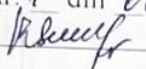


Coordonat:

La ședința catedrei de Merceologie și
discipline economice

Proces-verbal nr. 1 din 06.09.2021

Raisa Stici 

Aprobat:
Consiliul metodic științific
Proces-verbal nr. din
Gh. Frăcăuțanu 



SUPPORT DE CURS

La unitatea de curs :

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Profesor: Gaina Ecaterina

1. Socialising

The following text is about cultural diversity. Read it through once and decide which of the three statements (A, B or C) given below the extract offers the most accurate summary.

The Impact of Culture on Business

Take a look at the new breed of international managers, educated according to the most modern management philosophies. They all know that in the SBU, TQM should reign, with products delivered JIT, where CFT's distribute products while subject to MBO. (SBU = strategic business unit, TQM = total quality management, JIT= just-in-time, CFT = customer first team, MBO = management by objectives.)

But just how universal are these management solutions? Are these 'truths' about what effective management really is, truths that can be applied anywhere, under any circumstances?

Even with experienced international companies, many wellintended 'universal' applications of management theory have turned out badly. For example, pay-for-performance has in many instances been a failure on the African continent because there are particular though unspoken, rules about the sequence and timing of reward and promotions. Similarly, management by objectives schemes have generally failed within subsidiaries of multinationals in southern Europe, because managers have not wanted to conform to the abstract nature of preconceived policy guidelines.

Even the notion of human-resource management is difficult to translate to other cultures, coming as it does from a typically Anglo-Saxon doctrine. It borrows from economics the idea that human beings are 'resources' like physical and monetary resources. It tends to assume almost unlimited capacities for individual development. In countries without these beliefs, this concept is hard to grasp and unpopular once it is understood. International managers have it tough.

They must operate on a number of different premises at any one time. These premises arise from their culture of origin, the culture in which they are working, and the culture of the organization which employs them.

In every culture in the world such phenomena as authority, bureaucracy, creativity, good fellowship, verification and accountability are experienced in different ways. That we use the same words to describe them tends to make us unaware that our cultural biases and our accustomed conduct may not be appropriate, or shared.

SBU = strategic business unit = unitate comercială, economică strategică
TQM = total quality management = managementul total al calității

JIT = just-in-time = livrare exact la momentul potrivit
CFT = customer first team =

MBO = management by objectives =
managementul pe obiective
pay-for-performance = plată pentru
munca depusă
human-resource management =
managementul resurselor umane

at any one time = în fiecare moment
premises = premise, locații
grasp = a pricepe, a înțelege (în text)
accountability = răspundere
bias = tendință, orientare

A. There are certain popular universal truths about management which can successfully be applied in various cultural contexts.

B. Cultures are so varied and so different throughout the world that management has to take account of differences rather than simply assume similarities.

C. Effective management of human resources is the key to everyone achieving their full potential.

Language Checklist

Cultural diversity and socializing

Welcoming visitors

Welcome to ...

My name's ...

Arriving

Hello. My name's ... from ...

I've an appointment to see ...

Sorry – I'm a little late / early.

My plane was delayed...

Introducing someone

This is ... He/she's my Personal Assistant.

Can I introduce you to ... He/she's our (Project Manager).

I'd like to introduce you to ...

Meeting someone and small talk

Pleased to meet you.

It's a pleasure.

How was your trip? Did you have a good flight / trip / journey?

How are things in (London)?

How long are you staying in (New York)?

I hope you like it.

Is your hotel comfortable/

Is this your first visit to (the Big Apple)?

Offering assistance

Can I get you anything?

Do you need anything?

Would you like a drink?

If you need to use a phone or fax, please say.

Can we do anything for you?

Do you need a hotel / a taxi / any travel information / etc.?

Asking for assistance

There is one thing I need ...

Could you get me ...

Could you book me a car / taxi / hotel / ...?

Could you help me arrange a flight to...?

Can you recommend a good restaurant?

I'd like to book a room for tomorrow night.

Can you recommend a hotel?

Apologizing

I'm sorry.

I made a mistake.

Please accept my apologies.

I'm sorry. I didn't mean to . . .

(I'm) sorry. I didn't realize that

That's okay.

No problem.

Prefacing bad news

I'm sorry (I have) to tell you this, but . . .

I hate to tell you this, but . . .

I don't know how to tell you this, but . . .

I have some bad news.

(Formal) written apologies

We regret to inform you that . . .

Regretfully, . . .

Unfortunately, . . .

Informal

This is my boss, Mr. Stratford.

Jared, this is my secretary, Barbara.

Good to meet you.

Nice to meet you too.

I'd like you to meet my co-worker, Collin Beck.

Collin, this is Susan Palmer.

Nice to meet you.

My pleasure.

Have you met, Jason?

Jason, this is Teresa.

Hi, I'm Jill Watson.

I don't believe we've met. I'm Greg.

Formal

I'd like to introduce you to my dear friend, Mrs. Pleasant.

Allow me to introduce myself/my colleague, Ms. Winters

Let me introduce you to my colleague, Dean Richards.

Mr. Richards, this is David Porter from Aerospace Inc.

How do you do?

How do you do?

It's a pleasure meeting you.

Important body language to remember: Smile, eye contact, firm handshake.

What do you do at ABC Company?

I am in charge of marketing.

I'm responsible for sales.

I program computers.

I recruit and train employees.

What does your company do?

We design software.

We build storage units.

We produce small appliances.

We're in the insurance business.

Describing Products

Tell me about (this product)

What can you tell me about (this product)?

Can you give me some information/details about this?

What is special/unique about this?

What are the specifications?

Let me tell you about . . .

This is our (newest) product.

This is one of our latest designs.

It is made of . . .

It can be used for . . .

You can use it to . . .

You can . . . with it

This has/contains . . .

This one features . . .

This comes with . . .

This is equipped with . . .

This particular model . . .

This is priced at . . .

This costs . . .

Explaining

Can you explain . . .

Can you tell me why . . .

Why . . .

What happened . . .

Well, . . .

Let me explain.

Let me tell you why . . .

Here's what happened:

There's a (good) reason for this:

The reason is . . .

I'm sorry. I can't tell you that (right now).

Can I get back to you on that?

I'll explain (a little) later.

We'll come to that later.

We'll get to that in a few minutes.

Can we save that until later?

Job Responsibilities

What do you do (in your job)?

What is your main job?

What are you in charge of?

I am in charge of training employees.

I am responsible for watering the plants.

I take care of corporate accounts.

I usually answer telephones.

I mainly write reports.

I repair jet engines.

Asking for Help

Could you (for me) ?

Would you please . . . ?

Would you mind V+ing . . . ?

Could you possibly . . . ?

Okay, no problem.

Sure, I'd be glad to.

Sorry, I'm (kind of) busy now.

I'm sorry. I don't have time right now.

Do you have a minute?

Can you spare a few minutes?

Could you do me a favor?

Could I ask you a favor?

Can I ask you to . . . ?

I need some help (if you have time).

(If you're not busy) I could use your help.

Company Description

What company do you work for?

Which company are you with?

Who do you represent?

I work for ABC Company.

I'm with ABC.

I represent (the) XYZ (company).

What is the name of your company?

Where are you located?

The name of our company is

Our company is located in

Our headquarters is in . . .

What (type of business) do you do?

What business are you in?

We are in the computer business.

We're in computers

We sell . . .

We produce . . .

We manufacture . . .

Our major products are . . .

Describing Jobs

What do you do?

What do you do for a living?

What is your occupation?

What type of work do you do?

Where do you work?

I'm a salesman.

(job-general)

I'm in sales.

(general)

I'm in the toy business.

(industry)

I'm a contractor at JBX.

(specific)

I'm a consultant for YXL.

What company do you work for?

I work for Bellwest.

(company name)

I work at Wellbest.

(general)

I'm with Westbell.

(industry)

What do you do there?**What do you do at Bellwest?**

I'm a software engineer.

(job title)

I work in the sales department.

(place in company)

I'm in customer service.

(general area)

I work as an instructor.

I build houses.

(specific job)

Skills Checklist*Cultural diversity and socializing*

Before meeting business partners and fellow professionals from other countries, you could find out about their country:

- The actual political situation
- Cultural and regional differences

differences

- Religion(s)
- The role of women in business and in society as a whole

and in society as a whole

- Transport and telecommunications systems

telecommunications systems

- The economy
- The main companies
- The main exports and imports
- The market for the industrial sector which interests you

sector which interests you

- Competitors

You might also want to find out:

- Which topics are safe for small talk

talk

- Which topics are best avoided

If you are going to visit another country, find out about:

• The conversations regarding socializing

- Attitudes towards foreigners

- Attitudes towards gifts

• The extent to which public, business and private lives are mixed or kept separate

• Conventions regarding food and drink.

You might also like to find out about:

• The weather at the relevant time of the year

- Public holidays

• The conventions regarding working hours

- Leisure interests

- Tourism

- Dress

- Body language

- Language.

2. Telephoning

Telephoning across cultures

Many people are not very confident about using the telephone in English. However, good preparation can make telephoning much easier and more effective. Then, once the call begins, speak slowly and clearly and use simple language.

Check that you understand what has been said. Repeat the most important information, look for confirmation. Ask for repetition if you think it is necessary.

Remember too that different cultures have different ways of using language. Some speak in a very literal way so it is always quite clear what they mean. Others are more indirect, using hints, suggestions and understatement (for example 'not very good results' = 'absolutely disastrous') to put over their message. North America, Scandinavia, Germany and France are 'explicit' countries, while the British have a reputation for not making clear exactly what they mean.

One reason for this seems to be that the British use language in a more abstract way than most Americans and continental Europeans. In Britain there are also conventions of politeness and a tendency to avoid showing one's true feelings. For example if a Dutchman says an idea is 'interesting' he means that it is interesting. If an Englishman says that an idea is 'interesting' you have to deduce from the way he says it whether he means it is a good idea or a bad idea.

Meanwhile, for a similar reason Japanese, Russian and Arabs – 'subtle' countries – sometimes seem vague and devious to the British. If they say an idea is interesting it may be out of politeness. The opposite of this is that plain speakers can seem rude and dominating to subtle speakers, as Americans can sound to the British – or the British to the Japanese.

The British have the tendency to engage in small talk at the beginning and end of a telephone conversation. Questions about the weather, health, business in general and what one has been doing recently are all part of telephoning, laying a foundation for the true purpose of the call. At the end of the call there may well be various pleasantries, *Nice talking to you*, *Say hello to the family* (if you have met them) and *Looking forward to seeing you again soon*. A sharp, brief style of talking on the phone may appear unfriendly to a British partner. Not all nationalities are as keen on small talk as the British!

Being aware of these differences can help in understanding people with different cultural traditions. The difficulty on the telephone is that you cannot see the body language to help you.

Choose the closest definition of the following words from the text.

1. *literal*

- a. direct and clear b. full of literary style c. abstract and complicated

2. *understatement*

- a. kind words b. less strong way of talking c. clever speech

3. *deduce*

- a. reduce b. work out c. disagree

4. *vague*

- a. unclear b. unfriendly c. insincere

5. *devious*

- a. rude b. dishonest c. clever

6. *pleasantries*

a. question

b. request

c. polite remarks

Language Checklist

Telephoning (1)

Introducing yourself

Good morning, Aristo.

Hello, this is ... from ...

Hello, my name's ... calling from ...

Saying who you want

I'd like to speak to ... please.

Could I have the ... Department, please?

Is... there, please?

Saying someone is not available

I'm sorry he/she's not available ...

Sorry, he/she's away / not in / in a meeting / in Milan.

Leaving and taking messages

Could you give him/her a message?

Can I leave him/her a message?

Please tell him/her ...

Please ask him/her to ring me on...

Can I take a message?

If you give me your number I'll ask him/her to call you later.

Offering to help in other ways

Can anyone else help you?

Can I help you perhaps?

Would you like to speak to his assistant?

Shall I ask him to call you back?

Asking for repetition

Sorry, I didn't catch (your name / your number / your company name)

Sorry, could you repeat your (name, number, etc.).

Sorry, I didn't hear that.

Sorry, I didn't understand that.

Could you spell (that / your name), please.

Acknowledging repetition

Okay, I've got that now.
(Mr. Kyoto) I understand.
I see, thank you.

Skill Checklist*Telephoning: Preparation for a call*
*Reading – background information**Desk preparation*

Have the following available:

- Relevant documentation / notes
- Correspondence received
- Computer files on screen
- Pen and paper
- Diary

Check time available

- How much time do you need?
- How much time do you have?

