I'm confused about this new operating budget. Can my business afford these new expenses?

**Advisor (M):** It can, according to the budget.

**Owner:** I don't understand. What about this increase in advertising expenses?

**Advisor:** Last year, you spent nine percent of your budget on advertising. But costs went down. So you can spend more on ads.

**Owner:** Really? What costs went down?

**Advisor:** Your suppliers are charging you less per order.

**Owner:** Wow. I didn't realize my profits were so significant. Maybe you can go over some of these other changes, too.

**Advisor:** Of course.

## Unit 1

### 1 Suggested Answers

- 1 It is possible to use money to make more money by investing. There are different types of products available to those looking to invest, which involve different amounts of risk, these include stocks and bonds, real estate and certificates of deposit.
- 2 One of the safest types of investment is real estate; this is because property is much less likely to lose its value. Many people prefer this because they are purchasing something visible with their money.

2 1 F    2 T    3 F

3 1 D    3 E    5 B  
2 F    4 A    6 C

- |               |                        |
|---------------|------------------------|
| 4 1 equity    | 4 money market account |
| 2 securities  | 5 bond                 |
| 3 mutual fund | 6 investment           |

### 5 Suggested Answer

The article refers to interest earning investments such as certificates of deposit, bonds and money market accounts.

6 1 D    2 D

- |                    |                           |
|--------------------|---------------------------|
| 7 1 market         | 4 you could make millions |
| 2 stockbroker      | 5 small return            |
| 3 That's the thing | 6 It's easy, it's safe    |

### 8 Suggested Answer

- A: I don't know anything about investing.  
 B: A good stockbroker will explain all the pros and cons.  
 A: That's the thing. I don't want to have to think about it.  
 B: But if you buy the right stocks, you could make millions.  
 A: If the market drops, I could lose everything. I don't want that to happen.  
 B: Still, a CD will only give you a small return.  
 A: That's all I want. It's easy, it's safe, and it earns interest.

### 9 Suggested Answer

#### Investment notes

#### Stocks

**Pros:** Large returns if right stocks purchased

**Cons:** You could lose everything

#### CDs

**Pros:** Less risk involved

**Cons:** Will only give you a small return

## Unit 2

### 1 Suggested Answers

- 1 I am not likely to take many risks with my money. I don't like the feeling of gambling with my hard earned savings. I would worry too much about losing my money.
- 2 Risk directly impacts a person's investing style. If they are more likely to take risks and are happy to do that if it means they may get huge profits in return, they are more likely to invest in high risk but high return stocks and bonds.

2 1 D    2 D    3 A

3 1 moderate                    3 goal  
2 conservative                4 risk aversion

- |                    |                       |
|--------------------|-----------------------|
| 4 1 A retirement   | B personal investment |
| 2 A aggressive     | B risk-free           |
| 3 A risk tolerance | B comfort zone        |

### 5 Suggested Answer

The passage suggests that if you are not afraid of risk but at the same time like to play it safe, you should invest in moderate investments such as mutual funds.

6 1 F    2 T    3 F

- |                     |                  |
|---------------------|------------------|
| 7 1 risk            | 4 moderate level |
| 2 lose all my money | 5 moderate       |
| 3 in order to       | 6 too risky      |

### 8 Suggested Answer

- A: The first thing to consider is how much risk you are comfortable with.  
 B: I don't know. I certainly don't want to lose all my money.  
 A: Okay. Are you willing to risk losing half of your money in order to double it?  
 B: Perhaps, but I wouldn't want to risk any more than that.  
 A: OK. You have a fairly moderate level of risk aversion.  
 B: So, what should I invest in?  
 A: There are a few options for you. A mutual fund is a fairly moderate investment.  
 B: I've heard of those. Aren't they a bit risky?  
 A: They involve some risk, but nothing that would put you out of your comfort zone.

### 9 Suggested Answer

#### Jackson Investments

#### New Client Risk Aversion

**Client Name:** Frankie Solomon



**How much of an investment is the client willing to risk?** He is willing to risk losing half his money.  
**Client's risk aversion level:** moderate  
**Suggested investments:** mutual fund

## Unit 3

### 1 Suggested Answers

- 1 There are a number of ways to save for retirement. IRAs are one of the most common ways.
- 2 In my country it is normal for people to retire between the ages of 62 and 67.

2 1 F 2 T 3 F

3 1 B 2 E 3 A 4 C 5 D

- 4 1 profit sharing 4 pension  
 2 Roth IRA 5 portfolio  
 3 trust

### 5 Suggested Answer

The passage states that the difference between the IRA retirement saving method and the Roth IRA method has to do with how tax deductions are made. The traditional IRA applies the tax deductions when the deposits are made, whereas the Roth IRA applies that tax break upon retirement.

6 1 C 2 D

- 7 1 contributions 4 matching  
 2 retire 5 If you do  
 3 twenty percent increase 6 cash in

### 8 Suggested Answer

- A: If you increase your contributions, you could reach your goals in the next two years.  
 B: I am glad to hear that. I'd love to retire by sixty.  
 A: With a thirty percent increase in contributions, that would be possible.  
 B: The company is still matching my contributions, right?  
 A: Yes. The thing is though, you can't access your IRA before your reach fifty-nine and a half. If you do, you'll miss out on the tax breaks.  
 B: But I could cash in my other investments in the meantime.

### 9 Suggested Answer

**Jackson Investments**  
**Client Name:** Richard Evans

**New Goal:** To retire at sixty.

**Changes to Retirement Strategy:** increase IRA contributions thirty percent and sell some bonds.

## Unit 4

### 1 Suggested Answers

- 1 Trading occurs on the stock market, this means that shares are bought and sold by the traders who represent their clients. In general traders want to buy stocks low and sell them high in order to make big profits.
- 2 In my country people want to buy stocks in new Internet based companies because they have seen huge profits. Examples include Google and Facebook.

- 2 1 trading 3 profits 5 going concern  
 2 shares 4 entrance

- 3 1 going concern 4 high  
 2 dividends 5 shares  
 3 stock market

- 4 1 public 3 low 5 shareholder  
 2 IPO 4 trading

### 5 Suggested Answer

The buying, selling and trading of public stock takes place at a country's stock market.

6 1 F 2 T 3 F

- 7 1 IPO 4 going concern  
 2 wise purchase 5 shareholders  
 3 Now, let's get into 6 would do best

### 8 Suggested Answer

- A: You see, Changling Technologies is making its IPO this quarter. Its shares are cheap. But those values are likely to rise in the coming months.  
 B: So, Changling is a wise purchase.  
 A: Well, investors should make their own decisions, but that's my opinion.  
 B: Now, let's get into Veritas Gas. What can we expect from them?  
 A: Veritas's stock has decreased in value 65% this year. I'm sorry to say that they won't be a going concern for much longer.  
 B: So Veritas shareholders should sell their stock?  
 A: Absolutely. They would do best to get rid of it.

## 9 Suggested Answer

### Stock Comparison Interview Notes

**Recommended Stock Buy:** Changling Technologies

**Reason:** Its shares are cheap but value likely to go up.

**Recommended Stock Sell:** Veritas Gas

**Reason:** 65% decrease in value this year

## Unit 5

### 1 Suggested Answers

- Increases on the stock market can be described as gaining points, when the increases are made gradually. When the increases are climbing, they seem to be going up steadily.
- You can describe decreases on the stock market as crashing when they go down quickly. Stocks can also be described as dipping or losing value.

2 1 F    2 F    3 T

3 1 B    3 E    5 D  
2 C    4 A    6 F

4 1 A bear market                      B bull market  
2 A crash                                B skyrocket  
3 A lost                                    B gained

### 5 Suggested Answer

The passage says that it is a great time to buy stocks because they are not expected to lose value in the long term.

6 1 F    2 F    3 T

7 1 did you do                            4 fast enough  
2 pretty well                            5 do well again  
3 skyrocketed                            6 as much as

### 8 Suggested Answer

- A: Hey, Valerie. How did you do today?  
B: Hi, Tom. I did pretty well. I just can't believe how busy we were.  
A: Yeah, some of the stocks skyrocketed today.  
B: I know. I bought a lot of that new technology company, BubbleTech. People couldn't buy that fast enough.  
A: I heard that they gained fifty points. Is that right?  
B: Yeah. I think that they'll do well again tomorrow.  
A: That's probably true. I don't think they will climb as much as they did today though.

## 9 Suggested Answer

**Trader:** Valerie

**Date:** 4/18/2012

**Stock:** BubbleTech

**Gain:** fifty points

**Expected Trend tomorrow:** expected to continue to climb

## Unit 6

### 1 Suggested Answers

- An investment banker should be quite aggressive in order to get deals done.
- Investment banks help companies by managing their finances, and raising money for them.

2 1 F    2 F    3 T

3 1 A debt capital                      B equity capital  
2 A product coverage                B industry coverage  
3 A launch                                B raise

4 1 C    3 D    5 B    7 F  
2 A    4 E    6 G

### 5 Suggested Answer

The passage suggests that in order for a person to work in a product coverage group, they should be highly organized and pay attention to detail.

6 1 C    2 D

7 1 seeing me  
2 product coverage group  
3 out of the ordinary  
4 industry coverage group  
5 As you know  
6 an excellent salesman

### 8 Suggested Answer

- A: Thank you for seeing me, Ms. Fisher.  
B: Just Mary is fine. Now, you have quite a resume. I see you worked with the First Bank for several years.  
A: Yes. I was a broker in their product coverage group for the last eight years.  
B: What were your basic responsibilities in that department?  
A: The usual things. I looked at ways to raise equity capital and debt capital for clients.  
B: Okay. Now, you're applying to work with our industry coverage group, yes?  
A: That's right.

B: As you know, the industry coverage group requires a different set of skills. What skills do you have that fit that group?

A: I can explain complex ideas in simple terms. And I'm an excellent salesperson.

## 9 Suggested Answer

**Date:** 05/14/2012

**Applicant Name:** Philip Harris

**Applying For:** Position with the industry coverage group

**Experience:** Worked as a broker for the product coverage group at the First Bank for eight years.

**Skills/Traits:** Can explain complex ideas in a simple way.

B: Yes, I was. I was involved in every risk management decision.

A: Great. Tell me, how long did it take you and the head controller to assess risk on a given trade?

B: Well, it depends on the trade, of course. Usually we could give our traders an answer within twenty minutes.

A: Excellent. How did you assess that risk?

B: Well, Coopers Funds is a conservative organization. So we always checked capital limits first.

## 9 Suggested Answer

**Applicant name:** Jane Fowler

**Former position:** assistant financial controller

**Responsibilities:** involved in every risk management decision

## Unit 7

### 1 Suggested Answers

- Some risks involved in investment banking include market risk which has to do with changes in prices of securities and credit risk which has to do with the risk of a borrower not repaying their debt.
- The financial controller has the job of deciding how much risk a company should take.

2 1 C 2 D 3 B

3 1 D 3 B 5 E 7 G  
2 A 4 F 6 C

4 1 A CV B CFO  
2 A compliance B limits  
3 A operational risk B risk management

### 5 Suggested Answer

The financial controller needs to cooperate with back office representatives in order to ensure that front office trades are in compliance with internal and government regulations.

6 1 F 2 T 3 T

7 1 jump right in 4 risk management  
2 Let's start 5 Tell me  
3 assistant financial controller 6 it depends on

### 8 Suggested Answer

A: Well, you have an excellent CV. If you don't mind, let's just jump right in.

B: Of course. What can I tell you?

A: Let's start with your most recent position. You were the assistant financial controller at Coopers Funds?

## Unit 8

### 1 Suggested Answers

- Computers have changed the way people make investments because now they can be made online from any computer located anywhere. This means that it is possible for anybody to trade online.
- There are various jobs for people who work with technology, such as tech support. They make sure that all the computers and systems are functioning well.

2 1 T 2 F 3 F

3 1 B 3 F 5 C 7 G  
2 A 4 E 6 D

4 1 IT 3 software 5 trade confirmation  
2 clear 4 operations

### 5 Suggested Answer

Mr Franklin suggests that action is taken to ensure compliance is not problematic by doubling meetings with traders.

6 1 B 2 B

7 1 do for you 4 don't they  
2 right 5 install the update  
3 Even though 6 the week after

### 8 Suggested Answer

B: Well, it says that the IT department will be training the traders on the update, right?

A: Yes. Even though they won't use it as much. It's a good idea for them to know the basics.

B: Of course. But IT also has to install the program, don't they?

A: Correct.

B: That's what I'm worried about. We don't have enough people to do both.

A: I see what you mean. How long will it take to install the update?

B: At least a full week.

A: Here's what we'll do. Install the updates, and then we'll do the training the week after. Sound good?

B: Perfect, thanks.

## 9 Suggested Answer

**Department to be trained:** traders

**Department conducting training:** IT department

**Scheduling:** Update to be installed at the beginning of the month. Training to be undertaken the following week.

## Unit 9

### 1 Suggested Answers

- Insider trading is not much of a problem in my country because there are many laws and regulations which mean that it cannot happen easily.
- The rules preventing insider trading have to do with not allowing information to become public as it would be unfair to investors who do not know these insider secrets.

2 1 D 2 D 3 A

3 1 E 2 B 3 D 4 A 5 C

- |                       |                       |
|-----------------------|-----------------------|
| 4 1 A insider trading | B insider information |
| 2 A regulation        | B investigation       |
| 3 A non-public        | B quid pro quo        |

### 5 Suggested Answer

The lead witness claims that BMP employee delivered non-public information in confidence to the competing investment company.

6 1 F 2 T 3 T

- |                     |                  |
|---------------------|------------------|
| 7 1 someone helping | 4 do you mean    |
| 2 sure about that   | 5 take over      |
| 3 on trading        | 6 There's no way |

### 8 Suggested Answer

A: Oh, really? You think she had someone helping her?

B: I do. She knew too much about Getty's trades and plans.

A: Are you sure about that? After all, she worked in the front office and had access to everything.

B: Well, that's true. She had access to information on trading. But that's not the only insider information she shared.

A: What do you mean?

B: She also had information on Getty's plan to take over Hudson Investments.

A: I didn't think about that. There's no way she could have known that without help.

## 9 Suggested Answer

**Investigation Notes**

**Information shared:** Trade details; Getty's plan to take over Hudson

**Information suspect had access to:** information on trading

**Information suspect did not have access to:** takeover information

## Unit 10

### 1 Suggested Answers

- It is important that a bank manager is friendly, but that they also act with integrity and honesty on behalf of their clients.
- People choose one bank over another because they prefer the staff or the bank's branch is more conveniently located than another.

2 1 C 2 B 3 C

3 1 G 3 F 5 A 7 E  
2 B 4 D 6 C

- |                  |                |
|------------------|----------------|
| 4 1 A oversee    | B solve        |
| 2 A goals        | B organization |
| 3 A bank manager | B relationship |

### 5 Suggested Answer

Many of Greg's customers describe him as friendly and enthusiastic.

6 1 T 2 F 3 F

- |                     |                        |
|---------------------|------------------------|
| 7 1 Then you have   | 4 on the agenda        |
| 2 with the managers | 5 better relationships |
| 3 go over           | 6 before the meeting   |

### 8 Suggested Answer

A: Ms. Fisher, do I have any appointments this morning?

B: You have a meeting with the department managers at 10:45, Mr. Mallin. Then you have several appointments with clients this afternoon.

A: I don't remember any meeting with the managers. What's it about?

B: First, you need to go over the new employee vacation policy. I have a copy of the policy notes, if you need them.

A: Yes, please bring them. I must have misplaced mine. What else is on the agenda?

B: Then there's Sally from the New Accounts department. She wants to share her goals for working better with new customers.

A: Please ask Sally to submit a summary to me before the meeting.

## 9 Suggested Answer

### Meeting Notes

**Topic 1:** New employee vacation policy

**Goal:** review

**Topic 2:** Accounts department suggestions

**Goal:** examine Sally's suggestions for improving relationships with new customers.

## Unit 11

### 1 Suggested Answers

1 Accountants who work for a company, spend time in the office checking the company's accounts. They also calculate employees' gross wages and payroll for all the employed staff.

2 Accurate accounting is very important as even small errors could cost the company a lot of money. Errors in accounting could also mean a lot of wasted time and effort on the part of the employees and management.

2 1 inventory      3 direct deposits      5 equipment  
2 on credit      4 property

3 1 D      3 C      5 A      7 E  
2 B      4 G      6 F

4 1 total wages      4 gross wages  
2 property accounting      5 checking account  
3 purchase order

### 5 Suggested Answer

The Quail Village accountant will have the following responsibilities: to analyse and approve the city's property purchases, monitor the status of equipment and prepare purchase orders for new equipment as needed.

6 1 T      2 F      3 F

7 1 very excited      4 in line with  
2 What kind of      5 on our staff  
3 total wages      6 I first started

## 8 Suggested Answer

A: Thank you for meeting with me. I'm very excited about this job opportunity.

B: It's my pleasure, Mrs. Andrews. What kind of experience do you have?

A: I spent five years in the payroll department at my previous job.

B: What did you do there?

A: I analyzed employment trends and prepared reports on total wages.

B: How did the company use that data?

A: They used it to determine if hiring practices were in line with the budget.

B: Great. We don't have anyone with that kind of experience on our staff. What else have you done?

A: When I first started in accounting, I managed cash disbursements and purchase orders for a large retail company.

## 9 Suggested Answer

**Applicant name:** Mrs. Andrews

**Position applying for:** Accountant

**Previous experience:** Five years in payroll department

**Responsibilities:** analyzed employment trends and prepared reports on total wages, managed cash disbursements and purchase orders.

## Unit 12

### 1 Suggested Answers

1 In my country the way people feel about taxes varies. Some people feel that it is their duty to pay taxes in order to enjoy public services for free. Other people feel that paying taxes is unjust.

2 Some common tax problems in my country include: difficulty filling out their tax return, confusion about back taxes. They also often find hiring a tax consultant expensive.

2 1 F      2 T      3 T

3 1 B      3 C      5 D      7 G  
2 F      4 E      6 A

4 1 taxes      3 assist      5 refund  
2 tax preparer      4 tax debt      6 file

### 5 Suggested Answer

Clients bring Main Street tax consultants various problems. These include back taxes, tax debt and tax returns which have been filed out incorrectly.

6 1 B 2 D

- |                          |                       |
|--------------------------|-----------------------|
| 7 1 tax debt             | 4 Do you think        |
| 2 tax preparer           | 5 I'll need to review |
| 3 Is there anything else | 6 That depends        |

### 8 Suggested Answer

- A: Well, I didn't pay my taxes a couple of years ago. So I have a big tax debt.  
 B: Good to know. Did you pay your taxes last year?  
 A: Yes. But I didn't use a tax preparer. I think I made a lot of mistakes.  
 B: Don't worry. That's okay, we can fix that. Is there anything else I should know?  
 A: Hmm, I don't think there is. Will I get an audit?  
 B: Perhaps. I'll have to look at your past returns before I know.  
 A: Great. How much will all this cost?  
 B: That depends. I charge by the hour.

### 9 Suggested Answer

- Client Name:** Billy Jameson  
**Reason for visit:** Didn't pay taxes a few years ago.  
**Current Financial Circumstances:** Has a big tax debt  
**Did you pay taxes last year:** Yes  
**Have you used a consultant or preparer before?** Yes  
**List any tax problems:** lots of mistakes made last year

## Unit 13

### 1 Suggested Answers

- Financial advisors should ask their clients a variety of questions so that they get a clear picture of their clients financial circumstances. They might conduct a risk assessment or help the client with completing a financial planner.
- In my country the most popular financial investments are stocks and bonds.