Objectives

- Who do you want to speak to?
- In case of non/availability, have an alternative strategy:
- Call back / be called back – when?
- Leave a message
- Speak to someone else
- Write or fax information

Do you want to:

- Find out information?
- Give information?

Introduction

Do you need to refer to:

- A previous call?
- A letter, order, invoice or fax?
- Someone else (who?)
- An event (what? When?)

Prediction

What do you expect the other person to say / ask you? how will you respond?

• DATAFILE: The Telephone

This datafile gives you many of the terms and phrases commonly used in making telephone calls.

The directory

Look up their number in the directory. (UK).

I'll look up the number in the telephone book. (US).

The number is ex-directory. (UK).

The number is unlisted. (US).

I'll ring Directory Enquiries. (UK).

I'll ring information. (US).

The receiver

Can I help you?

Putting you through.

I'm afraid he's not available at the moment. (UK).

I'm afraid he's tided up at the moment.

You're welcome. Goodbye.

The line

He's on the other line.

Would you like to hold the line?

The line is engaged. (UK).

The line is busy. (US).

The operator (in the public telephone system)

Dial 100 for the operator. (UK).

Dial 0 (zero) for the operator. (US).

I'd like to make a reverse charge call. (UK).

I'd like to make a collect call. (US).

I'd like to make a transfer charge call. (UK).

The dial

Dial 123 for the correct time. (UK).

Listen for the dialling tone.

All lines to the country you have dialled are engaged.

Please try later. (UK).

The codebook

I'm on a long distance (or international) call.

The STD code is ... (UK).

The area code is ... (US).

A message pad

Can I tell him who called?

Can I give her a message?

Let me take down your number.

• Remember

If you do not understand, say... "Sorry, I didn't quite catch that."

Language Checklist

Telephoning (2)

Stating reason for a call

I'm ringing to ...

I'd like to ...

I need some information about ...

Making arrangements

Could we meet some time next month?

When would be a good time?

Would Thursday at 5 o'clock suit you?

What about July 21st?

That would be fine.

No, sorry, I can't make it then.

Sorry I'm too busy next week.

Changing arrangements

We've an appointment for next month, but ...

I'm afraid I can't come on that day.

Could we fix an alternative?

Confirming information

So...

Can I check that? You said ...

To confirm that ...

Can you / can I confirm that by fax?

Ending a call

Right. I think that's all.

Thanks very much for your help.

Do call if you need anything else.

I look forward to ... seeing you / your call / your letter / your fax / our meeting.

Goodbye and thanks.

Bye for now.

Skills Checklist

Telephoning (2)

Voice

- Speed
- Clarity
- Volume

Structure

- Background information
- Key information
- Repetition, emphasis and confirmation
- Possible confirmation by fax

Style

- Formal / informal
- Cold call / new contact / established contact
- In-company vs. Customer / Supplier / Outside agent
- Colleague / friend / business associate / public
- Company image

Structure of a call

Beginning

Introduce yourself

Get who you want

Small talk

State problem / reason for call

Middle

Ask questions

Get / give information

Confirm information

End

Signal end

Thank other person

Small talk

Refer to next contact

Close call

Check that there's nothing else to say

Schedule:***Monday, 12 November***

Morning Arrive Sydney airport 8.30 a.m.
 Afternoon 3 p.m. Tim Brown (agent) at hotel

Tuesday, 13 November

Morning 10 a.m. Mr. Whitley, Australian Chemical Bank
 Afternoon

Wednesday, 14 November

Morning
 Afternoon 2 p.m. Lund & Lund Associates (Mr. William Lund)

Thursday, 15 November

Morning
 Afternoon 3 p.m. Jenny Kinsella + colleagues (B.I.G.Distribution)

Friday, 16 November

Morning 11 a.m. Tim Brown
 Afternoon flight 390, Depart Sydney 6 p.m.

Language Checklist*Telephoning (3)**Stating reason for the call*

I'm calling about ...

Unfortunately, there's a problem with ...

I'm ringing to complain about ...

Explaining the problem

There seems to be ...

We haven't received...

The ... doesn't work.

The quality of the work is below standard.

The specifications are not in accordance with our order.

Referring to previous problems

It's not the first time we've had this problem.

This is the (third) time this has happened.

Three months ago...

We had a meeting about this and you assured us that...

Threatening

If the problem is not resolved...

We'll have to reconsider our position.

We'll have to renegotiate the contract.

We'll contact other suppliers.

The consequences could be very serious.

Handling complaints and other problems*Asking for details*

Could you tell me exactly what ...?

Can you tell me ...?

What's the ...?

Apologizing

I'm sorry to hear that.

I'm sorry about the problem / delay / mistake...

Denying an accusation

No, I don't think that can be right.

I'm sorry but I think you're mistaken.

I'm afraid that's not quite right.

I'm afraid that can't be true.

Skills Checklist*Telephoning (3)**If you receive a complaint:*

- Consider your company's reputation
- Express surprise
- Ask for details
- Suggest action
- Promise to investigate
- Make reasonable suggestions, offers to help.

Consider your customer and:

- Show polite understanding

- Use active listening
- Reassure customer.

If you make a complaint:

- Prepare for the call
- Be sure of the facts
- Have documentation available
- Decide what you require to resolve the problem – at least partially – or completely.

Who is to blame?

Who is responsible?

Are you talking to the right person?

Was your order or your specifications correct?

Were you partly responsible for arrangements which went wrong, e.g. transport?

Does responsibility actually lie elsewhere, i.e. with a third party?

If you do not get what you want:

- Keep control – state what you need calmly
- Do you need to continue to do business with the other side?
- If you do, keep a good relationship
- Express disappointment – not anger
- Don't use threats – unless you have to!

3. Presentations

Planning and preparation - Language Checklist

Structure (1) The introduction to a presentation

Greeting

Good morning / afternoon ladies and gentlemen.
(Ladies and) Gentlemen ...

Subject

I plan to say a few words about ...
I'm going to talk about ...
The subject of my talk is ...
The theme of my presentation is ...
I'd like to give you an overview of ...

Structure

I've divided my talk into (three) parts.
My talk will be in (three) part.
I'm going to divide ...
First ...
Second ...
Third ...
In the first part ...
Then in the second part...
Finally...

Timing

My talk will take about ten minutes.
The presentation will take about two hours ... but there'll be a twentyminute
break in the middle. We'll stop for lunch at 12 o'clock.

Policy on questions / discussion

Please interrupt if you have any question.
After my talk there'll be time for a discussion and any questions.

4. Meetings *Preparation for the meeting*

Language Checklist *Chairing and leading discussion*

Opening the meeting

Thank you for coming .../ (It's ten o'clock). Let's start ...

We've received apologies from ...

Any comments on our previous meeting?

Introducing the agenda

You've all seen the agenda .../ On the agenda, you'll see there are three items.

There is one main item to discuss ...

Stating objectives

We're here today to hear about plans for ...

Our objective is to discuss different ideas ...

What we want to do today is to reach a decision ...

Introducing discussion

The background to the problem is .../ This issue is about ...

The point we have to understand is ...

Calling on a speaker

I'd like to ask Mary to tell us about ...

Can we hear from Mr. Passas on this?

I know that you've prepared a statement on your Department's views...

Controlling the meeting

Sorry Hans, can we let Magda finish?/ Er, Henry, we can't talk about that.

Summarising

So, what you're saying is ...

Can I summarise that? You mean ...

So, the main point is ...

Moving the discussion on

Can we go to think about ...

Let's move on to the next point.

Closing the meeting

I think we've covered everything.

So, we've decided ...

I think we can close the meeting now.

That's it. The next meeting will be ...

Skills Checklist

Preparation for meetings

Chair

- Decide objectives.
- What type of meeting (formal or informal, short or long, regular or a 'one off', internal / external information giving / discussion / decision making)?
- Is a social element required?
- Prepare an agenda.
- Decide time / place / participants / who must attend and who can be notified of decisions.
- Study subjects for discussion.
- Anticipate different opinions.
- Speak to participants.

Secretary

- Obtain agenda and list of participants.
- Inform participants and check: Room, equipment, paper, materials. Refreshments, meals, accommodation, travel.

Participants

- Study subjects on agenda, work out preliminary options.
- If necessary, find out team or department views.
- Prepare own contribution, ideas, visual supports, etc.

The role of the Chair

- Start and end on time.
- Introduce objectives, agenda.
- Introduce speakers.
- Define time limits for contributions.
- Control discussion, hear all views.
- Summarise discussion at key points.
- Ensure that key decisions are written down by the secretary.
- Ensure that conclusions and decisions are clear and understood.
- Define actions to be taken and individual responsibilities.

2. In pairs, prepare a brief opening statement by the chair to introduce the meeting above:

Think about what the opening statement from the chair needs to say

Use your agenda as a guide

Refer to the Language Checklist

Practise in pairs

Participating in meetings

Language Checklist *Discussion in meetings*

Stating opinion

It seems to me ...

I tend to think ...

In my view ...

We think / feel / believe ...

There's no alternative to ...

It's obvious that ...

Clearly / obviously ...

Asking for opinion

I'd like to hear from ...

Could we hear from ... ?

What's your view?

What do you think about ...?

Do you have any strong views on ... ?

Any comments?

Interrupting

Excuse me, may I ask for clarification on this?

If I may interrupt, could you say ... ?

Sorry to interrupt, but ...

Do you think so? My impression is ...

What? That's impossible. We / I think ...

Handling interruptions

Yes, go ahead.

Sorry, please let me finish ...

If I may finish this point ...

Can I come to that later?

That's not really relevant at this stage ...

Can we leave that to another discussion?

Skills Checklist

Participating in meetings

Types of meeting

- Decision making meeting
- Information giving meeting
- Spontaneous / emergency meeting
- Routine meeting
- Internal meeting
- Customer / client / supplier - first meeting / established relationship

Structure of decision making meetings

- Study / discuss / analyse the situation
- Define the problem
- Set an objective
- State imperatives and desirables
- Generate alternatives
- Establish evaluation criteria
- Evaluate alternatives
- Choose among alternatives

The DESC stage of meeting

D Describe situation

E Express feelings

S Suggest solutions

C Conclude with decision

Goal of decision making meetings

Objective: to get a consensus in a time-efficient and cost effective manner

Importance of communication

- Two-way process
- Participants must be aware of others' needs
- Full communication and understanding is essential
- Four elements in communication: awareness – understanding – empathy – perception

Reaching a consensus

- Discussion leads to consensus
- Consensus is recognised and verbalised by leader
- Decisions checked and confirmed

• **Reading****1. Read the following extract and answer these questions.**

- a. What kind of meeting is the text about?
- b. What *structure* does the text describe?
- c. What key points is made about communication?

2. Read the text again. Do you agree with:

- a. The first sentence? Give reasons for your answer.
- b. Hayne's suggestions for the steps involved in decision making?
- c. The view that communication must be a two-way process?
- d. What the writer says about consensus in the final paragraph?

The reason for having a meeting is to make a decision. Information may be given in a presentation followed by questions or discussion, but it is to get a consensus that the meeting has been arranged in the first place. Achieving this in the most time- and cost-effective manner possible is a goal that everyone attending (the meeting) must share.

Marion Haynes (1988) maintains that decision-making meetings need to follow a specific structure. The rational decision process includes the following steps:

- Study / discuss / analyse the situation
- Define the problem
- Set an objective
- State imperatives and desirables
- Generate alternatives
- Establish evaluation criteria
- Evaluate alternatives
- Choose among alternatives.

One other aspect of decision making is the necessity for participants in the meeting to be aware of one another's needs and perceptions. If these are not effectively communicated, if there is an insufficient degree of understanding of one another's requirements, then an acceptable conclusion is unlikely to be reached. There are four essential elements in decision-making: awareness, understanding, empathy and perception.

It is only when we accept that communications are a two-way process that any form of communication, including decision making, will become genuinely successful and effective.

Decision-making is not always an identifiable activity. Frequently the discussion can evolve into a consensus which can be recognised and verbalised by the leader without the need to 'put things to the vote'.

3. Find words or phrases in the text which mean the same as the following:

- a. common agreement
- b. economical use of resources
- c. aim
- d. fix a goal
- e. what one must have
- f. what one would like to have
- g. consider other options
- h. way of seeing things
- i. seeing things as others see them
- j. develop
- k. express through speaking.

Interruptions can have different intentions:

To ask for clarification

To add opinion

To ask for more details

To change direction of the discussion

To disagree.