2 1 F 2 F 3 T

- |                        |                      |
|------------------------|----------------------|
| 3 1 A investor profile | B Risk assessment    |
| 2 A insurance product  | B Financial planning |

- |                       |                        |
|-----------------------|------------------------|
| 4 1 financial advisor | 4 fee-only             |
| 2 commission          | 5 asset allocation     |
| 3 best interests      | 6 conflict of interest |

### 5 Suggested Answer

The purpose of conducting a risk assessment is to find the strengths and weaknesses of a client's finances or portfolio.

6 1 F 2 F 3 T

- |                   |                   |
|-------------------|-------------------|
| 7 1 tell me how   | 4 Basically       |
| 2 that's about it | 5 risk assessment |
| 3 in more detail  | 6 not a secure    |

### 8 Suggested Answer

- A: Why don't you tell me how your money is invested?  
 B: I have some stock but not much else.  
 A: We can look at those in more detail later. What's your biggest concern?  
 B: Basically, I'm afraid of losing my money.  
 A: I'll do a risk assessment to see what types of stocks you should avoid.  
 B: So, is buying stocks not a secure way to invest?  
 A: Generally they are. It is a good idea to buy some other assets like bonds and insurance too though. This will protect your money if the market goes down.

### 9 Suggested Answer

- Meeting Notes**  
**Advisor:** Paul  
**Client:** Sam Hilbert  
**Client's Concerns:** losing his money  
**Current Investments:** stocks  
**Recommendations:** conduct a risk assessment

## Unit 14

### 1 Suggested Answers

- In my country it has become very popular for people to trade stocks online. This is because most people now have access to the Internet and it is quite easy to educate yourself on how the markets work.
- People turn to sales agents to get advice about investing on the stock market. They are able to give their clients information regarding which investments might be more favorable or suitable.

2 1 C 2 B 3 B

3 1 C 3 D 5 B  
 2 A 4 E

- |                  |             |
|------------------|-------------|
| 4 1 services     | 4 carry out |
| 2 exchange       | 5 advise    |
| 3 execution-only |             |

## 5 Suggested Answer

If you prefer that your personal broker invest your money, you are likely to opt for discretionary dealing.

6 1 F 2 T 3 F

- |                           |                  |
|---------------------------|------------------|
| 7 1 services do they want | 4 find it boring |
| 2 discretionary dealing   | 5 Me, too        |
| 3 don't you think         | 6 get going      |

## 8 Suggested Answer

- B: I've got two new companies and three individuals.  
 A: Awesome. What kind of services do they want?  
 B: Most of them want execute-only dealing.  
 A: That's the worst type of client, don't you think?  
 B: I agree. I find it boring to just carry out clients' orders. I want to help them learn about the exchange.  
 A: Me, too! I'd rather advise my clients on how to manage their money and make it grow.  
 B: Well, I better go. I have to meet with one of the new clients.

## 9 Suggested Answer

### New Client Data

#### Client 1

**Name:** Janet Baker  
**Company:** Nixons car dealership  
**Services Requested:** advisory dealing  
**Services Provided:** bought stocks herself

#### Client 2

**Name:** Ken Fisher  
**Company:** Henley's Building Supplies  
**Services Requested:** execute-only  
**Services Provided:** carried out orders to buy stock

## Unit 15

### 1 Suggested Answers

- There are benefits of being a trader, such as the high salary that the majority of traders earn. Also, they are likely to get big bonuses.
- There are stresses and demands of being a trader, these include monitoring the stock market constantly. There is also a lot of pressure to make a lot of profit for the firm they work for.

2 1 F 2 F 3 T

3 1 B 3 G 5 C 7 H  
 2 F 4 E 6 D 8 A

- |                      |                     |
|----------------------|---------------------|
| 4 1 capital market   | 3 portfolio manager |
| 2 derivatives market | 4 stock traders     |

## 5 Suggested Answer

The author suggests that people respond negatively to traders like Mr. Remmy because it seems to people that he gets a lot of money, in exchange for easy work.

6 1 B 2 B

- |                  |                         |
|------------------|-------------------------|
| 7 1 stock trader | 4 difference between    |
| 2 get a license  | 5 explain that a little |
| 3 without any    | 6 To be honest          |

## 8 Suggested Answer

- A: First, how do you become a stock trader?  
 B: To be a professional, you have to go to school and get a license first.  
 A: I never knew that.  
 B: Most people don't. That's because a lot of day traders buy and sell stock from home without any training.  
 A: Day traders do the same work you do. Is the education necessary?  
 B: Well, there's a big difference between professional traders and day traders.  
 A: Could you explain a bit more?  
 B: To be honest, day traders don't make much money. In fact, they usually lose it.

## 9 Suggested Answer

### Interview Notes

**Trader Name:** Jane Fisher

**Becoming a trader:** need to get a license first

**Opinion of day traders:** day traders are not very successful.

**Misconceptions:** that there is no difference between professional traders and day traders

## Unit 1

**Worker 1 (F):** Hi, John. Did you hear we're getting a bonus this year?

**Worker 2 (M):** I did. What are you going to do with yours?

**Worker 1:** I'll invest it in a CD.

**Worker 2:** Really? You'll make a lot more with stocks.

**Worker 1:** I might. But I might lose it all too.

**Worker 2:** Not if you diversify by investing in different companies.

**Worker 1:** Maybe. But I don't know anything about the stock market.

**Worker 2:** A good stockbroker will tell you all your options.

**Worker 1:** That's the thing. I don't want to have to think about it.

**Worker 2:** But if you buy the right stocks, you could make millions.

**Worker 1:** If the market drops, I could lose my bonus. I don't want that to happen.

**Worker 2:** Still, a CD will only give you a small return.

**Worker 1:** That's all I'm looking for. It's easy, it's safe, and it earns interest.

## Unit 2

**Advisor (F):** Welcome, James. How can I help you today?

**Customer (M):** I want to invest my inheritance. But I don't know where to start.

**Advisor:** Well. The first thing to consider is how much risk you are willing to take.

**Customer:** I'm not sure. I certainly don't want to lose all my money.

**Advisor:** Okay. Are you willing to risk losing half of your money in order to double it?

**Customer:** Yeah, but I couldn't handle losing much more than that.

**Advisor:** All right. You have a fairly moderate level of risk aversion.

**Customer:** So, what should I invest in?

**Advisor:** There are a number of options. A mutual fund is a fairly moderate investment.

**Customer:** I've heard of those. They aren't too risky?

**Advisor:** They involve some risk, but nothing that would put you out of your comfort zone.

## Unit 3

**Advisor (M):** Mrs. Johnston, your savings plan is going quite smoothly. You are well on your way to retirement.

**Investor (F):** That's good to hear. But do you think I'm in a position for early retirement?

**Advisor:** Well, if you increase your contributions, you could reach your goals in the next two years.

**Investor:** That'd be great. I'd love to retire by sixty.

**Advisor:** With a twenty percent increase in contributions, that would be possible.

**Investor:** The company is still matching my contributions, correct?

**Advisor:** Yes. The thing is, you can't access your IRA before you reach fifty-nine and a half. If you do, you'll miss out on the tax breaks.

**Investor:** But I could cash in my other investments in the meantime.

**Advisor:** That's true. You do have a strong portfolio.

**Investor:** Let's increase my IRA contributions twenty percent. And I will look into selling some of my stocks.

**Advisor:** Sounds like a plan. I'll make the adjustments.

## Unit 4

**Reporter (F):** Mr. Coleman, thank you for speaking with me.

**Expert (M):** My pleasure. So, you're writing an article about two companies' stocks?

**Reporter:** Yes. I'm looking at two companies - Valor Tech and Carson Steel. Which is the better purchase?

**Expert:** Well, Diane, their shares are equal in value. But these companies couldn't be more different.

**Reporter:** Please explain.

**Expert:** You see, Valor Technologies is making its IPO this quarter. Its shares are cheap. But those values are likely to rise in the coming months.

**Reporter:** So, Valor is a wise purchase.

**Expert:** Well, investors should make their own decisions, but I think it is.

**Reporter:** Now, let's get into Carson Steel. What can we expect from them?

**Expert:** Carson's stock has decreased in value 70% this year. I'm sorry to say, they won't be a going concern for much longer.

**Reporter:** So Carson shareholders should sell their stock?

**Expert:** Even if it means taking a loss. They would do best to get rid of it.

## Unit 5

**Trader 1 (F):** Hey, John. How did you do today?

**Trader 2 (M):** Hi, Tammy. I did pretty well. I just can't believe how busy we were.

**Trader 1:** Yeah, some of the stocks skyrocketed today.

**Trader 2:** I know. I bought a lot of that new technology company, TechNet. People couldn't buy it fast enough.

**Trader 1:** I heard that they gained thirty points. Is that right?

**Trader 2:** Yeah. I think that they'll do well again tomorrow.

**Trader 1:** That's probably true. Though they might not climb as much as they did today.

**Trader 2:** No, that would be surprising. How about you? How was your day?

**Trader 1:** Not that great. I had to get rid of my shares in GloboChem.



# Audioscripts

**Trader 2:** Oh, too bad. But they've lost a lot of value over the last week.

**Trader 1:** They have. I just can't lose any more money on them.

## Unit 6

**Interviewer (F):** Welcome, John. Please, take a seat.

**Applicant (M):** Thank you for seeing me, Ms. Herron.

**Interviewer:** Just Carol is fine. Now, you have quite a resume. I see you worked with the National Bank for several years.

**Applicant:** Yes. I was a broker in their product coverage group for ten years.

**Interviewer:** And what were your basic responsibilities in that department?

**Applicant:** Nothing out of the ordinary. I looked at ways to raise equity capital and debt capital for clients.

**Interviewer:** Okay. Now, you're applying to work with our industry coverage group, yes?

**Applicant:** That's correct.

**Interviewer:** As you know, the industry coverage group requires a different set of skills. Tell me, what skills do you have that fit that group?

**Applicant:** Well, I can explain complex ideas to just about anyone. And I'm an excellent salesman.

**Interviewer:** Good. Those traits are certainly required for this position.

## Unit 7

**Interviewer (M):** Ms. Jackson, welcome. It's a pleasure to meet you.

**Applicant (F):** The pleasure is mine, Mr. Harris. Thank you for bringing me in.

**Interviewer:** Well, we were very impressed by your CV. If you don't mind, let's just jump right in.

**Applicant:** Of course. What can I tell you?

**Interviewer:** Let's start with your most recent position. You were the assistant financial controller at Bryant Funds?

**Applicant:** Yes, I was. Basically, I was involved in every risk management decision.

**Interviewer:** Good, good. Tell me, how long did it take you and the head controller to assess risk on a given trade?

**Applicant:** Well, it depends on the trade, of course. But I'd say we could give our traders an answer within a half hour.

**Interviewer:** Excellent. I'm curious, though. How did you assess that risk?

**Applicant:** Well, Bryant Funds is a conservative organization. So we always checked capital limits first.

## Unit 8

**Manager (M):** Victoria, you wanted to see me?

**Employee (F):** Oh, Mr. Durning. Yes, please. It's about the memo you sent this morning.

**Manager:** Okay. Do you have a question about the update?

**Employee:** No, it's not about the software. I'm familiar with the update. I think it'll be really helpful.

**Manager:** Great. So, what can I do for you?

**Employee:** Well, it says that the IT department will be training the traders on the update, right?

**Manager:** Yes. Even though they won't use it as much, it's a good idea for them to know the basics.

**Employee:** Of course. But IT also has to install the program, don't they?

**Manager:** Correct.

**Employee:** That's what I'm worried about. We don't have enough people to do both.

**Manager:** I see what you mean. How long will it take to install the update?

**Employee:** At least a full week.

**Manager:** Here's what we'll do. Install the updates, and then we'll do the training the week after. Sound good?

**Employee:** Perfect, thanks.

## Unit 9

**Lawyer 1 (M):** Good morning, Lisa. How is the research on the BMP insider trading case going?

**Lawyer 2 (F):** Hi John. The research is going well. But I don't think the suspect worked alone.

**Lawyer 1:** Oh, really? You think he had someone helping him?

**Lawyer 2:** I do. He knew too much about BMP's trades and plans.

**Lawyer 1:** Are you sure about that? After all, he worked in the front office. He had access to everything.

**Lawyer 2:** Well, that's true. He had access to information on trading. But that's not the only insider information he shared.

**Lawyer 1:** What do you mean?

**Lawyer 2:** I mean, he also had information on BMP's plan to take over Excel Investments.

**Lawyer 1:** I didn't think about that. There's no way he could have known that without help.

**Lawyer 2:** Right. So there were probably two employees working together that combined their knowledge.

**Lawyer 1:** I think you're heading in the right direction now, Lisa.

**Lawyer 2:** Thanks, John. We'll have them soon.

## Unit 10

**Bank manager (M):** Ms. Solano, do I have any appointments this morning?

**Assistant (F):** You have a meeting with the department managers at 9:45, Mr. Olson. Then you have several appointments with clients this afternoon.

**Bank manager:** I don't remember any meeting with the managers. What's it about?

**Assistant:** First, you need to go over the new employee vacation policy. I have a copy of the policy notes, if you need them.

**Bank manager:** Yes, please bring them. I must have misplaced mine. What else is on the agenda for the meeting?

**Assistant:** Then there's Julian from the New Accounts department. He wants to share his goals for starting better relationships with new customers.

**Bank manager:** Please ask Julian to submit a summary to me before the meeting. Anything else?

**Assistant:** No, Mr. Olson. I'll get you those notes right away.

## Unit 11

**Accountant (M):** Thank you for meeting with me. I'm very excited about this job opportunity.

**Employer (F):** Well, I'm looking forward to learning more about you, Mr. Armstrong. What kind of accounting experience do you have?

**Accountant:** I spent four years in the payroll department at my previous job.

**Employer:** And what did you do there?

**Accountant:** I analyzed employment trends and prepared reports on total wages.

**Employer:** How did the company use that data?

**Accountant:** They used my reports to determine if hiring practices were in line with the budget.

**Employer:** That's good. We really need someone with that kind of experience on our staff. What else have you done?

**Accountant:** When I first started in accounting, I managed cash disbursements and purchase orders for a small retail company.

**Employer:** Well, we already have people for purchase orders. But we need accountants to manage cash disbursements.

## Unit 12

**Consultant (F):** Thanks for coming to Main Street Financial Services. What can I do for you today?

**Client (M):** I need help filing my tax return.

**Consultant:** Sure, we can do that. But first I need to know a little more about you. How would you describe your financial circumstances?

**Client:** Well, I didn't pay my taxes a few years ago. So I have a big tax debt.

**Consultant:** Okay, that's important to know. Now, did you pay your taxes last year?

**Client:** Yes. But I didn't use a tax preparer. I think I made a lot of mistakes.

**Consultant:** Don't worry. That's something we can fix. Is there anything else I should know?

**Client:** Not that I can think of. Do you think I'll get an audit?

**Consultant:** It's possible. But I'll need to review your past returns before I know.

**Client:** Great. I just have one last question. How much will this cost?

**Consultant:** That depends. I charge by the hour.

## Unit 13

**Advisor (M):** Welcome to Acme Advisors. How may I help you?

**Investor (F):** I'd like to talk to someone about my investments. I'm worried that they're not very secure.

**Advisor:** Well, that's a very common concern these days. But it's good that you came to us. We help a lot of people protect their assets.

**Investor:** Great. So, where do we start?

**Advisor:** Well, why don't you tell me how your money is invested?

**Investor:** I have some stock and that's about it.

**Advisor:** Got it. We can look at those in more detail later. Now, what's your biggest concern?

**Investor:** Basically, I'm afraid of losing my money.

**Advisor:** I can start with a risk assessment to see what types of stocks you should avoid.

**Investor:** Okay. So, is buying stocks not a secure way to invest?

**Advisor:** Usually they are. But it's a good idea to divide your money between stocks, bonds and insurance products. Asset allocation protects your money if the market goes down.

**Investor:** Yeah, that makes sense.

## Unit 14

**Broker 1 (F):** Good morning, Jim. How are things going today?

**Broker 2 (M):** Pretty well, actually. I picked up a few new clients this week.

**Broker 1:** Congratulations! That's great news.

**Broker 2:** It is, thanks. I've got two new companies and several individuals.

**Broker 1:** Good for you. So, what kind of services do they want?

**Broker 2:** It varies. But most of them want discretionary dealing.

**Broker 1:** That's the most interesting type of client, don't you think? A lot of mine want execution-only.

**Broker 2:** I've been there. I find it boring to just carry out clients' orders. I want to help them learn about the exchange.

**Broker 1:** Me, too! I'd rather advise my clients on how to manage their money and make it grow.

**Broker 2:** Well, I should get going. I have to meet with one of the new clients.

**Broker 1:** Good luck.

## Unit 15

**Reporter (M):** Thanks for agreeing to the interview, Mr. Remmy.

**Trader (M):** No problem.

**Reporter:** First, how do you become a stock trader?

**Trader:** Well, to be a professional, you have to go to school and get a license first.

**Reporter:** I didn't know that.

**Trader:** Most people don't. That's because a lot of day traders buy and sell stock from home without any training.

**Reporter:** So, if day traders can do the same work you do, is the education necessary?

**Trader:** Well, there's a big difference between professional traders and day traders.

**Reporter:** Could you explain that a little more?

**Trader:** To be honest, day traders don't make much money. In fact, they usually lose more than they make. On the other hand, we professionals make a lot for our clients. But there are many more misconceptions about traders.

**Reporter:** Let's hear some.

**Trader:** Sure. For one, some people think we don't work that hard.

**Reporter:** You disagree with that?

**Trader:** Absolutely. I monitor markets and portfolios every hour I'm awake.

## Unit 1

### 1 Suggested Answers

- The concept of supply and demand centers on the idea that the price of a good or service will change until the amount demanded equals the amount firms are willing to supply.
- Price affects supply and demand because the higher the price of a good the less that good will be demanded. The more that people demand the good the higher the price will become. If the price of a good is high then there will be more supply as companies recognize that profits can be made.

2 1 F    2 F    3 T

3 1 E    3 F    5 B    7 G  
2 A    4 H    6 C    8 D

4 1 supply            3 goods            5 downturn  
2 quantity        4 surplus        6 demand

### 5 Suggested Answer

The newspaper article suggests that the downward business trend was caused by the huge overproduction of new cars.

6 1 A    2 C

7 1 we could try            4 checked it out  
2 too bad            5 free delivery  
3 twice as busy        6 why don't we try

### 8 Suggested Answer

- A: We could try more advertising.  
B: Sure, but stats show that consumers don't respond much to advertising either.  
A: Isn't the store across the street doing well?  
B: Yeah, it is. It's been twice as busy as ours recently.  
A: Have you gone over there and checked it out?  
B: Yes. They're really focusing on making things easier for the customer.  
A: Do you remember any particular things they are doing?  
B: The main thing I remember was free delivery of the furniture.  
A: Why don't we try doing that?

### 9 Suggested Answer

There has been a large downturn in the auto sales business recently. This has been caused by significant changes in supply, since car manufacturers have increased their production of new cars far more than was required by the demand for these cars. The

decrease in public spending has also had a significant effect on demand because people are less likely to spend their money on a new car when the economy is not seen to be strong. Finally, it seems that these factors have led to the auto industry needing to lower its prices in order to sell the extra cars.

## Unit 2

### 1 Suggested Answers

- A business owner must draw up a business plan before opening up a new business. The business plan should outline the goals and give the financial information necessary for the business to begin operating.
- There are a number of official steps which are required for someone to set up a business in the US. These include: deciding on the legal structure of the business and finding a location, once all the permits have been collected and registered then the business can begin operating.

2 1 detailed            3 location        5 projections  
2 appropriate        4 permits

3 1 A business plan            B legal structure  
2 A break-even            B gross  
3 A margin            B permit  
4 A contributions            B profits

4 1 B    2 A    3 A    4 B    5 A

### 5 Suggested Answer

The local authorities should be contacted before you buy or rent a property because you might need a permit to do business in that specific location.