Handling interruptions:

Promise to come back to a point later

Politely disagree with an interruption

Say the interruption is not relevant or that time is short

Politely accept the interruption and respond to it before continuing

Reject a suggestion

9. Ending the meeting- Reading

Read the following text and identify:

- a. three recommendations on how a meeting should end
- b. what should happen *after* a meeting.

Regardless of the type of meeting (information or decision making), it is important to close with a restatement of objective, a summary of what was accomplished, and a list of agreed action that needs to be taken.

After the meeting, it is essential to follow up with action. A brief memorandum of conclusions should be written and distributed. Inform appropriate people who did not attend the meeting about essential decisions made.

Finally, each meeting should be viewed as learning experience. Future meetings should be improved by soliciting evaluations and deciding what action is required to conduct better meetings.

Language Checklist *Ending the meeting*

Asking for clarification

Could you be more specific?/ Can you explain that (in more detail)?

What do you mean by ...?

Clarifying

This means .../ What I mean is .../ What I want to say is ...

To explain this in more detail ...

Checking that the clarification is sufficient

Is that okay? / is that clearer now?

Referring to other speakers

As Peter has already told us ...

I'm sure Mr. Kowski knows about this ...

Later we'll hear a report from Neil on ...

Professor Gilberto is certainly aware of ...

Delaying decisions

I think we need more time to consider this.

I think we should postpone a decision ...

Can we leave this until another date?

It would be wrong to make a final decision ...

Ending the meeting

• *Summarising*

I think we should end there. Just to summarise ...

We've covered everything, so I'd like to go over the decisions we've taken ...

So, to conclude ... we've agreed ...

- *Confirming action*

We'll contact .../ John will .../ We've got to .../ We need to look at ...

- *Referring to next contact*

We'll meet again next month ...

We look forward to hearing from you ...

It's been a pleasure to see you today and I look forward to our next meeting ...

Skills Checklist *Ending meetings*

Two general rules

Meeting should end on time!

Decision making meetings should end with decisions!

The Chair should close the meeting with:

- A restatement of the objectives
- A summary of decisions taken
- A summary of the action now required
- Reference to any individual responsibilities.

After the meeting

- A memorandum should be sent to all participants summarising the decisions taken and the action required.

- The memorandum should be sent to any interested individuals who were unable to attend.

- The Chair should seek feedback on the meetings to try to improve future meetings.

Improving meetings

- Motivation to change
- Gather information on present situation
- Identify specific areas needing improvement
- Identify alternative courses of action
- Practise new techniques
- Improvement model.

Before you start: Five basic principles for a good CV

1. Concentrate on the essentials
 - Employers generally spend less than one minute reading a CV before deciding to reject it, or to shortlist it for detailed consideration. If you fail to make the right impact, you missed your chance.
 - If applying for an advertised vacancy, always ensure that you comply with any application process entirely. The vacancy notice might specify: how to apply (CV, application form, online application), the length and/or format of the CV, whether a covering letter is required, etc.
 - Be brief: two A4 pages are usually more than enough, irrespective of your education or experience. Do not exceed three pages. If you hold a degree, include your secondary school qualifications only if relevant to the job in question.
 - Is your work experience limited? Describe your education and training first; highlight volunteering activities and placements or traineeships.
2. Be clear and concise
 - Use short sentences. Avoid clichés. Concentrate on the relevant aspects of your training and work experience.
 - Give specific examples. Quantify your achievements.
 - Update your CV as your experience develops. Don't hesitate to remove old information if it does not add value for the position.
3. Always adapt your CV to suit the post you are applying for
 - Highlight your strengths according to the needs of the employer and focus on the skills that match the job.
 - Do not include work experience or training which is not relevant to the application.
 - Explain any breaks in your studies or career giving examples of any transferable skills you might have learned during your break.
 - Before sending your CV to an employer, check again that it corresponds to the required profile.
 - Do not artificially inflate your CV; if you do, you are likely to be found out at the interview.
4. Pay attention to the presentation of your CV
 - Present your skills and competences clearly and logically, so that your advantages stand out.

- Put the most relevant information first.
 - Pay attention to spelling and punctuation.
 - Print your CV on white paper (unless you are asked to send it electronically).
 - Retain the suggested font and layout.
5. Check your CV once you have filled it in
- Correct any spelling mistakes, and ensure the layout is clear and logical.
 - Have someone else re-read your CV so that you are sure the content is clear and easy to understand.
 - Do not forget to write a cover letter.

PERSONAL INFORMATION

Insert picture only if required.

JOB APPLIED FOR

POSITION

PREFERRED JOB

STUDIES APPLIED FOR

PERSONAL STATEMENT

Delete non relevant headings.

All CV headings/fields are optional. Remove any fields left empty.

Replace with First name(s) Surname(s)

If you have more than one first name, start with the one you usually use.

Example:

John Smith

Replace with house number, street name, city, postcode, country.

Choose the postal address at which you can be contacted quickly. Example:

32 Reading Rd., Birmingham B26 3QJ, United Kingdom

Replace with telephone number. Replace with mobile number.

Choose the number at which you can be contacted quickly, most likely your mobile phone.

Example:

+44 7871 330 1234

Separate groups of digits in accordance to national convention, to ensure your telephone number is easy to read. Example: +<CountryCode> <AreaCode> <LocalNumber>

State e-mail address

Choose the e-mail address at which you can be contacted quickly, preferably your personal e-mail address. Avoid fancy or silly addresses. Example:

John.smith@hotmail.com

State personal website(s)

Be sure it is relevant to the position and it does not hinder your application.

Example:

www.sample.com

Replace with type of IM service / Replace with messaging account(s).

Be sure it is relevant to the position and it does not hinder your application.

Example:

AOL Instant Messenger (AIM) john.smith

Sex Enter sex | Date of birth dd/mm/yyyy | Nationality Enter nationality/-ies

Complete only if required. Check local legal provisions regarding data such as sex, age, nationality, etc. on a CV. Example:

Sex Male | Date of birth 01/04/1973 | Nationality Spanish

Select from list: Job applied for / Position / Preferred job / Studies applied for /

Personal statement

This heading gives an immediate overview of the purpose of your application.

Delete non relevant headings in the left column. Examples:

JOB APPLIED FOR

Human Resources Assistant (ref. 562/2013)

POSITION Car painter **PREFERRED JOB**

Customer Service Representative or Clerical Support

STUDIES APPLIED FOR

Postgraduate Applied Economics

PERSONAL STATEMENT

A graduate with strong communication and organisational skills gained in nursing, now seeking to move into HR as a trainee manager

Use 'Personal statement' only if you have a clear idea of what job you wish to apply for. Focus on your core strengths and achievements related to the job, rather than past duties. A few sentences are enough (max. 50 words). Avoid generic statements such as 'Looking for a challenging opportunity', etc.

Instructions for filling in the Europass CV -

europass.cedefop.europa.eu - © European Union, 2002-2017

Page 2 /

WORK EXPERIENCE

Replace with dates (from - to) Example:

September 2007 - Present

EDUCATION AND TRAINING

Replace with dates (from - to) Example:

September 2004 - June 2007

- Focus on the work experience that gives added weight to your application.
- Add separate entries for each experience. Start with the most recent.
- If your work experience is limited:
 - o describe your education and training first;
 - o mention volunteering or (paid/unpaid) work placements which provide evidence of work experience.
- If you are applying for a position you have no prior experience of, underline skills gained from previous jobs relevant for the position. For example if you apply for a managerial position but have never worked as manager, emphasise that your previous position involved significant responsibility and decision-making duties (delegation, coordination, training staff, etc.) Replace with occupation or position held.

Examples:

Maintenance technician / Receptionist / Ice Hockey Volunteer Coach

Replace with employer's name and locality (if relevant, full address and website).

Example:

Anderson and Dobbs Ltd., 12 Highland Road, Edinburgh EH3 4AB, United Kingdom Indicate telephone, fax, e-mail or Internet address only if required. Example: Tel.: (44-31) 123 45 67 - Fax (44-31) 123 45 68 - E-mail: J.Robinson@andes.co.uk <http://www.anderdobbs.co.uk>

Replace with main activities and responsibilities. Examples:

- maintenance of computers
- relations with suppliers
- coaching a junior Ice Hockey team (10 hours/week)

If necessary, quantify your responsibilities (percentage of working time, length of time spent on each occupation, etc.).

Business or sector Replace with type of business or sector.

Use only if required. Examples:

Business or sector Transport and logistics / Auditing / Manufacturing of motor vehicle parts

Add separate entries for each course. Start from the most recent.

Replace with qualification awarded. Replace with EQF Example: level if relevant

National Vocational Qualification (NVQ) Level 2: Bakery Service Example:

Avoid using abbreviations on their own (e.g. NVQ). EQF level 3

Replace with name and locality of education or training organisation (if relevant, country).

Example:

South Wales Technical College, Cardiff

Replace with a list of principal subjects covered or skills acquired. Examples:

General

- English, Welsh, Mathematics, Spanish
- physical education

Occupational

- occupational techniques (making of standard breads, fancy breads, cakes and pastries)
 - science applied to food and equipment (microbiology, biochemistry, hygiene)
- occupational technology (basic principles, hygiene and safety)
 - knowledge of business and its economic, legal and social context.

Focus on the occupational skills which would be an asset if you were appointed.

PERSONAL SKILLS Mother tongue(s)

Other language(s)

Replace with language. Example:

Spanish

Replace with language. Example:

French

Communication skills

Organisational / managerial skills

Job-related skills

Remove any fields left empty.

Replace with mother tongue(s). Example:

English

Do not overestimate your level, which may be checked if you are interviewed!

UNDERSTANDING SPEAKING WRITING

Listening Reading Spoken interaction Spoken production

Example:

C1

Example:

Example:

Example:

Example:

C1 B2 B2 B1

Replace with name of language certificate. Enter level if known.

Example:

Certificado de Español: Lengua y Uso

Example: B2

Example:

Example:

Example:

Example:

B2 B1 B1 A2

Replace with name of language certificate. Enter level if known.

Example:

Diplôme d'études en langue française (DELFF) B1

Levels: A1/2: Basic user - B1/2: Independent user - C1/2 Proficient user

Common European Framework of Reference for Languages

When describing your personal skills:

- Use simple words and clear, unambiguous language.
- Avoid jargon and clichés (e.g. I am a team player) without context-based

evidence of skills.

- Be succinct: take time to understand what skills are important for the position you are applying for.

- Specify in what context they were acquired (through training, work, seminars, voluntary or leisure activities, etc.).

Replace with your communication skills. Specify in what context they were acquired.

Examples:

- good communication skills gained through my experience as sales manager
- excellent contact skills with children gained through my experience as ice hockey volunteer coach

Replace with your organisational / managerial skills. Specify in what context they were acquired. Examples:

- leadership (currently responsible for a team of 10 people)
- good organisational skills gained as secretary of the History Society, responsible for booking speakers and promoting events
- good team-leading skills gained as ice hockey volunteer coach

Replace with any job-related skills not listed elsewhere. Specify in what context they were acquired. Examples:

- good command of quality control processes (currently responsible for quality audit)
- mentoring skills (as senior nurse, I was responsible for the training and induction of new nursing staff)

Instructions for filling in the Europass CV -

europass.cedefop.europa.eu - © European Union, 2002-2017

Page 4 /

5

Digital skills SELF-ASSESSMENT

Information processing Communication Content creation Safety
Problem solving

Example: Basic user Example:

Independent user Example: Independent user Example: Proficient

user Example: Proficient user

Levels: Basic user - Independent user - Proficient user

Digital competences - Self-assessment grid

Replace with name of ICT-certificates Example:

State certificate: office suite - Independent user

Other skills

Driving licence

ADDITIONAL INFORMATION

Publications
 Presentations
 Projects
 Conferences
 Seminars
 Honours and awards
 Memberships
 References
 Citations
 Courses
 Certifications

ANNEXES

Replace with your other computer skills. Specify in what context they were acquired. Examples:

- good command of office suite (word processor, spread sheet, presentation software)
- good command of photo editing software gained as an amateur photographer

Replace with other relevant skills.

Use only if these bring added value to your application and have not been already mentioned. Specify in what context they were acquired. Example:

- first aid: certified in providing first aid, as part of my scuba diving training

Just mentioning personal interests such as reading, walking, cinema, etc. does not bring any added value. On the contrary, giving examples of activities undertaken would suggest an outgoing, proactive individual who likes to help others. Examples:

- reading: passionate reader, I help younger pupils with reading difficulties twice a week
- mountaineering: experienced climber, active member of the local Hiking and Climbing club

Replace with driving licence category/-ies.

Example:

B

Replace with relevant publications, presentations, projects, conferences, seminars, honours and awards, memberships, references and citations.

Remove headings not relevant in the left column. Examples:

Publication

- How to write a successful CV, New Associated Publishers, London, 2002.

Where appropriate, provide a brief description; specify the type of document (article, report, presentation, etc.). Project

- Devon new public library. Principal architect in charge of design, production, bidding and construction supervision (2008-2012).

Membership

- Member of the University's Film-Making Society

References

Unless the vacancy specifically requests referees, write "References are available on request."

Replace with list of documents annexed to your CV (copies of degrees and qualifications, testimonial

of employment or work placement, publications or research).

Examples:

- copy of degree in engineering
- Europass Language Passport
- testimonial of employment (Anderson and Dobbs)

Attach only documents relevant to the position. Do not attach long documents such as publications; better list them under 'Additional information' with a hyperlink if relevant.

Letters. Contents of the Letter / Scrisorile. Elementele unei scrisori

Stilul scrisorii de afaceri este formal si e de preferat sa se evite formele contrate din limba precum: I'm, I've, He/She's, I/We'll, can't, don't, doesn't, haven't, hasn't, won't etc. Si se vor folosi I am, I have, He/She is/has, I/We will, cannot, do not, does not, have not, has not, will not etc.

Retineti! cannot se scrie legat. Cel mai des intalnit format(layout) al scrisorii de afaceri este cunoscut drept formatul bloc(block format). In acest caz, intreaga scrisoara este aliniata la stanga, cuprinzand doar intre paragrafe spatieri de doua randuri. Un alt layout des folosit este formatul bloc modificat. In acest caz, continutul scrisorii este aliniat la stanga, cu o spatiere de un rand. Insa, data si formula de incheiere sunt aranjate in centrul paginii. Cel din urma format, mai rar intalnit, este cel semi-bloc. Seamana cu formatul bloc modificat, exceptand faptul ca fiecare paragraf este aliniat central.

The heading/Antetul

La stanga:

- logo of the company/sigla companiei
- name of the company(along with the necessary abbreviations)/numele companiei(impreuna cu abrevierile necesare)
- address of the company/adresa companiei
- phone and fax number (primary phonenumber or the main departments' honelines)/numarul de telefon si fax(linia principala a companiei sau liniile principalelor departamente)
- Internet and email address/adresele de email si de site

The recipient's information/ Datele destinatarului

Dedesubt, in partea stanga:

- recipient company name/numele companiei destinatare
- address/adresa
- recipient name and title(if known)/numele si pozitia destinatarului(daca se cunosc)

The Date/ Data

In partea stanga:

- day/ziua
- month/luna

- year/anul
- abbreviation of the months/abrevierile lunilor: Jan., Febr., Mar., Apr., Aug., Sept., Oct., Nov., Dec., (May, June, July-nu se abreviaza)
- inst. este abrevierea de la instant(luna curenta)
- May 05, 2007
- 5th May, 2007

References/ Referinte

Pe partea stanga:

- recipient reference(Your ref.)/referinta destinatarului
- sender reference(Our ref.)/referinta expeditorului

Se pot adauga fisiere sau documente in aceasta sectiune, specificand detaliile prescurtate ale acestora.

The Salutation /Formula de salut

La stanga:

- Dear Sir/Madam or Dear Mr. (surname)/Dear Ms. (surname)
- Dear (full name)
- Dear Sirs/Messrs (surnames)

The Subject Line/Subiectul

La stanga:

- Acceptance of Counter Proposal;Order;Purchase;Resignation/Aprobarea ofertei concurente;comenzii;demisiei
- Acknowledgement of Application;Cancellation;Modified Terms;Proposal;Receipt/Luare la cunostinta a aplicatiei;contramandarii;termenilor ulteriori;propunerii;chitantei
- Agreement to Extend Debt Payment/Acord de extindere a platii - Announcement of Additional Location;Change of Address;New Business Line;New Discount;New Policies/Anunt al locatiei aditionale/schimbării adresei/noului domeniu de afaceri/noului discount/noilor conditii
- Apology and... Replacements of Goods/Extend Delivery/Tender of Compensation/Scuze si... schimbarea bunurilor/prelungirea termenului de livrare(furnizare;distribuire);oferta de despagubire Assignment of Contract;Copywrite;Claim of Damages;Deed of trust;Income;Trademark/Cesionarea contractului;drepturilor de autor;despagubirilor;procurii(mandatului);venitului;marcii fabricii(inregistrarii)

- Commendation/Recomandare
- Credit Application/Formular de credit
- Commercial Account/Cont
- Complimentary Letter with Individual Commendation/Scrisoare de felicitare cu recomandare individuala
- Congratulation/Felicitari
- Contract Proposal for Services/Propunere de contract pentru servicii
- Correction of Deposition/Rectificarea dispozitiei
- Cover Letter for Loan/Scrisoare de intentie pentru imprumut
- Customer New Charge/Noua impunere client
- Customer Service Request/Cerere serviciu clienti
- Decline to Interview/Respins la interviu
- Demand for Delivery/Cerere livrare
- Demand for Payment/Cerere plati
- Denial for Delivery/Comanda refuzata
- Disclosure Statement/Declaratie
- Employment Agreement/Contract de munca
- Expense Account Statement/Declaratie actiuni
- Final Notice of Payment;Delivery/Termen final de plata/livrare
- Friendly Appology for Late Payment/Scuze pentru plati intarziate
- Guarantee/Certificat de garantie
- Notice of Application;Credit;Transfer;Defective Goods;Dispatch;Reclamation;Refusal/Aviz(instiintare) de cerere(depunere formular de cerere);credit;transfer;bunuri deficiente;executare;reclamatie;respingere
- Promotional Letter/Scrisoare promovare
- Recommendation/Recomandare
- Refund/Returnare(de fonduri sau produse)
- Reply to Notice/Raspuns la aviz(instiintare)
- Request to Reference;Price;Refund;Extention Time;Price Quote;Authorization/Cerere de referinta;pret;returnare;extindere termen;cotatii preturi
- Resignation/Demisie
- Response to Invoice;Request/Raspuns la comanda/cerere
- Return Authorization/Autorizatiei respinsa

Body of Letter/ Cuprinsul scrisorii

La stanga:

- I am writing to.../Va scriem sa...
- Thank you for.../Multumim pentru a...
- Further to the letter of.../Ca urmare a scrisorii...
- I would like to announce;inform;aquire/Doresc sa va anunt;informez;achizitionez
- We are very sorry;regret.../Ne pare rau;regretam...
- We remaind; notify; recommend;advice/ Va reamintim;anuntam;recomandam;sfatuim

Further Details about the Purpose of the Letter/Detalii despre scopul scrisorii

De la stanga:

- Our company.../Compania noastra...
- We reason that.../Concluzionam ca...
- We understand;hear;believe that.../Intelegem;cunoastem;credem ca...
- We justify that with.../Argumentam prin...
- Our arguments;opinions.../Argumentele;opiniile noastre...
- Our mission;values.../Misiunea;valorile noastre...

The Complimentary Close/Formula de incheiere

De la stanga:

- Thank you in advance for.../Multumim anticipat...
- I would appreciate;be most grateful.../As aprecia;fi recunoscator...
- Please write;phone;email to;let me know.../Rugam raspundeti;sunati; trimiteti email;anuntati
- I look forward to hearing from you.../Astept raspunsul dvs.... Inainte de nume:
- Yours.../A(l) dvs. cu
- faithfully/stima
- truly/respect
- Truly yours/Cu respect
- Yours sincerely/Cu sinceritate
- Sincerely/Cu sinceritate
- Mai putin formal:
- Best wishes/Cele bune

-Kind regards/Cele bune

Closing Elements/Elemente de incheiere

-for and on behalf of/pp(on behalf of)/pentru si in numele...

-cc: a copy is sent to other people/o copie e trimisa si altor persoane

-enc: documents are attached/documente atasate

On the envelope:/Pe plic:

-For the attention of:/In atentia:

-Attention:/In atentie:

-Personal;Private;Confidential/Personal;Privat;Confidential

-Special Delivery;Global Express;Registered Mail/Expediere speciala;Expres;Corespondenta recomandata

Electronic correspondence/ Corespondenta electronica

Acest tip de corespondenta este facilitat de formatul automat pentru logo-ul si sigla firmei, adresele expeditorului, data, referinte, atasamente, uneori chiar si pentru titlul subiectului, astfel incat scrisoarea propriu-zisa incepe cu formula de salut. Exprimarea este stricta privind formula de adresare, paragraful de introducere, continutul si formula de incheiere. Diferenta intre corespondenta clasica si cea electronica este data de abrevieri, forme contrase ale verbelor si abrevieri specifice permise in email. De asemenea, formula de adresare poate fi de tipul:

-Dear,/Draga/Stimate-neutru

-Dear (Family name),/Draga/Stimate (Nume)-formal

-Dear (Birth name),/Draga/(Prenume)-familiar

-Dear (Full name),/Draga(Numele complet)-formal

-Dear Sirs/Sir or Madam/Stimati domni/Domnule,Doamna-uzual

Abrevieri posibile in comunicarea non-formala:

-AAMOF- as a matter of fact/de fapt

-AFAIK- as far as I know/dupa cate stiu

-ASAP- as soon as possible/cât de curand

-B4-before/inainte de

-CO-on line conference/ conferinta online

-HTH-hope this helps/sper sa fie de folos aceasta

-IME-In my experience/din experienta mea

-IMO-In my opinion/in opinia mea

-msg-message/mesaj

-OTHO-on the other hand/pe de alta parte

-DL, UL-download, upload/Descarcare, Incarcare(despre fisiere)

O scrisoare in format electronic este specifica comunicarii in cadrul firmei, intre angajatii de la diferite departamente care transmit informatii legate de activitate, iar atunci cand este folosita in afara firmei, in corespondenta de afaceri, se utilizeaza formularile standard, precum in corespondenta clasica.

Retineti! O scrisoare de succes contine cuvinte directe, precise si are o lungime de o pagina, atunci cand nu sunt atasate documente; iar o conversatie telefonica de afaceri are o durata de maximum 5 min.

PAD International -

International Business Unit

Selstand House, 12-14 Mances Road

Hamilton

ES1V 8TD

United Kingdom

Telephone +44(0) 1722 411898

Fax +44(0) 1722 411899

> ***Return Address***

26th July 2000 -

> ***Date***

Your ref: cl/20.07.00 -

Our ref: Re./C.900152

(Cc: <mailto:patrick.james@maywick.com>)

> ***References***

Maywick Company -

18221 Covent Avenue

Cheston, FL 33133

United States

Telephone +151 555 43214

Fax +151 555 43219

> ***Inside Address***

Dear Customer Service Representative, -

> ***Salutation***

Further to my discussion with Mr. James, we are pleased to announce you that we have concluded the investigation in the matter of the Complaint Ref.

Consignment 900152, which was sent on the 21st of July and was allocated the above consignment number./In urma discutiei cu Dl. James, suntem incantati sa va anuntam ca am incheiat investigatia Reclamatiei cu referinta la Scrisoare de Conosament 900152 care a fost expediata pe 21 iulie si a primit numarul de inregistrare precizat mai sus.

I have completed my investigated into that facts which surrounded the delay of your transaction. In summary, due to a combination of a data transmission error and power supply issues being outside our control lead to a delay of transaction. PAD International has reviewed the past processes to avoid further reoccurrences./Am finalizat investigatia faptelor care au condus la intarzierea tranzactie. Pe scurt, datorita unei combinatii a erorilor de date transmise si probleme de furnizare a energiei care nu a intrat in atributiile noastre a dus la intrarzierea tranzactiei.

As the investigation completed, on behalf our PAD International, please accept my sincere appologies for the delay in transaction. We are extremely sorry for the inconvenience caused./Investigatia fiind incheiata, din partea PAD International, primiti sincerele mele scuze pentru intarzierea tranzactiei. Ne pare deosebit de rau pentru inconvenientele create.