6 1 T    2 F    3 F

7 1 I think you            4 rent the place  
2 what's next            5 business permit  
3 I've prepared

### 8 Suggested Answer

- A: You're making excellent progress, Mr. Hilford. You and your partners have already created a strong business plan, and I believe that you are making the best decision by forming a partnership.  
B: My partners will be pleased to hear that. So what should we do next?  
A: We still need to find you a good location. You'll need a large warehouse. I've prepared a list of available rentals for you to start with.

A: Thanks. After we rent the place, we can start bringing in the merchandise, right?

B: Not quite, Mr. Hilford. First we'll contact the city about getting a business permit. You can move in once you have it.

## 9 Suggested Answer

### Notes

The legal structure of the business will be a partnership, which is the most appropriate since it is a small business. Also I will have to look for a good location, using the list of available rentals. I will look for a large warehouse. It is also necessary that I check with the local authorities to find out what permit is needed to operate in the location.

## Unit 3

### 1 Suggested Answers

- Accountants can tell how much money a business has by assessing its assets and liabilities.
- Some current liabilities that businesses have to pay include a mortgage and any outstanding loans.

2 1 T    2 T    3 F

3 1 D    3 E    5 C  
2 A    4 F    6 B

4 1 A Fixed assets                      B Current assets  
2 A long-term liabilities          B capital reserves  
3 A quick ratio                        B CPA

### 5 Suggested Answer

According to the balance sheet and e mail, if business declines, the company would have serious liquidity problems and might default on loan payments.

6 1 C    2 B

7 1 I assume                              5 why you hired me  
2 what to make of it                6 never even heard of  
3 any time soon                        7 My apologies  
4 good to hear

### 8 Suggested Answer

A: Hello, Mr. Firth. How are you? I assume you got the email and balance sheet?

B: I did, thanks. I'm a bit confused though. I thought we were doing really well.

A: Don't worry. Your business isn't going to fail. I just had the one concern.

B: I'm glad to hear it. But I'm pretty uninformed about all this financial stuff. All I know is fitting tiles.

A: Well, that's why you hired me, right? What is confusing you?

B: It's the quick ratio you mentioned. I don't know what one is. So I didn't know that mine was low.

A: I should have explained that in the email. My apologies.

## 9 Suggested Answer

The balance sheet shows the information that I sent you in the email and balance sheet about your tile fitting business. Your total assets are \$210,000. Your total liabilities are \$100,000, which means that your retained profit is \$110,000. What you do with your capital reserve is entirely your choice. However, I suggest that you invest in order to increase profit.

## Unit 4

### 1 Suggested Answers

1 A business measures its profitability by creating a profit and loss account. This records the revenue received minus costs, the remaining amount is its profit.

2 A business can increase its profitability by reducing its expenses or increasing its sales. This could be done by inspecting the different costs of the business more carefully.

2 1 A    2 A    3 D

3 1 C    3 F    5 A  
2 E    4 B    6 D

4 1 net sales                              4 revenue  
2 cost of sales                         5 net profit  
3 expense                                6 income statement

### 5 Suggested Answer

Some of the expenses mentioned in the letter include materials, production and sales and distribution.

6 1 T    2 T    3 T

7 1 raise our sales                        4 clients  
2 advertising                            5 paying way too much  
3 pay off                                 6 supplier

### 8 Suggested Answer

A: I was looking over our P&L sheet. We need to boost our revenue this quarter.

B: How are we going to do that?

- A: Well, by limiting damages for one. That's what the accountant suggested.
- B: In other words, those warehouse accidents are costing us money.
- A: Right. We need to raise our sales.
- B: Well a little advertising could go a long way.
- A: Sure. That is a significant expense. But I think it is worth it in the long-run.
- B: Definitely. Hundreds of potential clients in Hudson don't even know we exist.
- A: This is true. At the same time, we're paying way too much for materials.
- B: Really? Could we find a new supplier?

## 9 Suggested Answer

I am writing to summarize the profit and loss account. Our company has received a total of \$1,800,00 in sales revenue. Current expenses totalled \$330,000. This is made up of \$80,000 in materials, \$110,000 in production, \$80,000 in sales and distribution and \$60,000 in depreciation.

Net profit is \$210,000, but we should aim to improve this figure. I would recommend looking into causes for the amount of returns. If this level goes down it could raise the overall profitability of the company.

## Unit 5

### 1 Suggested Answers

- Businesses plan for the future by preparing sales forecasts. They look at how sales have behaved, whether there has been an increase or decrease. Using this information, as well as information regarding competitors or market trends, they make predictions and plan for the future based on these.
- A business may use past information, such as a decrease in sales in the last quarter, to make future plans, such as a decision to reduce price in order to increase sales.

2 1 F    2 T    3 F

3 1 D    3 A    5 B    7 G  
2 C    4 E    6 F

4 1 sales forecast    4 expect  
2 comparison    5 past sales  
3 seasonal trend    6 contracts

### 5 Suggested Answer

The sales forecast predicts increased sales in the small engines division, due to the recent release of the new MC-19 engine, which remains in high demand.

6 1 F    2 T    3 F

7 1 drop of 25%    4 worth a try  
2 consumer    5 have a hunch  
3 back on target    6 it's a safe bet

### 8 Suggested Answer

- A: Yes, that's correct. We estimated a drop of 30%.
- B: Wow! This is because consumers are more concerned with eating less meat.
- A: That is what our team's research suggested.
- B: I've worried about that before. Here's an idea. We create vegetarian pies for the health-conscious consumer.
- A: That might help us get our sales back on target.
- B: It's worth a try. Isn't it?
- A: I think so. Let me talk with the chefs and see what they can do.
- B: Great. Let me know what you come up with. I think this is more than a passing trend.
- A: I have to agree. And it's a safe bet that the competition has the same idea.
- B: Then we'll have to act fast.

### 9 Suggested Answer

The report presents the sales forecast for Ed's Pies for the fourth quarter. We expect sales to fall by 30 % from current volume. This is due to consumers becoming more health conscious. Based on this trend, we advise creating vegetarian pies for the health conscious consumer. This is expected to help us increase sales.

## Unit 6

### 1 Suggested Answers

- Some of the things involved in running a business include finding storage for inventory, inventory management, and quality control.
- Companies ensure the quality of their products by performing quality control. This involves taking into account criticism from customers and preventing errors being made in the future.

2 1 Inventory Management  
2 Quality Control  
3 Strategic Business Unit

3 1 A    3 B    5 A  
2 B    4 A    6 A

4 1 operations    4 just-in-time approach  
2 quality control    5 inventory management  
3 strategic business unit

## 5 Suggested Answer

The business letter suggests that it may take a few years before Harding Windmills reaches a break even point. This means that after this time period it will be expected to make a profit.

6 1 C 2 A

- 7 1 just enough 4 not following you  
2 wouldn't keep 5 keep track of  
3 inventory management 6 You got it.

## 8 Suggested Answer

A: One thing I'd suggest is that at the end of each week you order just enough shirts, dresses, trousers, and other supplies for the week ahead.

B: So, I wouldn't keep a big supply then.

A: Exactly. This also means that you might want to improve your existing inventory management.

B: I don't understand.

A: We'll you'll have to keep track of how many items you have and how many you sell.

B: Oh, so that way I can predict what I need for next week.

A: You got it.

## 9 Suggested Answer

In order to improve the business's operations it is important to make a thorough review of all operations and to look at ways of making it run more efficiently. In order to begin this process, we should first look at the way we order supplies. Currently at the end of each week we order just enough shirts, dresses, trousers and other supplies for the week ahead. We can look at ways to improve our existing inventory management. A new inventory management system would keep you informed of where each individual part or item is in the supply chain.

## Unit 7

### 1 Suggested Answers

- Some of the terms used to describe how a company becomes part of a larger company, include a takeover or a buyout.
- There are different styles of takeover, such as a friendly takeover, or a hostile takeover. A friendly takeover refers to one company taking over another based on mutual cooperation and understanding. A hostile takeover refers to a situation when one company takes over the other but the target company's management does not agree to it.

- 2 1 completed 3 disagreed 5 welcomed  
2 corporation 4 takeover

- 3 1 white knight 4 tender offer  
2 hostile takeover 5 takeover  
3 divestment 6 buyout

- 4 1 parent company 4 friendly takeover  
2 offer 5 target  
3 bid

## 5 Suggested Answer

The company was planning divesting some parts of the company.

6 1 T 2 T 3 F

- 7 1 I'm surprised 4 several years ago  
2 nearly bankrupt 5 I bet they'll  
3 used to be 6 risky decision

## 8 Suggested Answer

A: Did you hear that Forresters made a successful bid for Jackson manufacturing?

B: Really? I figured Jackson manufacturing would go to Hamptons. But I'm surprised anybody wanted it really.

A: Why?

B: Well, Jackson manufacturing is nearly bankrupt. I don't understand why all these big corporations made such big offers for it.

A: I think the takeover makes sense. I know they have some financial problems, but they used to be very profitable.

B: That's true, but that was several years ago.

A: They still make good products. With the right management, I bet they'll be great again.

B: It seems like a pretty risky decision. I guess we'll see if Forresters is prepared to save the business.

## 9 Suggested Answer

### Letter to the Editor

I am writing to you regarding the business community's interest in Jackson manufacturing. I have heard that Forresters has in fact made a successful bid for Jackson. The deal will put an end to months of corporate battling between Hamptons and Forresters regarding control of the company. However, Jackson manufacturing is nearly bankrupt and many people cannot understand why there has been such a lot of interest in the company in this state. My opinion is that despite their financial problems, the company can be profitable again.

## Unit 8

### 1 Suggested Answers

- When a business runs out of money, it firstly tries to secure new sources of investment from the bank or business partners. If this is not possible, it is likely that the company will shut down and be liquidated.
- A failing business can be saved by restructuring. It could also divest some of its assets, perhaps by selling some of its assets to the highest bidder.

2 1 F    2 T    3 F

3 1 C    3 H    5 E    7 D  
2 G    4 B    6 F    8 A

- 4 1 A bidder                      B receiver  
2 A bankruptcy                B liquidation  
3 A call in                        B shut down

### 5 Suggested Answer

Go-Round's outstanding debts will be settled since the company's assets will be sold off.