Yours sincerely,/ Al dvs. cu sinceritate, -

> *Closing*

Signature

Sarah Daves -
Regional Network Manager
PAD International
International Business Unit

> *Typed name*

Lectia 2 - Corespondenta în activitatile de import-export, ramuri

industriale

2.1 The Inquiry/ Cererea de oferta

2.2 The Offer/ Oferta

2.3 The Order/ Comanda

2.4 International Trade/Tranzactiile comerciale internationale

2.5 Terms used in Transportation Correspondence / Termeni utilizati in corespondenta referitoare la transporturi

2.1 The Inquiry/ Cererea de oferta

A first step is identifying the sender, his/her function in the company

where he/she works or he/she owns and the implied activities, then it is mentioned, in the introduction, the interest for the receiver company's activities. Un prim pas este identificarea expeditorului, a statutului pe care il detine in institutia pentru care lucreaza sau pe care o detine si activitatile pe care le desfasoara, dupa care se mentioneaza introductiv interesul catre activitatile firmei destinate.

- to import/a importa
- importer; import agent/importator
- to import oil from a country/a importa petrol dintr- o tara
- import ban/interdictia importului
- to impose an import ban on gas/a interzice importul gazului
- an importing country; company/o companie; tara importatoare
- import levy; licence/taxa vamala; licenta pe import
- to export/a exporta
- exporter/exportator
- export/bunuri sau servicii exportate
- chief export items/principalele articole de export
- the export trade/activitatea de export
- the export market/piata externa
- to be interested in; to be keen on/a fi interesat in
- to exceed/a depasi (in cantitate)
- export incentives/stimulente pentru export
- export duties; documents/taxe; documente de export
- domestic customers/consumatori in tara
- foreign products/produse straine
- trade/comert
- international trade/comert international
- legitimate fashion/cale legala
- goods/bunuri, produse
- commodity/articol de comert
- commodities/marfuri

The import agents of commodities to which an import quota applies must first obtain an import licence./Importatorii marfurilor carora li se aplica cota de import trebuie sa obtina licenta de import.

- Our company imports and exports leather/farmaceutical products./Our company is specialized in the industrial services and materials./Compania noastra importa si exporta produse de

piele/farmaceutice./ Compania noastra este specializata in servicii si materiale industriale.

- We are aware/hear/understand from ...Company that you export/import.../ Am aflat/cunoastem de la firma ... ca exportati/importati...
- We are interested in importing/exporting....from/to you./ Ne intereseaza sa importam/exportamde la/catre dv.
- We have seen/encountered your advertisement in ...Revue/Magazine/ Am vazut anuntul dv. in ziarul/revista...
- Following our conversation/discussion with your company's representative/sales department manager.../ In urma conversatiei/discutiei noastre cu reprezentantul/managerul de vanzari al companiei dvs...

2.1.1. Specimen Sentences Expressing a Request of Quotations, Offers, Price- lists, Prospectuses, Samples / Formulari pentru cereri de cotatii, oferte, liste de preturi, prospecte, mostre

The second paragraph of the correspondance may have the form of a request for the offers, prices- lists, prospectuses, invitations, samples, catalogues. Cel de- al doilea paragraf al corespondentei poate avea forma unei cereri de oferte, liste de preturi, prospecte, invitatii, mostre, cataloage.

- to quote/a indica;fixa;stabili un pret;a estima un cost
- to bid/a licita;a cere sau oferi un pret;a face o oferta scrisa
- to place the bid/a oferta
- bid price/pret de cumparare;pret de ofertare
- what am I bid for/ cat mi se ofera pentru
- to bade against/ a licita impotriva
- opening;closing bid/prima;ultima strigare
- leveraged bid/oferta de cumparar de actiuni ale unei companii cu bani
- higher; further;high;low bid/pret mai mare;mai mare;mare;mic
- to quote the best;lowest;most advantageous price/a cota la cel mai bun;ieftin;avantajos pret
- quotation of price/oferta de pret
- prices are quoted in.../preturile sunt stabilite in...
- to get;obtain a number of quotes/a obtine un numar de de oferte de pret

- quoted company;share/companie;actiune cotata la bursa
 - full specification/detalii complete pentru un produs
 - shipping date/durata livrarii
 - in great request/foarte cautat
- ...Company requests the price- list for your top products
in...field/Compania...cere lista de preturi pentru cele mai bune produse
din domeniu

Please quote the follwing products at the most advantageous price./Va rugam sa cotati urmatoarele produse la cel mai avantajos pret pe care il oferiti.

Our company is delighted to offer 50 invitations to the private auction on Wednesday, March 17, 2007, Grand Hotel, East Sussex.

Comania noastra e incantata sa ofere 50 de invitatii la licitatie privata ce va avea loc miercuri, 17 martie 2007 la Hotelul Grand, din East Sussex

2.1.2.Specimen Sentences Which Refer to Prospects for Fruitful Business Relations / Formulari referitoare la perspectivele unor tranzactii fructuoase

The third pragraph will make a synthesis of the information needed to perform a desired transaction. Al treilea paragraf va sintetiza informatiile de care este nevoie pentru tranzactia dorita.

- to propose an item; a plan;a scheme/a propune un paragraf, alineat, punct, articol (din lista, cont, registru);un plan/ o schema, un program, sistem
- to expect/a se astepta la...
- to set up a meeting/a aranja o intalnire
- to make a deal/ a face o afacere
- to open a new branch/ a deschide o noua filiala
- to break into the market/a intra pe piata
- We expect quality, rather than quantity and if ...product comes up to our expectation, we would place in 2 days an order of.../ Asteptam calitatea, in loc de cantitate si daca produsul...satisface asteptarile vom face o comanda in 2 zile de...
- We are sending you samples designed to cover the divisional market in both price and quality in the field of chain shops, if your marketing tests are satisfactory, we can make a deal to mutual advantage./ Va trimitem mostrele create sa acopere piata regionala ca pret si calitate

in aria lanturilor de magazine, daca testele dvs. de marketing sunt satisfacatoare, putem colabora avantajos de ambele parti.

- As previously, we would like to place an order of 10.000 pieces of ..., if you can supply directly from stock and we request the fidelity discount you offer on this terms./ Ca in trecut, dorim sa comandam 10.000 de bucati de..., daca puteti livra direct din stoc si cerem discountul de fidelitate oferit in acesti termeni.

2.1.3. Concluding Sentences/ Formulari de incheiere

The closing is conducted by the motivation of the recipient for an efficient answer, thus resulting an expected effect. Formulele de incheiere se completeaza motivand destinatarului pentru un raspuns eficient, din care sa rezulte efectul scontat.

- to look forward/a astepta cu nerabdare
- convenient/inconvenient/convenabil/neconvenabil
- acknowledgements/multumiri
- to wish to thank for/tinem sa multumim pentru
- to wish to express thanks for/a prezenta multumiri pentru
- to cast about for.../a cauta o solutie pentru
- We look forward to your quotations/receiving an early reply/inhouse cocktail invitations/samples delivery./ Asteptam cu nerabdare cotatii/un raspuns curand/invitatiile la cocktailul firmei/livrarea mostrelor.
- Your prompt answer/reply/order/delivery will be appreciated./ V- am fi recunoscatori pentru un raspuns/comanda/livrarea prompt(a).
- We thank you in anticipation of a prompt reply/answer/order/delivery./ Va multumim in asteptarea unui raspuns prompt/unei comenzi/livrari prompte.
- We would be grateful if you would update the customer database./ V- am fi recunoscatori daca ati completa noile detalii pentru baza de date clienti.
- The delivery is 10 days delayed. The transportation department cast about for a solution./ Livrarea este intarziata 10 zile. Dapartamentul transporturi cauta o solutie.

2.1.4. Specimen Sentences Used in Replies to Inquiries/

Formulari utilizate in raspunsul la cererea de oferta

In the reply to inquiries it's formulated either a polite refusal or a stay-in-touch remark for a future contact. In raspunsul la cererea de oferta

se formuleaza fie un refuz politicos, fie o remarca de a pastra legatura pentru o colaborare viitoare.

- to come to terms/a cadea de acord

- to come to agreement/a ajunge la intelegere

- to comply with/a se conforma, a satisface

- to meet standards/deadline/a respecta standarde/termene limita

- a proviso/o clauza conditionala

- a qualified agreement/un contract/intelegere nedefinitivata

- to aim at/a tinti spre

- Our company/departments are pleased to receive your letter/revue in reply to our advertisement in.../ In cadrul companiei/departamentelor ne- a facut placere sa primim scrisoarea/cronica dv. ca raspuns la reclama noastra din...

- Your inquiry is in our attention and we announce you will receive a price- lists memo./ Comanda dvs. este in atentia noastra si va anuntam ca veti primi un memo cu lista de preturi.

- We are sorry but we don't have the ...product on stock/our delivery hours end at 5 p.m./ Ne pare rau dar nu avem produsul...pe stoc/orele de livrare se incheie la 5 dupa- amiaza.

- Our products meet/aim at the EU standards and we are pleased to comply within our company's 2 working days delivery policy./ Produsele noastre intrunesc/tintesc spre standardele Uniunii Europene si va anuntam ca respectam politica firmei de a livra in 2 zile lucratoare.

Negotiations- *Know what you want*

Language Checklist

Making an opening statement

Welcoming

Welcome to ...

I'm sure we will have a useful and productive meeting ...

First meeting

We see this as a preparatory meeting ...

We would like to reach agreement on ...

One of a series of meetings

Following previous meetings we have agreed on some important issues.
Today we have to think about ...

We have reached an important stage ...

Stating your aims and objectives

I'd like to begin with a few words about our general expectations ...

May I outline our principle aims and objectives today ...

We want to clarify our positions ...

We have a formal agenda ...

We don't have a formal agenda, but we hope to reach agreement on ...

There are three specific areas we would like to discuss. These are ...

We have to decide ...

Stating shared aims and objectives

Together we want to develop a good relationship ...

We agree that ...

It is important for both of us that we agree on ...

Handing over

I'd like to finish there and give you the opportunity to reply to this.

I'd like to hand over to my colleague ..., who has something to say about

...

Skills Checklist -Planning and preparation

Type of negotiation

- Towards agreement- Both teams try to suit joint interests
- Independent advantage- Each team aims to get best deal
- Conflict- A team aims to win and make the other team lose

Purpose of negotiation

- Exploratory (possible areas of interest)
- Conciliatory (resolving differences)

Targets

- Scale (e.g. 1-10)
- Decide realistic maximum and minimum acceptable scores

Facts and figures

- Prepare statistical data
- Know facts
- Prepare visuals

Strengths and weaknesses

- List your bargaining strengths
- Know your possible weaknesses
- Calculate your bargaining position

Possible concessions

- Plan your bargaining strategy
- List essential conditions

Impossible to concede

- List possible concessions

Opening statements

- State general objectives
- State priorities
- State independent (not joint) objectives
- Be brief

Getting what you can- Reading

1. Read the following extract. According to the writer, are these statements about negotiating true (T) or false (F):

- a. Decide on the most important and less important issues.
- b. Try to guess what the other side thinks.
- c. Note answers to the questions you ask.
- d. Deal with issues in isolation, one at a time.
- e. Make concessions and get a concession in return.
- f. Tough bargaining can combine with a spirit of cooperation.
- g. If there are problems, you have to accept or reject what is on offer.

Effective negotiation requires clear thinking and a constructive approach

It is necessary to have a clear understanding of what for you are the most important issues and at the same time what for you are less important. Try to identify aspects in the second category where the other side will be very happy to gain concessions. Give what is not so important for you, but is valuable for the other side.

To do this, you have to do the following:

- Check every item of what the other side wants. Ask how important items are and look for flexibility.
- Do not guess their opinions or motives – you could be wrong, or they won't like your speculation.
- Note the other side's answers, but don't immediately say what you think.
- Avoid being forced into considering one issue alone, consider two or three at once – aim for an agreement to a package.

If there are big differences between the two parties, you have a choice of these options: to accept, to reject, or to carry on negotiating. If you decide to carry on, then the options in the next round are:

- To make a new offer
- To seek a new offer from the other party
- To change the shape of the deal (vary the quantity or the quality, or bring in third parties)
- Begin bargaining.

Your bargaining should be governed by three principles: be prepared, think about the whole package, and be constructive. In preparing, you must identify the issues, and prepare your bargaining position. You need:

- An essential conditions list – issues where you cannot concede anything
- A concessions list – issues where you can make concessions
- To grade the concessions from the easiest to the most difficult, where you need most in return.

As for the package, you must look for agreement in principle on a broad front (*zonă cu elemente diferite*). When the time comes for compromise, each party will concede on one issue if they win a concession on another.

The final principle is to be positive and constructive. You should be fair and cooperative, even during difficult bargaining. This approach is not likely to move the negotiation towards a settlement that both sides feel is to their advantage.

2. Read the text again. Identify the following:

- a. How to respond to what the other side wants.
- b. Three ways to change a deal.
- c. Three actions to prepare for bargaining

Language Checklist *Negotiations (2)*

Bargaining

We can agree to that if ...

On condition that ...

So long as ...

That's not acceptable unless ...

Without ...

Making concessions

It you could ... we could consider ...

So long as ... we could agree to ...

On condition that we agree on ... then we could ...

Let's think about the issue of ...

We could offer you ...

Would you be interested in ...?

Could we tie this agreement to ...?

Accepting

We agree.

That seems acceptable.

That's probably all right.

Confirming

Can we run through what we've agreed?

I'd like to check what we've said / confirm

I think this is a good moment to repeat what we've agreed so far.

Summarising

I'd like to run through the main points that we've talked about.

So, I'll summarise the important points of our offer.

Can we summarise the proposal in a few words?

Looking ahead

So, the next step is ...

We need to meet again soon.

In our next meeting we need to ...

So, can we ask you to ...?

Before the next meeting we'll ...

We need to draw up a formal contract.

Skills Checklist *Negotiations (2) – Bargaining in negotiations*

Concessions rules

'A key principle in negotiation is to give a little and get a little at the same time.'

- Ask for concessions
- All concessions are conditional
- Conditions first 'If ... then ...'
- 'It's a package'
- Give what's cheap to you and valuable to them.

During the negotiation

Main speaker

- Create a joint, public and flexible agenda.
- Question needs and preferences.

- Don't talk too much.
- Listen.
- Don't fill silences.
- Build on common ground.
- Explore alternatives 'What if ...?'
- Be clear, brief and firm.
- Follow concession rules.

Support speaker

- Wait till the Chair or your main speaker brings you in.
- Be clear, brief and firm.
- Follow the concession rules.
- Support your main speaker
 - Agree (nod, 'That's right ...')
 - Emphasise ('This point is very important')
 - Add forgotten points ('And we must remember ...')
 - But don't make concessions for your main speaker.
 - Listen.
 - Don't fill silences.

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Neil Finch
Ministry of Urban Development
140- 144 Whitehall
London WCI 4RF
May 2 200—

Dear Neil,

Re: Meeting in Bristol, April 30 --- ‘Railway Land Sale’

I am writing to (a) _____ points (b) _____ in the above meeting, held to discuss the sale of government owned railway land to Gibson Trust Limited.

We would like to confirm through this letter and the (c) _____ drawings that the property (d) _____ in the above sale consists of the land presently occupied by the station buildings and also the former car parks to the east of the station, the offices to the west and the warehouse alongside the traks. The government-owned housing on the north side of the railway lines is (e) _____ .

We also agree that the station will be renovated by the Transport Department and that the government will be responsible for running an eventual museum and paying a rent of £ 100,000 per year to Gibson Trust. The remaining land will be (f) _____ by Gibson Trust and later sold off separately. The development is intended to be for commercial and residential use. The eventual use of the land should be (g) _____ in the contract.

Our next meeting will be on May 15 at 10 a.m., at which development plans will be (h) _____. Soon after this, contracts will be (I) _____. Then we will need time to consider the contracts but hopefully they will be (j) _____ by the end of September.

Do contact us if you have any comments or alterations you would like to make to this summary. Thank you once again for a very constructive meeting and we look forward to seeing you again on May 15.

Your sincerely,

Jill Kearne
Chief Negotiator
Encs. (I)

12. Not getting what you don't want

TEST What type of negotiator are you?

1. Your aim in a negotiation is ...
 - a) to find the greatest area of agreement in the joint interests of both parties.
 - b) To win and to make the other side lose.
 - c) To find the best deal for your side.

2. When the other side is talking you ...
 - a) use the information you are hearing to identify weaknesses in the other party.
 - b) Plan what you are going to say next.
 - c) Listen with maximum attention.

3. You think that ...
 - a) part of the available time must be spent socialising and getting to know the other side.
 - b) Goodwill is important but the speed of the meeting should be quick and businesslike.
 - c) The meeting should get down to business as soon as possible and reach quick decisions.

4. When you speak in a negotiation you ...
 - a) make bold and forceful statements, possibly banging the table.
 - b) Make carefully considered statements in a calm, controlled voice.

c) Are occasionally forceful and inflexible.

5. If the other side disagree with you, you ...

a) try hard to find a creative position by modifying your position.

b) Repeat your demands and will not concede – your objective is to make the other side give in.

c) Reshape your offer without fundamental changes.

6. If the other side state an opinion you disagree with, you ...

a) tentatively suggest an alternative.

b) Ask for clarification and explanation.

c) Ridicule it with sarcasm.

1 a)3 b)2 c)2

2 a)1 b)2 c)3

3 a)3 b)2 c)1

4 a)1 b)3 c)2

5 a)3 b)1 c)2

6 a)3 b)2 c)1

If you score 15 or more you are a **creative negotiator**. 11-14 you **negotiate to independent advantage**. 7-10 you are a **fighter**! Less than 7 you should get a gun licence!

• Reading

Match each of the following to a phrase in the text with a similar meaning:

a. highlight the disadvantages of failing to reach a deal

b. think of new benefits for both sides

c. alter parts of what is on offer

d. take a break to consider positions

e. have the negotiation in a different place

f. change the individuals involved

g. ask an independent person to come and help you reach agreement

h. have an informal meeting to talk things over.

Dealing with conflict

Conflict may sometimes be an unavoidable step on the road towards agreement. However, in some cases conflict leads to the break down of negotiations as one or both sides realise that agreement is not possible. In many

cases this is better than agreeing to something which would be against the interests of the people concerned.

When conflict arises, there are several possible actions which may help to resolve conflict in a negotiation:

- Leave the problem, go on to a different topic and return later to the point at issue

- Summarise progress and areas of agreement
- Emphasise the benefits available to both sides
- Emphasise the loss to both sides of not reaching agreement
- Restate the issue and wait for a response
- Change the package
- Invent new options for mutual gain
- Offer *conditional* concessions
- Adjourn (*a amâna, a suspenda*) to think and reflect
- Fix an off-the-record meeting (*întâlnire neoficială*)
- Change location
- Change negotiator (personal chemistry?)
- Bring in a third party (mediator?)
- Consider walking away.

- **Below are five strategies in dealing with conflict. Use them in making statements.**

- a. Adjourn to think and reflect.
- b. Summarise progress and areas of agreement.
- c. Leave the problem, discuss something else, come back later to the problem.
- d. Emphasise the loss to both sides of not reaching agreement.
- e. Offer a conditional concession.

Language Checklist Negotiations (3)

Dealing with conflict

I think we should look at the points we agree on ...

We should focus on the positive aspects ...

We should look at the benefits for both sides ...

It is in your interests to resolve the issue ...

What do you think is a fair way to resolve this problem?

We hope you can see our point of view ...

Let us explain our position ...

Could you tell us why you feel like that?

I think we should look at the whole package, not so much at individual areas of difficulty.

Perhaps we could adjourn for a little while.

I think we need to consider some fresh ideas ...

Rejecting

I'm afraid we can't ...

Before agreeing to that we would need ...

Unfortunately ...

I don't think it would be sensible for us to ...

I think if you consider our position, you'll see that ...

Ending negotiations

So, can we summarise the progress we've made?

Can we go through the points we've agreed?

Perhaps if I can check the main points ...

So, the next step is ...

What we need to do now is ...

It's been a very useful and productive meeting.

We look forward to a successful partnership.

Breaking off negotiations

I think we've gone as far as we can.

I'm sorry, but I don't think we're going to agree a deal.

It's a pity we couldn't reach agreement this time.

Unfortunately we appear unable to settle our differences.

It would be better if we looked for some independent arbitrator.

Skills Checklist *Negotiations (3)*

Dealing with conflict

- Show understanding of the other side's position
- Highlight advantages of agreement

Don't ...

- Be sarcastic
- Attack
- Criticise
- Threaten
- Blame

Do ...

- ask questions
- listen
- summarise
- build on common ground
- explain your feelings

Types of negotiators*Hard*

Negotiates to win
Makes demands

Principled

Looks for common benefits
Makes offers

Soft

Looks for agreement
Accepts what's on offer

Fighter

Win-lose

Independent advantage

win-win

Creative negotiator

looks for agreement

Rejecting

- Ask for an adjournment.
- Discuss options.
- Remember your limits.
- Decide if your interests are being met: if not, reject the proposal on offer, or suggest alternatives.

After the negotiation

- Compare the result with your objectives, targets and limits.
- Examine the process of the negotiation: The planning – the strategy – team roles – the issues.

- Learn from failure: What went wrong and why? Identify weaknesses and errors. Discuss and plan ahead.

- Build on success: Recognise success. Praise people. Develop teamwork and partnership.

• Negotiating Conditions

Conditions	Examples
Unit price	\$8.50 per unit
Minimum quantity	at least 10,000 units
Credit period	30 days after invoice
Delivery date	20 June 2003
Bulk discount	-2 % if over 10,000
units	
Penalty clause	5 % for each month of
delay	
Cancellation clause	50 % charge if
cancelled less	
than six weeks beforehand	
Exclusivity	sole rights over all East
Coast	
states	
Royalty on sales under licence	3 % of turnover on
licensed	
goods	
Commission	5 % on sales in the
territory	
Early settlement discount	-2 % if paid within 20
days	
Option period	first option for 12
months	
after contract	
Method of payment	irrevocable letter of
credit	
Warranty period	18 months warranty
from	

completion

• **DATAFILE: Negotiation**

Below are the stages of negotiation and some expressions which you may find useful at each stage:

Conversation (1)

I'm sure/confident we can reach agreement. (optimistic)

I'm sure there's room for negotiation.

We have a lot to discuss.

Let's see how we get on. (cautious)

Presenting your position (2)

This is our position.

This is how we see it.

We think the following is reasonable/appropriate.

Our approach is this.

Questioning the other's position (3)

How do you/ explain your attitude? / justify ...? Account for...? Arrive at...?

Why do you want...?

Why such a / high charge? / long delivery period? / low discount?

Refusing to accept (4)

I'm sorry, I can't accept 2 %.

You'll have to do better than that, I'm afraid.

I'm afraid it's not enough.

Other firms offer more than 2 %.

Refusing to move (5)

I'm afraid I can't agree to / that. / increase the rate. / lower the price. / shorten delivery.

We've done our best for you.

We have maintain a policy.

I have my instructions.

Suggesting a compromise (6)

May I make a suggestion?

If you ... then we may be able to...

We may be able to... but only if you...

Unless you ... there is no question of our being able to...

Reaching agreement (7)

Let's just go through the terms.

Let's summarize the conditions.

Management

What is management?- Discussion

What do you think makes a good manager? Which *four* of the following qualities do you think are the most important?

- a) being decisive: able to make quick decisions
- b) being efficient: doing things quickly, not leaving tasks unfinished, having a tidy desk, and so on
- c) being friendly and sociable
- d) being able to communicate with people
- e) being logical, rational and analytical
- f) being able to motivate and inspire and lead people
- g) being authoritative: able to give orders
- h) being competent: knowing one's job perfectly, as well as the work of one's subordinates
- i) being persuasive: able to convince people to do things
- j) having good ideas

Types of Managers

We have been using the term *manager* to mean anyone who is responsible for subordinates and other organizational resources. There are many different types of managers, with diverse tasks and responsibilities. Managers can be classified in two ways: by their *level* in the organization – so-called first-line, middle, and top managers – and by the *range* of organizational activities for which they are responsible – so-called functional and general managers.

Management Levels

First-Line Managers. The lowest level in an organization at which individuals are responsible for the work of others is called first-line or first-level management. First-line managers direct operating employees only; they do not supervise other managers. Examples of first-line managers are the “foreman” (*maistru*) or production supervisor (*șef de producție*) in a manufacturing plant, the technical supervisor (*șef de echipă*) in a research department, and the clerical supervisor (*șef de birou*) in a large office. First-level managers are often called “supervisors.”

Middle Managers. The term middle management can include to more than one level in an organization. Middle managers direct the activities of lower-level managers and sometimes also those of operating employees. Middle managers’ principal responsibilities are to direct the activities that implement their organizations’ policies and to balance the demands of their superiors with the capacities of their subordinates.

Top Managers. Composed of a comparatively small group of executives, top management is responsible for the overall management of the organization. It establishes operating policies and guides the organization’s interactions with its environment. Typical titles of top managers are “chief executive officer”, “president” and “senior vice-president”. Actual titles vary from one organization to another and are not always a reliable guide to membership in the highest management classification.

Functional and General Managers

The other major classification of managers depends on the scope of the activities they manage.