6 1 B    2 D

- 7 1 just declared                4 taking over  
2 shut down                      5 a smart move  
3 doing all right                6 seems to think

### 8 Suggested Answer

- A: Printer Perfect solutions just declared that they are going bankrupt.  
B: Really? I never thought that they would shut down. I knew that no one was buying their economy products, but I thought they were doing okay in other areas.  
A: I guess not. But a lot of companies are interested in taking over.  
B: Are we one of those companies?  
A: Yes, actually. It's what I came to discuss with you. It would be a good move for Imagine Unlimited.  
B: How much we are going to offer?  
A: Around sixty million. Management seems to think that sounds like a good number.

### 9 Suggested Answer

This article is about the software solutions company Printer Perfect. It was set-up over ten years ago by two college graduates. Although at first they were successful and the company did well, sales slowly began to decline. It has been suggested that the reason that the company is failing is because they have priced their products too high.

A few months ago creditors began to call in their debts. It seems likely that Printer Perfect will declare bankruptcy in the next few weeks. There have been various efforts to save it, such as appointing a receiver. The company has since been restructured. A few companies seem to be showing an interest in buying it. In particular Imagine Unlimited is expected to put in an offer of about sixty million.

## Unit 9

### 1 Suggested Answers

- People protect themselves and their property by purchasing insurance. In this way they are able to claim compensation in the event that their property is damaged or if they suffer ill health.
- In my country people pay for medical care by purchasing health insurance. This means that their costs are covered, but by how much depends on which type of policy they have purchased.

2 1 B    2 C    3 A

- 3 1 A auto insurance            B policy  
2 A cover                        B protect  
3 A life insurance              B disability insurance

4 **Types:** property insurance, health insurance

**Aims:** insure

**Features:** premium, term, compensation

### 5 Suggested Answer

According to the article health insurance is available to individuals, families and small businesses.

6 1 T    2 T    3 F

- 7 1 might be interested in    4 That's nice  
2 something we need        5 I'll note that  
3 up to                         6 that much protection

### 8 Suggested Answer

- A: You might be interested in a full-coverage property policy that I have.  
B: What does it cover?  
A: It protects the value of your home from natural disasters and fire.  
B: Okay. We need that.  
A: And it also insures everything in your home, up to two million dollars, against theft.  
B: We don't need that. We don't own many expensive things.



A: Okay, I'll note that. Another feature protects you in case someone not living in your home gets hurt there. Again, it covers two million dollars.

B: That's a lot. I don't think we need that much protection.

A: Well, I also have some more affordable policies, but they offer less extensive coverage.

B: Let's take a look at those.

## 9 Suggested Answer

I have some suggestions regarding insurance policy. Firstly you can consider various types of insurance suited to your needs. You can consider taking out life insurance policies which have a variety of terms, this could offer your loved ones up to \$2 million in compensation.

You may also want to consider investing in home insurance. A full-coverage property policy covers the value of your home from natural disasters and fire. It has the benefit of insuring everything in your home for up to a million dollars. There are less expensive policies also but they don't offer the same amount of coverage. If you consider purchasing more than one type of insurance, you may qualify for a discount. For example, if you purchase disability insurance with our life insurance policy, you will get a special discounted rate.

## Unit 10

### 1 Suggested Answers

- 1 People make insurance claims if they have damaged their vehicle in an accident. The insurer pays for the repairs. Other insurance claims might cover medical costs if a person who has bought health insurance becomes unwell.
- 2 Insurance companies will deny a claim if they believe that it is false. They will first investigate the claim to see if this is the case.

2 1 F 2 F 3 T

3 1 determine 4 policy holder  
2 policy number 5 available  
3 filed

4 1 A estimate B policy number  
2 A claim B agent  
3 A investigation B monetary value

### 5 Suggested Answer

The insurance company needs information about the other driver involved in the accident.

6 1 B 2 A

7 1 claims adjuster 4 available  
2 estimate 5 when can I expect  
3 cover the entire amount 6 As soon as

### 8 Suggested Answer

A: Hi Mr. Smithson. It looks like the claims adjuster has just completed investigation of your claim. He sent a report to your agent this morning.

B: Great. Do you know the results of the estimate?

A: The estimate of damages was \$5,000.

B: And does my policy cover the whole amount?

A: You will have to ask your agent about specific coverage available through your policy.

B: Okay. Now, when can I expect payment?

A: As soon as your agent receives the claims report, you can call the adjuster to authorize payment.

B: How long will that take.

A: Once payment is authorized, a check will arrive within five days.

### 9 Suggested Answer

Dear Mr Smithson,

I have reviewed your insurance claim, as well as the claims adjuster's investigation report on your claim. I would like to present you with the following summary. Firstly, the estimated value of damages is \$5,000. Your policy covers you since you took out the full coverage option. Since I have received the claims report now, you can call the adjuster who will authorize your payment within the next couple of weeks.

Yours sincerely,

Sarah Fritz

Claims Department

Banfield Auto Insurance

## Unit 11

### 1 Suggested Answers

1 Governments can control financial activities and economies by setting interest rates and controlling the money supply.

2 The currency used in my country is American dollars. However, it is also the case that other currencies are accepted, such as the British pound and the Euro. Nearby countries use the Canadian dollar and Mexican Peso.

2 1 F 2 T 3 F

3 1 E 3 D 5 C  
2 F 4 B 6 A

- 4 1 A monetary authority      B money supply  
2 A monopoly                      B legal tender

## 5 Suggested Answer

The bank hopes to boost the exchange rate by raising the interest rate by 1%. This higher rate aims to encourage savings and discourage lending. This increase may create more demand for Lavinian dollars which, in turn, would boost the exchange rate.

- 6 1 C      2 B

- 7 1 contractionary                      4 what happens to  
2 stop inflation                        5 new bonds  
3 fewer loans and                      6 wait and see  
less credit

## 8 Suggested Answer

A: The central bank raised interest rates by half a percent.

B: How does that stop inflation?

A: I will explain, higher interest means fewer loans and less credit for borrowers. Which means less money is out there. And with less money, there's less inflation.

B: Okay. So, what happens to my savings? Will I lose money because of this?

A: The government will probably put out new bonds. We can invest in those bonds to keep your money secure.

B: I'm glad there's a safe option.

A: Well, that's not a guarantee. We'll have to wait and see what happens.

## 9 Suggested Answer

Central banks use a variety of mechanisms to influence the money supply and so make changes in the economy. The central bank will take contractionary measures if it wishes to reduce the nation's money supply. This means that it raises interest rates which encourages saving, discourages lending and so keeps the money supply low.

## Unit 12

### 1 Suggested Answers

- Examples of international organizations include: OPEC, the IMF and the EU. Some other examples are ASEAN, NAFTA and the United Nations
- These organizations have various functions including providing economic assistance, creating trade associations between regions, encouraging co-operation and sometimes even peacekeeping functions.

- 2 1 promoting expansion of international trade  
2 to ensure the free passage of goods, people, and capital throughout Europe  
3 United Nations  
4 OPEC

- 3 1 B      3 C      5 D  
2 F      4 A      6 E

- 4 1 complexity                              4 Group of 20  
2 GNP                                        5 multinational corporations  
3 NAFTA                                      6 IMF

## 5 Suggested Answer

The EU and NAFTA are similar in that they reduce or get rid of trade restrictions between member countries.

- 6 1 F      2 T      3 F

- 7 1 human rights                              4 objective  
2 responsibilities                              5 economic development  
3 EU    6 standard currency

## 8 Suggested Answer

A: The UN promotes co-operation between nations. And it tries to develop standards for things like international law, and human rights.

B: So its responsibilities involve humanitarian issues?

A: It's one thing it focuses on, yes.

B: What about the EU?

A: One main objective of the EU was to establish a single European market.

B: What is that for?

A: Well, different laws from one country to the next were getting in the way of economic development.

B: That's why the EU created the euro?

A: Creating a single currency was definitely part of developing a single market.

## 9 Suggested Answer

The World Health Organization (WHO) was set up as an agency of the UN, its main aim is to coordinate effort in the area of public health. Its administrative headquarters are in Geneva. The WHO has a broad range of public health related goals.

The European Union (EU) began as a set of agreements between Member States which would make the trade of goods and services easier. Over time it has taken on more political powers and also has a currency of its own, the Euro. However, not all members of the EU have the Euro as their national currency.

## Unit 13

### 1 Suggested Answers

- There are a number of signs that show an economy is doing well. One of these is low unemployment. This could indicate that the economy is growing.
- A successful economy could have a lot of housing starts. Growth in housing production is a good sign for the economy. If construction companies are creating properties it is likely that there is demand for them, suggesting that people have stable jobs and good savings.

2 1 A    2 B    3 D

3 1 D    3 E    5 C    7 F  
2 G    4 B    6 A

- 4 **Economic Decline:** recession, depression  
**Economic Signs:** leading indicator, lagging indicator, coincident indicator  
**Exchange Concepts:** import, export, trade

### 5 Suggested Answer

The economy is in recession because of the collapse of a housing bubble.

6 1 T    2 F    3 F

- 7 1 manage imports and exports  
2 Sustainable Finance  
3 that sounds  
4 continue to grow  
5 sounds promising  
6 long-term  
7 just another

### 8 Suggested Answer

- A: The next one is Axion Inc.  
B: And what do they do?  
A: Basically, they manage imports and exports. With trade increasing, they'll do well.  
B: Okay, that makes sense. What's the last one?  
A: My final suggestion is Friendly Faces. It's a firm that supports social-networking businesses.  
B: That sounds OK. Why do you recommend them?  
A: I think they will continue to grow. There'll be a high demand for their services, so an investment with them should grow quickly.  
B: Sounds good. Are you sure it's a long-term investment though?  
A: I don't think it's just another bubble.  
B: Thanks, James. I'll let you know when I decide.

### 9 Suggested Answer

Dear Mr. Harris,  
I am writing to you with my recommendations for investments, as you requested. Firstly, I believe you should consider the social-networking firm Friendly Faces. Following extensive research, I believe that they are a good long-term investment. The firm looks like it will continue to grow and furthermore, that there will be high demand for their services.

Judging by the economic indicators available, this is also a good time for you to invest in the trade sector. This is because we have seen a rise in exports and fall in imports. This is a trend that is expected to continue. If I can provide more assistance please do not hesitate to contact me.

Yours sincerely,  
Mark Elming  
Elming Consultants

## Unit 14

### 1 Suggested Answers

- There are some activities that make an economy stronger, such as increased private consumption, this means that by spending more money, people are injecting more money back into the economy.
- There are also factors which can slow economic growth such as prices going up so that people have less incentive to spend their money. Stagflation is a situation where the prices continue to rise as the economy struggles to grow.

2 1 B    2 D    3 B

3 1 C    3 D    5 E  
2 B    4 A    6 F

- 4 1 A let go of    B fell into  
2 A GDP    B gross private investment  
3 A struggle    B stabilize

### 5 Suggested Answer

The price of oil is important in an economy because when the price of oil goes up, so does the price of almost everything else.

6 1 F    2 T    3 T

- 7 1 solid assessment    5 increasing  
2 hit the nail on the head    government spending  
3 fall into    6 Better safe  
4 tell the truth    than sorry

**8 Suggested Answer**

- A: Are you talking about the column in Financial Figures?  
 B: Yes! I thought it was a great summary of the situation.  
 A: I couldn't agree with you more. It was very precise.  
 B: Yes it was. Although, I don't think the economy will fall into stagflation so quickly.  
 A: Well? I'm a bit worried to be honest. Oil prices and unemployment keep rising.  
 B: That's true. I think that increasing government spending might help.  
 A: Sure. I'd still like to see oil production increase, though.  
 B: Yeah. Me too. Better safe than sorry, right?

**9 Suggested Answer**

Economic stability is desirable. This is because fluctuations in an economy makes investors hesitant. In turn this means that the economy begins to stagnate, because of this there is a drop in private investment. If there is less investment, it is likely that consumers will also stop spending which will have a knock on effect on jobs.  
 This sluggish economy could possibly develop into a situation where stagflation is experienced. Stagflation, the situation where prices continue to rise but the economy struggles to grow, needs to be combated. This could be achieved by either increasing government spending or reducing the price of oil by increasing its supply.

**Unit 15**

**1 Suggested Answers**

- 1 Different types of economic theories are popular, those which believe that the market is best regulated by the government and those which believe the market is best regulated by the markets.
- 2 Some criticism of economic theories center on the problem that they are often rigid theories which are not easily adapted to everyday conditions.

**2 Neoclassical Economics**

*Who should control the economy:* Private Sector  
*Support/Reasons:* Individuals will act in their own best interests and so will run the economy best  
*Who should not control the economy:* Public Sector  
**Keynesian Economics**  
*Who should control the economy:* Public Sector  
*Support/Reasons:* Individuals do not always make rational decisions  
*Who should not control the economy:* Private Sector

- 3 1 E 3 B 5 C 7 D  
 2 F 4 A 6 G 8 H

- 4 1 Neoclassical economics 3 theory  
 2 debate 4 Keynesian economics

**5 Suggested Answer**

Experts disagree on a government stimulus because of the debate between two theories: Keynesian economics and Neoclassical economics. Some economists call for government intervention whilst others warn that the government should stay out of business affairs.

- 6 1 F 2 F 3 T

- 7 1 Neoclassical economics  
 2 see if I understand that correctly  
 3 one way to put it  
 4 how about  
 5 Keynesian economics  
 6 point out

**8 Suggested Answer**

- A: Okay. Why do some oppose the stimulus spending?  
 B: It's basic Neoclassical economics. That theory suggests that the private sector can manage the economy better than the government.  
 A: So they believe that the government makes worse economic decisions than the private sector?  
 B: Yes, that is a fair description.  
 A: And how about the other side? The supporters of stimulus spending?  
 B: They follow Keynesian economics.  
 A: Why do they disagree with the Neoclassical economists?  
 B: They point out that people don't always make rational decisions in the real world.

**9 Suggested Answer**

Keynesian and Neoclassical economics differ substantially in their approach. Neoclassical economics argues that individuals make rational decisions and that both sides of a business transaction act in their own self-interest. It is believed that there is no need for the public sector to make economic decisions for them. Keynesian economic theory notes that the private sector is not always rational because too many factors can influence people besides facts. That means that they support government's active participation in the economy and so support stimulus spending.

# Audioscripts

## Unit 1

- Accountant (M):** Hey, Fiona. How'd things go today?
- Sales Manager (F):** Not so good, Jim. The recession is really hurting us. We have to raise sales somehow.
- Accountant:** Yeah, tell me about it. Have you considered lowering sales prices?
- Sales Manager:** We tried that, but it didn't work. It really doesn't seem like the price of furniture is what's important to people. Do you have any other ideas?
- Accountant:** Well, we could try more advertising.
- Sales Manager:** We could. But stats show that consumers aren't responding much to advertising either.
- Accountant:** Oh, too bad. But isn't the store across the street doing well?
- Sales Manager:** Yeah, it is. It's been twice as busy as ours recently.
- Accountant:** Interesting. Have you gone over there and checked it out?
- Sales Manager:** I did. They're really focusing on making things easier for the customer.
- Accountant:** Do you remember any specifics?
- Sales Manager:** The main thing I remember was free delivery of the furniture.
- Accountant:** Well, why don't we try doing that?
- Sales Manager:** Delivery is pretty expensive. But it might be worth it.
- Accountant:** I'll tell you what. Tomorrow we'll sit down, and I'll help you figure out the cost.

## Unit 2

- Owner (M):** Well, Ms. Le Blanc, how are we doing? Do you think I can open the business soon?
- Advisor (F):** You're making excellent progress, Mr. Fuller. You and your partners have already created a strong business plan, and I think you made the right decision by forming an LLC.
- Owner:** Good. My partners will be pleased to hear that. So what's next?
- Advisor:** We still need to find you an appropriate location. You'll need a large warehouse with office space. I've prepared a list of available rentals for you to start with.
- Owner:** Great, thanks. So after we rent the place, we can start bringing in the merchandise, right?
- Advisor:** Well, not quite, Mr. Fuller. First we'll contact the city about getting a business permit. Once you have that, then you can move in.
- Owner:** Sounds good. My partners and I will begin visiting these locations right away.

## Unit 3

- CPA (M):** Jaynes Accounting, Jacob Loren speaking.
- Owner (F):** Yes, hi, Jacob. This is Patricia Jackson over at Roundtop Furniture.
- CPA:** Oh, hello, Ms. Jackson. How are you? I assume you got the email and balance sheet?
- Owner:** I did, thanks. I have to say, I'm not sure what to make of it. I thought we were doing really well.
- CPA:** Don't worry. Your business isn't going to fail any time soon. I just had the one concern.
- Owner:** That's good to hear. But I'm pretty uninformed about all this financial stuff. All I know is making furniture.
- CPA:** Well, that's why you hired me, right? So, what is confusing you?
- Owner:** It's the quick ratio you mentioned. I've never even heard of it before. So I didn't know that mine was low.
- CPA:** I should have explained that in the email. My apologies. The quick ratio is just your current assets divided by your current liabilities.
- Owner:** Okay, that much I get. But I have more assets than liabilities. So why are you concerned?
- CPA:** I just think you should have more. Businesses with a quick ratio below two have trouble paying debts when business is slow.

## Unit 4

- Owner (F):** I was looking over our P&L sheet. We need to boost our revenue this quarter.
- Manager (M):** How are we going to do that?
- Owner:** Well, by limiting damages for one. That's what the accountant suggested.
- Manager:** In other words, those warehouse accidents are costing us money.
- Owner:** Right. But we also need to raise our sales.
- Manager:** Yeah. A little advertising could go a long way.
- Owner:** I agree. Good marketing is a significant expense. But it would likely pay off.
- Manager:** Definitely. Hundreds of potential clients in Bakersfield don't even know we exist.
- Owner:** This is true. At the same time, we are paying way too much for materials.
- Manager:** Really? Could we find a new supplier?
- Owner:** I've been looking. I found three other companies all selling cheaper steel.
- Manager:** That would bring our cost of sales down in the long run.
- Owner:** Exactly. I just have to make sure transport costs don't cancel out the savings.
- Manager:** Why, are they farther away?

**Owner:** Three hundred miles farther. That's a lot with the price of gas.

**Manager:** We should look into it. It never hurts to raise the bottom line.

## Unit 5

**Executive 1 (F):** So, that concludes my sales forecast for Baker's Plus. Any questions?

**Executive 2 (M):** You mentioned sales for cookies are expected to drop.

**Executive 1:** Yes, that's correct. We estimated a drop of 25%.

**Executive 2:** Wow! Now, you mentioned this is because consumers are more concerned with eating healthy.

**Executive 1:** That is what our team's research suggested.

**Executive 2:** I've worried about that before. So here's my idea. We create cookies for the health-conscious consumer.

**Executive 1:** That might help us get our sales back on target.

**Executive 2:** It's at least worth a try, isn't it?

**Executive 1:** I think so. Let me talk with the bakers and see what they can do.

**Executive 2:** Great. Let me know what you find out. I have a hunch this is more than a passing trend.

**Executive 1:** I have to agree. But it's a safe bet that the competition has the same idea.

**Executive 2:** Then we'll have to act fast.

## Unit 6

**Consultant (M):** Jackson Advisors, Mike Hanson speaking.

**Owner (F):** Hi, Mike. It's Gloria at Davidson Bakery. I was just calling about your letter.

**Consultant:** Oh, good, you got it. What did you think about my suggestions?

**Owner:** They were all good. I can see how they would improve control over my operations.

**Consultant:** Was everything clear?

**Owner:** For the most part, yes. But I'm not exactly sure how a just-in-time approach would work for my bakery.

**Consultant:** Well, I could give you some ideas.

**Owner:** That would be great.

**Consultant:** One thing I'd suggest is that at the end of each week you order just enough flour, sugar, and other supplies for the week ahead.