Functional Managers. The **functional manager** is responsible for only one organizational activity, such as production, marketing, sales, or finance. The people and activities headed (*a conduce*) by a functional manager are engaged in a common set of activities.

General Managers. The **general manager**, on the other hand, oversees (*a supraveghea*) a complex unit, such as a company, a subsidiary, or an independent operating division. He or she is responsible for all the activities of that unit, such as its production, marketing, sales, and finance.

A small company may have only one general manager – its president or executive vice-president – but a large organization may have several, each at the head of a relatively independent division. In a large food company, for example, there might be a grocery-production division, a refrigerated-products division, and a frozen-food-products division, with a different general manager responsible for each. Like the chief executive of a small company, each of these divisional heads would be responsible for all the activities of the unit.

chief executive officer = director executiv

senior vice-president = vice-președinte senior (mai important decât cel Junior)

president = președinte

executive vice-president – vice-președinte executiv

chief executive = director sau administrator al unei firme

The Management Process

Planning

Plans give the organization its objectives and set up the best procedures for reaching them. In addition, plans become the guides by which the organization obtains and commits (*a angaja*) the resources required to reach its objectives, members of the organization carry on activities consistent with (*concordant cu*) the chosen objectives and procedures, and progress toward the objectives is monitored and measured, so that corrective action can be taken if progress is unsatisfactory.

The first step in planning is the selection of goals for the organization. Then objectives are established for the *subunits* of the organization – its divisions, departments, and so on. Once the objectives are determined, programs are established for achieving them in a systematic manner. Of course, in selecting objectives and developing programs, the manager considers their feasibility and whether will be acceptable to the organization's managers and employees.

Plans made by top management for the organization as a whole may cover periods as long as five or ten years. In a large organization, such as a multinational energy corporation, those plans may involve commitments (*angajamente*) of billions of dollars.

Planning at the lower levels, by middle or first-line managers, covers much shorter periods. Such plans may be for the next day's work, for example, or for a two-hour meeting to take place in a week.

Organizing

Once managers have established objectives and developed plans or programs to reach them, they must design and staff an organization able to carry out those programs successfully. Different objectives will require different kinds of organizations. For example, an organization that aims to develop computer software will have to be far different from one that wants to manufacture blue jeans.

Producing a standardized product like blue jeans requires efficient assembly-line techniques, whereas writing computer programs requires teams of professionals – systems analysts, software engineers, and operators.

Although they must interact effectively, such people cannot be organized on an assembly-line basis. It is clear, then, that managers must have the ability to determine what type of organization will be needed to accomplish a given set

of objectives. And they must have the ability to develop (and later to lead) that type of organization.

Leading

After plans have been made, the structure of the organization has been determined, and the staff has been recruited and trained, the next step is to arrange for movement toward the organization's defined objectives. This function can be called by various names: leading, directing, motivating, actuating (*impulsionare, stimulare*), and others. But whatever the name used to identify it, this function involves getting the members of the organization to perform in ways that will help it achieve its established objectives.

Whereas planning and organizing deal with the more abstract aspects of the management process, the activity of leading is very concrete; it involves working directly with people.

Controlling

Finally, the manager must ensure that the actions of the organization's members do in fact move the organization toward its stated goals. This is the controlling function of management, and it involves four main elements:

Establishing standards of performance.

- Measuring current performance and comparing it against the established standards.
- Detecting deviations from standard goals in order to make corrections before a sequence (*succesiune, șir*) of activities is completed.
- Taking action to correct performance that does not meet those standards.
- Through the controlling function, the manager can keep the organization on its chosen track, keeping it from straying (*a se depărata, a se abate*) from its specified goals.

Management Level and Skills

Managers at every level plan, organize, lead, and control. But they differ in the amount of time devoted to each of these activities. Some of these differences depend on the kind of organization in which the manager works, some on the type of job the manager holds.

Managers of small private clinics, for example, spend their time quite differently from the way the heads of large research hospitals spend theirs: Managers of clinics spend comparatively more time practicing medicine, and less time actually managing, than do directors of large hospitals. The technical supervisor of research physicists at AT&T Bell Labs will have a job that in some respects is quite different from that of a production supervisor on a General Motors assembly line. Yet both are first-line managers. And yet there will also be important similarities in the jobs of all these managers.

Other differences in the ways managers spend their time depend upon their levels in the organizational hierarchy. Robert L. Kats, a teacher and business executive, has identified three basic kinds of skills: technical, human, and conceptual. Every manager needs all three. *Technical skill* is the ability to use the procedures, techniques, and knowledge of a specialized field. Surgeons, engineers, musicians, and accountants all have technical skills in their respective fields. *Human skill* is the ability to work with, understand, and motivate other people, as individuals or in groups. *Conceptual skill* is the ability to coordinate and integrate all of an organization's interests and activities. It involves the manager's ability to see the organization as a whole, to understand how its parts depend on one another, and to anticipate how a change in any of its parts will affect the whole.

Kats suggests that although all three of these skills are essential to a manager, their relative importance depends mainly on the manager's rank in the organization. Technical skill is most important in the lower levels. Human skill, by contrast, is important for managers at every level: because they must get their work done primarily through others, their ability to tap (*a capta, a aborda*) the technical skills of their subordinates is more important than their own technical skills. Finally, the importance of conceptual skill increases as one rises through the ranks of a management system based on hierarchical principles of authority and responsibility. It depends mainly on the manager's rank in the organization.

Companies and Organizations

Company structure –Vocabulary

Match up the words on the left with the definitions on the right

- | | |
|---|--|
| <p>1 autonomous
levels,
one above the other</p> | <p>A a system of authority with different</p> |
| <p>2 decentralization
production, marketing, finance</p> | <p>B a specific activity in a company, e.g.</p> |
| <p>3 function
without
consulting a higher authority</p> | <p>C independent, able to take decisions</p> |
| <p>4 hierarchy
hierarchy</p> | <p>D people working under someone else in a</p> |
| <p>5 line authority
decisionmaking
units that are not centrally controlled</p> | <p>E dividing an organization into</p> |
| <p>6 report to
at
the level below in the chain of command</p> | <p>F the power to give instructions to people</p> |
| <p>7 subordinates
take
instructions from him or her</p> | <p>G to be responsible to someone and to</p> |

• Reading

Read the text below, about different ways of organizing companies, and then label them:

Line structure / functional structure / matrix structure / staff structure

Most organizations have hierarchical or pyramidal structure, with one person or a group of people at the top, and an increasing number of people below them at each successive level. This is a clear line or chain of command running down the pyramid. All the people in the organization know what decisions they are able to make, who their superior (or boss) is (to whom they report), and who their immediate subordinates are (to whom they can give instructions).

Some people in an organization have colleagues who help them: for example, there might be an Assistant to the Marketing Manager. This is known as a staff position: its holder has no line authority, and is not integrated into the chain of command, unlike, for example, the Assistant Marketing Manager, who is number two in the marketing department.

Yet, the activities of most companies are too complicated to be organized in a single hierarchy. Shortly before the First World War, the French industrialist Henry Fayol organized his coal-mining business according to the functions that it had to carry out. He is generally credited with inventing functional organization. Today, most large manufacturing organizations have a functional structure, including (among others) production, finance, marketing, sales, and personnel or staff departments. This means, for example, that the production and marketing departments cannot take financial decision without consulting the finance department.

Functional organization is efficient, but there are two standard criticisms. Firstly, people are usually more concerned with the success of their department than that of the company, so there are permanent battles between, for example, finance and marketing, or marketing and production, which have incompatible goals. Secondly, separating functions is unlikely to encourage innovation.

Yet, for a large organization manufacturing a range of products, having a single production department is generally inefficient. Consequently, most large companies are decentralized, following the model of Alfred Sloan, who divided General Motors into separate operating divisions in 1920. Each division had its own engineering, production and sales departments, made a different category of car (but with some overlap (*suprapunere, întrepătrundere*), to encourage internal competition), and was expected to make a profit.

Business that cannot be divided into autonomous divisions with their own markets can simulate decentralization, setting up divisions that deal with each other using internally determined transfer prices. Many banks, for example, have established commercial, corporate, private banking, international and investment divisions.

An inherent problem of hierarchies is that people at lower levels are unable to make important decisions, but have to pass on responsibility to their boss. One solution to this is matrix management, in which people report to more than one superior. For example, a product manager with an idea might be able to deal directly with managers responsible for a certain market segment and for a geographical region, as well as the managers responsible for the traditional

functions of finance, sales and productions. This is one way of keeping authority at lower levels, but it is not necessarily a very efficient one. Thomas Peters and Robert Waterman, in their wellknown book *In Search of Excellence*, insist on the necessity of pushing authority and autonomy down the line, but they argue that one element – probably the product – must have priority; four-dimensional matrices are far too complex.

A further possibility is to have wholly autonomous, temporary groups or teams that are responsible for an entire project, and are split up (*a se diviza, a se împărți*) as soon as it is successfully completed. Teams are often not very good for decision-making, and they run the risk of relational problems, unless they are small and have a lot of self-discipline. In fact, they still require a definite leader, on whom their success probably depends.

Describing company structure

The most common verbs for describing structure are:

Consists of, contains, includes, is composed of, is made up of, is divided into.

e.g. The company consists of five main departments.

The marketing department is made up of three units.

Other verbs frequently used to describe company organization include:

To be in charge of, to be responsible for, to support or to be supported by, to assist or to be assisted by, to be accountable to.

e.g. The marketing department is in charge of the sales force.

The five department heads are accountable to the Managing Director.

This is an example of part of a company organization chart:

Board of Directors

with a Chairman (GB)

or President (US)

Managing Director (GB)

or

Chief Executive Officer (US)





Now write a description of either the organization chart above, or a company you know, in about 100-150 words.

The External Environment of Organizations

The many rapid changes taking place in the external environment of organization require increasing attention from managers. The ***direct-action component*** of the environment consists of the organization's stakeholders – that is, the groups with direct impact on the organization's activities. ***External stakeholders*** include customers, suppliers, governments, consumer and environmental advocates, special interest groups, labor unions, financial institutions, the media, and competitors. ***Internal stakeholders*** include employees, shareholders, and the board of directors.

Managers must balance the interests of the various stakeholders for the good of the organization as a whole. They may be able to use the network of relationships among the stakeholders and the organization to influence stakeholders individually. For their part, stakeholders may unite in coalitions to exert over (*a exercita, a face uz de influență*) the organization. Individual stakeholders may also hold conflicting stakes (*interes, participare*) in an organization.

The ***indirect-action component*** of the environment consists of their factors that influence the organization indirectly. Not only do these factors create a climate to which the organization must adjust, but they have the potential to move into the direct-action environment. Demographic and lifestyle variables mold (*a forma, a modela*) an organization's labor supply and customer base, and changes in values are at heart of every other social, economic, political, and technological change. Managers must distinguish between and adjust to structural and cyclical changes in the economy. In addition, they must

contend with (*a lupta cu*) the growing influence of special interest groups in politics, and technological developments also fuel the competition between organizations.

Technological advances in communication and transportation have made the international environment increasingly important. Greater international competition has made the U.S. lag (*a întârzia, a rămâne în urmă*) in competitiveness critical, and has also blurred (*a întuneca, a pune în ceață*) the distinction between the private and public sectors.

The environment determines the extent to which (*gradul în care*) organizations face uncertainty and to which they are dependent on others for vital resources. In turbulent environments, organizations must devote more of their resources to monitoring the environment. The natural-selection, resource-dependence, and industrialorganization models provide alternative views of the relationship between organizations and the environment.

Managers – especially at higher levels – must monitor the external environment and try to forecast changes that will affect the organization. They may use strategic planning and organizational design to adjust to the environment.

Market structure and competition

Market leaders, challengers and followers

Read the following text and write short headings for each paragraph.

1

In most markets there is a definite market leader: the firm with the largest market share. This is often the first company to have entered the field, or at least the first to have succeeded in it. The market leader is frequently able to lead other firms in the introduction of new products, in price changes, in the level or intensity of promotions, and so on.

2

Market leaders usually want to increase their market share even further, or at least to protect their current market share. One way to do this is to try to find ways to increase the size of the entire market. Contrary to a common belief, wholly dominating a market, or having a monopoly, is seldom an advantage: competitors expand markets and find new uses and users for products, which enriches everyone in the field, but the market leader more than its competitors. A market can also be expanded by stimulating more usage: for example, many households no longer have only one radio or cassette player, but perhaps one in each room, one in the car, plus a Walkman or two.