**Owner:** So, I wouldn't keep a big supply then.

**Consultant:** Exactly. This also means that you might want to improve your existing inventory management.

**Owner:** I'm not following you exactly.

**Consultant:** We'll you'll have to keep track of how much flour you have and how much you use.

**Owner:** Oh, I see, that way I can predict what I need for next week.

**Consultant:** You got it.

**Owner:** Thanks for the clarification. That makes a lot more sense to me now.

**Consultant:** No problem.

## Unit 7

**Agent 1 (M):** Did you hear that Neilson-Williams made a successful bid for Western Manufacturing?

**Agent 2 (F):** Really? I figured WM would go to NexiCorp. Frankly, I'm surprised anybody wanted it at all.

**Agent 1:** Why do you say that?

**Agent 2:** Well, WM is nearly bankrupt. I don't understand why all these big corporations made such competitive offers for it.

**Agent 1:** I think the takeover makes sense. I know they have some financial problems, but they used to be very profitable.

**Agent 2:** That's true, but that was several years ago. The company just isn't as strong as it used to be.

**Agent 1:** Well, as far as I know, WM still makes decent products. With the right management, I bet they'll be great again.

**Agent 2:** I don't know. It seems like a pretty risky decision. I guess we'll see if Neilson-Williams is prepared to save the business.

**Agent 1:** My guess is, they wouldn't have made that large of an investment if they didn't have a good plan.

**Agent 2:** For their sake, I hope you're right.

## Unit 8

**Manager (M):** Hey, Angela, did you hear about RoboTech?

**Accountant (F):** Hi, Chuck. No, I didn't, what happened?

**Manager:** Well, you used to work there before you came to Automated Unlimited, right?

**Accountant:** Yes, I did, in their senior accounting department.

**Manager:** Well, RoboTech just declared that they are going bankrupt.

**Accountant:** Really? I never thought that they would shut down. I knew that no one was buying their more expensive products, but I thought they were doing all right in other areas.

**Manager:** I guess not. But a lot of companies are interested in taking over.

**Accountant:** Are we one of those companies?

**Manager:** Yes, actually. It's what I came to talk to you about. It would be a smart move for Automated Unlimited.

**Accountant:** How much are we going to offer?

**Manager:** Around fifty million. Management seems to think that sounds like a good number.

**Accountant:** That sounds about right, but it will depend on their debt.

**Manager:** Yeah. Anyway, our CFO wants us to go through the financial records one more time. Just to make sure everything is in order to place the bid on the company.

**Accountant:** All right. I'll get started on that right away.

## Unit 9

**Agent (F):** So, what can I do for you today Mr. Anderson?

**Customer (M):** Well, I have had some changes in my life and I want to upgrade my insurance.

**Agent:** What kind of changes are we talking about?

**Customer:** I just got married, and we're buying a house.

**Agent:** Congratulations to both of you!

**Customer:** Thank you. So I need to cancel my renter's insurance and get a policy for homeowners.

**Agent:** I have a full-coverage property policy that you might be interested in.

**Customer:** What does it cover?

**Agent:** It protects the value of your home from natural disasters and fire.

**Customer:** That's something we need.

**Agent:** And it also insures everything in your home, up to a million dollars, against theft.

**Customer:** That's nice, but we probably don't need it. We don't own many expensive things.

**Agent:** Okay, I'll note that. Another feature protects you in case someone not living in your home gets hurt there. Again, it covers a million dollars.

**Customer:** That all sounds expensive. I don't think we need that much protection.

**Agent:** Well, I also have some more affordable policies, but they offer less extensive coverage.

**Customer:** Let's take a look at those.

## Unit 10

**Employee (F):** Banfield Auto Insurance, how can I help you?

**Customer (M):** Hi. I'm calling to inquire about the status of my claim.

**Employee:** Okay. What is the policy number, Sir?

**Customer:** Let's see. The policy number ... It's 715L-PM9-0.

**Employee:** Got it. You are Mr. John M. O'Donnell?

**Customer:** That's correct.

**Employee:** Mr. O'Donnell, it looks like the claims adjuster has just completed investigation of your claim. He sent a report to your agent this afternoon.

**Customer:** Well, that's good. Do you know the results of the estimate?

**Employee:** The estimate of damages was \$3,000.

**Customer:** And does my policy cover the entire amount?

**Employee:** You will have to ask your agent about specific coverage available through your policy.

**Customer:** Okay. Now, when can I expect payment?

**Employee:** As soon as your agent receives the claims report, you can call the adjuster to authorize payment.

**Customer:** Then how long will it take?

**Employee:** Once payment is authorized, a check will arrive in seven to ten days.

**Customer:** All right. Thanks for the info.

**Employee:** My pleasure, Sir, have a great day.

## Unit 11

**Investor (M):** Thanks for seeing me on such short notice.

**Advisor (F):** It's no problem. What's on your mind?

**Investor:** Well, did you see this morning's financial newspaper?

**Advisor:** I did. The central bank raised the interest rate by 1%, right?

**Investor:** Yes. But why did they do it?

**Advisor:** The reserve bank is trying to stop inflation by taking contractionary steps. It is raising the interest rate and reducing the money supply.

**Investor:** How does that stop inflation?

**Advisor:** Basically, higher interest means fewer loans and less credit for borrowers. Which means less money is out there. And with less money, there's less inflation.

**Investor:** Got it. So, what happens to my savings? Will I lose money because of this?

**Advisor:** Usually the government will put out new bonds. We can invest in those bonds to keep your money secure.

**Investor:** I'm glad there's a safe option.

**Advisor:** Of course, that's not a guarantee. We'll have to wait and see what happens.

**Investor:** Well, if you think buying bonds is the best bet, then that's what I'll do.

## Unit 12

**Student (F):** Professor Thomas, what's the difference between the United Nations and the European Union?

**Professor (M):** Well, they are both international organizations. But they have different objectives and responsibilities.

**Student:** I know the UN was started after World War II to resolve global conflicts.

**Professor:** Right. And since then it has taken on a variety of other roles.

**Student:** Like what?

**Professor:** In general, the UN promotes co-operation between nations. And it tries to establish standards for things like international law, and human rights.

**Student:** So its responsibilities involve humanitarian issues?

**Professor:** Among other things, yes.

**Student:** And what about the EU?

**Professor:** One main objective of the EU was to establish a single European market.

**Student:** What is the purpose of that?

**Professor:** Well, inconsistent laws from one country to the next were getting in the way of economic development.

**Student:** Is that why the EU created the euro?

**Professor:** Creating a standard currency was definitely part of developing a single market.

**Student:** So the EU has mainly financial objectives?

**Professor:** More or less.

## Unit 13

**Advisor (F):** Hello, Mr. Stevens. Are you ready to talk about your investment plans?

**Investor (M):** Hi, Laura. Yes, let's get started.

**Advisor:** Great. I'd like to go over three growing companies I recommend investing with.

**Investor:** That sounds good. What can you tell me?

**Advisor:** The first company is Harris Incorporated. Coincident indicators point to a rising trend in housing starts. Harris is a leader in that area.

**Investor:** That's good news. What's the next one?

**Advisor:** The next one is Marshall Alliance.

**Investor:** And what do they do?

**Advisor:** Basically, they manage imports and exports. But trade is increasing, so they'll do well.

**Investor:** Okay, that makes sense. So what's the last one?

**Advisor:** My final suggestion is Sustainable Finance. It's an investment firm that finances environmentally-friendly businesses.

**Investor:** Now that sounds really interesting. But why do you recommend them?

**Advisor:** Well, I think they will continue to grow. There'll be a high demand for their services, so an investment with them should grow significantly.

**Investor:** That sounds promising. Are you sure it's a good long-term investment though?

**Advisor:** I believe so. I don't think it's just another bubble.

**Investor:** Thanks, Laura. I'll let you know when I decide.

## Unit 14

**Accountant 1 (M):** Good morning, Karen. How are you today?

**Accountant 2 (F):** Not too bad. You?

**Accountant 1:** Oh, you know, I'm a little stressed about the economy.

**Accountant 2:** Everyone is. But you know, I read an interesting article on that yesterday.

**Accountant 1:** Are you talking about the column in Financial Monthly?

**Accountant 2:** Yes! I thought it was a really solid assessment of the situation.

**Accountant 1:** I couldn't agree with you more. The author hit the nail on the head.

**Accountant 2:** He really did. Although, I don't think the economy will fall into stagflation so quickly.

**Accountant 1:** No? To tell the truth, it worries me. Oil prices keep rising, and so does unemployment.

**Accountant 2:** I guess that's true. But I think that increasing government spending is still an option.

**Accountant 1:** Oh, of course, of course. I'd still like to see oil production increase, though.

**Accountant 2:** Yeah. Me too. Better safe than sorry, right?

**Accountant 1:** Exactly.

## Unit 15

**Reporter (F):** Thanks for letting me ask you a few questions, Mr. Collins.

**Economist (M):** My pleasure. So, what's your article on?

**Reporter:** It's about the new government proposal for stimulus spending.

**Economist:** Oh, I see. People have some pretty strong opinions about that.

**Reporter:** That's certainly true. And actually, that's what my article is looking at. How is it that so-called experts can have such different opinions?

**Economist:** Well, even economists who disagree can still be experts. They just follow different economic theories.

**Reporter:** Okay. So why do some oppose the stimulus spending?

**Economist:** It's basic Neoclassical economics. That theory suggests that the private sector can manage the economy better than the government.

**Reporter:** Let me see if I understand that correctly. It says the government makes worse economic decisions than the private sector?

**Economist:** Yes, that's one way to put it.

**Reporter:** And how about the other side? The supporters of stimulus spending?

**Economist:** They follow Keynesian economics.

**Reporter:** And why do they disagree with the Neoclassical economists?

**Economist:** They point out that people don't always make rational decisions.

**Reporter:** Great, thanks. May I ask, which group do you think is right?

**Economist:** Well, both make good points. But I support the government's plan for stimulus spending.



# Finance

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