3

In many markets, there is often also a distinct market challenger, with the second-largest market share. In the car hire business, the challenger actually advertises this fact: for many years Avis used the slogan 'We're number two. We try harder.' Market challengers can either attempt to attack the leader, or to increase their market share by attacking various market followers.

4

The majority of companies in any industry are merely market followers, which present no threat to the leader. Many market followers concentrate on market segmentation: finding a profitable niche in the market that is not satisfied by other goods or services, and that offers growth potential or gives the company a differential (*distinctiv, deosebit*) advantage because of its specific competencies.

5

A market follower, which does not establish its own niche is in a vulnerable position: if its product does not have a 'unique selling proposition' there is no reason for anyone to buy it. In fact, in most established industries, there is only room for two or three major companies: think of soft drinks, soap

and washing powders, jeans, sports shoes, and so on. Although small companies are generally flexible, and can quickly respond to market conditions, their narrow range of customers causes problematic fluctuations in turnover and profit. Furthermore, they are vulnerable in a recession when, largely for psychological reasons, distributors, retailers and customers all prefer to buy from big, well-known suppliers.

Vocabulary

Find words in the text which mean the following.

- 1 a company's sales expressed as a percentage of the total market
- 2 short-term tactics designed to stimulate stronger sales of a product
- 3 the situation in which there is only one seller of a product
- 4 companies offering similar goods or services to the same set of customers
- 5 a short and easily memorized phrase used in advertising
- 6 the division of a market into submarkets according to the needs or buying habits of different groups of potential customers
- 7 a small and specific market segment
- 8 a factor which makes you superior to competitors in a certain respect
- 9 a business's total sales revenue
- 10 a period during which an economy is working below its potential

Takeovers, mergers and buyouts

Vocabulary

Match up these words with the definitions below.

Backward integration, to diversify (diversification), synergy, forward integration, horizontal integration, to merge (a merger), to innovate (innovation), a raid, a takeover bid, vertical integration.

- 1 designing new products and bringing them to the market
- 2 to expand into new fields
- 3 to unite, combine, amalgamate, integrate or join together
- 4 buying another company's shares on the stock exchange, hoping to persuade enough other shareholders to sell to take control of the company
- 5 a public offer to a company's shareholders to buy their shares, at a particular price during a particular period, so as to acquire a company

6 to merge with or take over other firms producing the same type of goods or services

7 joining with other firms in other stages of the production or sale of a product

8 a merger with or the acquisition of one's suppliers

9 a merger with or the acquisition of one's marketing outlets

10 combined production that is greater than the sum of the separate parts

Reading

Leveraged buyouts

One indication that the people who warn against takeovers might be right is the existence of leveraged buyouts.

In the 1960s, a big wave of takeovers in the US created conglomerates – collections of unrelated businesses combined into a single corporate structure. It later became clear that many of these conglomerates consisted of too many companies and not enough synergy. After the recession of the early 1980s, there were many large companies on the US stock market with good earnings but low stock prices. Their assets were worth more than the companies' market value.

Such conglomerates were clearly not maximizing stockholder value. The individual companies might have been more efficient if liberated from central management. Consequently, raiders (*persoană agresivă, acaparatoare*) were able to borrow money, buy badly managed, inefficient and under-priced corporations, and then restructure them, split them up, and resell them at a profit.

Conventional financial theory argues that stock markets are efficient, meaning that all relevant information about companies is built into their share prices. Raiders in the 1980s discovered that this was quite simply untrue. Although the market could understand data concerning companies' earnings, it was highly inefficient in valuing assets, including land, buildings and pension funds. Asset-stripping – selling off the assets of poorly performing or under-valued companies – proved to be highly lucrative (*avantajos, profitabil*).

Theoretically, there was little risk of making a loss with a buyout, as the debts incurred (*datoriile făcute*) were guaranteed by the companies' assets. The ideal targets for such buyouts were companies with huge cash reserves that enabled the buyer to pay the interest on the debt, or companies with successful

subsidiaries that could be sold to repay the principal, or companies in fields that are not sensitive to a recession, such as food and tobacco.

Takeovers using borrowed money are called ‘leveraged buyouts’ or ‘LBOs’. Leverage (*raportul dintre creanțe și capital*) means having a large proportion of debt compared to equity capital. (Where a company is bought by its existing managers, we talk of a **management buyout** or MBO.) Much of the money for LBOs was provided by the American investment bank Drexel Burnham Lambert, where Michael Millken was able to convince investors that the high returns on debt issued by risky enterprises more than compensated for their riskiness, as the rate of default (*rata neonorării plății*) was lower than might be expected. He created a huge and liquid market of up to 300 billion dollars for ‘junk bonds’ (*obligațiuni cu risc*). (Millken was later arrested and charged (*a fi acuzat*) with 98 different felonies (*crime, acte penale*), including a lot of insider dealing (*operațiuni ale unui inițiat, a unei persoane angajate în respectiva firmă*), and Drexel Burnham Lambert went bankrupt (*a da faliment*) in 1990.)

Raiders and their supporters argue that the permanent threat of takeovers is a challenge to company managers and directors to do their jobs better, and that well-run businesses that are not undervalued are at little risk. The threat of raids forces companies to put capital to productive use. Fat or lazy companies that fail to do this will be taken over by raiders who will use assets more efficiently, cut costs, and increase shareholder value. On the other hand, the permanent threat of a takeover or a buyout is clearly a disincentive (*mijloc de intimidare*) to long-term capital investment, as a company will lose its investment if a raider tries to break it up as soon as its share price falls below expectations.

LBOs, however, seem to be largely an American phenomenon. German and Japanese managers and financiers, for example, seem to consider companies as places where people work, rather than as assets to be bought and sold. Hostile takeovers and buyouts are almost unknown in these two countries, where business tends to concentrate on long-term goals rather than seek instant stock market profits. Workers in these companies are considered to be at least as important as shareholders. The idea of a Japanese manager restructuring a company, laying off (*a concedia temporar*) a large number of workers, and getting a huge pay rise (as frequently happens in Britain and the US), is unthinkable. Lay-offs in Japan are instead a cause for shame for which managers are expected to apologize.

Summarizing

Complete the following sentences, which summarize the text above.

- 1 The fact that many large conglomerates' assets were worth more than their stock market valuation demonstrated that ...
- 2 Raiders bought conglomerates in order to ...
- 3 Raiders showed that the stock market did not ...
- 4 Raiders were particularly interested in ...
- 5 Investors were prepared to lend money to finance LBOs because ...
- 6 Raiders argue that the possibility of a buyout ...

Profits and social responsibility

In the 1920s, many large American corporations began, on a wide scale, to establish pension funds, employee stock ownership, life insurance schemes, unemployment compensation funds, limitations on working hours, and high wages. They built houses, churches, schools and libraries, provided medical and legal services, and gave money to charities (*acte filantropice*). Since this is fairly surprising behavior for business corporations, there must be a good explanation.

In the *Generous Corporations*, Neil J. Mitchell argues that the reason for many of these actions, most of which clearly did not bring immediate cash benefits, was that large corporations had a legitimacy problem. The existence of large corporations showed the classical economic theory of perfect competition to be inadequate. Consequently large corporations introduced 'welfare capitalism' (*capitalism social*) as a way of creating favorable public opinion. Rational capitalists starting with Henry Ford, also realized that a better paid work force would be more loyal, and would be able to buy more goods and services, and that a better educated work force would be a more efficient one.

Of course, pure free market theorists disapprove of welfare capitalism, and all actions inspired by 'social responsibility' rather than the attempt to maximize profits. Since the benefits of such initiatives are not confined to (*a se limita la*) those who bear the costs, Milton Friedman has criticized them for being unbusinesslike, and for threatening the survival not only of individual corporations but also the general vitality of capitalism. In a newspaper article

titled 'The social responsibility of business is to increase its profits', he argued that:

In a free enterprise, private-property system, a corporate executive is an employee of the owners of the business. He has direct responsibility to his employers. That responsibility is to conduct the business in accordance with their desires, which generally will be to make as much money as possible, while of course confirming to the basic rules of the society, both those embodied in law and those embodied in ethical custom.

Thus executives should not make expenditures on reducing pollution beyond the amount that is required by law or that is the best interest of the firm. Nor should they deliberately hire less-qualified, long-term unemployed workers, or workers from ethnic minorities suffering from discrimination. To do so is to be guilty of spending the stockholders' (or the customers' or the employees') money. Friedman does not consider the possibility that stockholders might prefer to receive lower dividends but live in a society with less pollution or less unemployment and fewer social problems.

An alternative view to the stockholder model exemplified by Friedman's article is the *stakeholder* (*cei care dețin un interes*) model, outlined, for example, in John Kenneth Galbraith's book, *The New Industrial State*. According to his approach, business managers have responsibilities to all the groups of people with a stake in or an interest in or a claim on the firm. These will include suppliers, customers, employees, and the local community, as well as the stockholders. A firm which is managed for the benefit of all its stakeholders, will not, for example, pollute the area around its factories, or close down a factory employing several hundred people in a small town with no other significant employers, and relocate production elsewhere in order to make small financial savings. Proponents of the stakeholder approach suggest that suppliers, customers, employees, and members of the local community should be strongly represented on a company's board of directors.

Vocabulary

Find words or expressions in the text which mean the following.

- 1 institutions or organizations that provide help for people in need
- 2 acceptability, according to law or public opinion

3 the situation when there are a large number of sellers and buyers, freedom to enter and leave markets, a complete flow of information, and so on

4 a condition of general well-being (and government spending designed to achieve this)

5 menacing, endangering

6 liveliness, health, energy, strength

7 an economic system in which anyone can attempt to raise capital, form a business, and offer goods or services

8 complying with or following (rules, etc.)

9 expressed, given a material form

10 supporters, people who argue in favour of something

Production and products

Vocabulary

a. Match up these words with the definitions which follow.

Capacity ,component, inventory, lead time, plant, location, subcontractor, outsourcing or contracting out

1. any company that provides goods or services for another one
2. any of the pieces or parts that make up a product, machine, etc.
3. buying products or processed materials from other companies rather than manufacturing them
4. the (maximum) rate of output that can be achieved from a production process
5. the buildings, machines, equipment and other facilities used in the production process
6. the geographical situation of a factory or other facility
7. the stock of any item or resource used in an organization (including raw materials, parts, supplies, work in process and finished products)
8. the time needed to perform an activity (i.e. to manufacture or deliver something)

b. After it has been decided what to manufacture, operations managers have to decide where to manufacture the different products, how much productive capacity their factories and plants should have, and how much inventory to maintain. Read the 15 sentences below, and classify them under the following six headings. Some sentences may fall under two headings.

- A The consequences of insufficient capacity
- B The consequences of excess capacity
- C The advantages of large facilities
- D The disadvantages of large facilities
- E The advantages of having a large inventory
- F The disadvantages of having a large inventory

1. A long lead time may allow competitors to enter the market.

2. Average fixed cost per unit drops as volume increases because each succeeding unit absorbs part of the fixed costs, giving economies of scale.

3. Finding staff and coordinating material flow become expensive and difficult.

4. If lead time increases, some customers may go to other suppliers.

5. Lost sales and market share are usually permanent.

6. The working environment might worsen and industrial relations deteriorate.

7. There are costs of storage, handling, insurance, depreciation, the opportunity cost of capital, and so on.

8. You can be more flexible in product scheduling, and have longer lead times and lower cost operation through larger production runs with fewer set-ups.

9. There is always a risk of obsolescence, theft, breakage, and so on.

10. You can meet variation in product demand.

11. You may be under-utilizing your work force.

12. You have protection against variation in raw material delivery time (due to shortages, strikes, lost orders, incorrect or defective shipments, etc.)

13. You may be forced to produce additional less profitable products.

14. You can take advantage of quantity discounts in purchasing.

15. You may have to reduce prices to stimulate demand.

Read the text below, and insert the eight words defined in vocabulary in the spaces.

Capacity, component, inventory, lead time, location outsourcing plants, subcontractor

Just-in-time production

Manufacturing companies are faced with a 'make-or-buy decision' for every item or (1) they use (as well as for every process and service). Do they make it themselves or do they outsource (a contracta lucrări în afara companiei), and buy from a (2)? If a company assembles products supplied by a large number of subcontractors (furnizor intermediar), they face the problem of how much (3) they require. In Just-In-Time (JIT) production – also called lean production, stockless production, and continuous

flow manufacture – nothing is bought or produced until it is needed. Each section of the production process makes the necessary quantity of the necessary units at the necessary time – which is when it is required by the next stage of the manufacturing process, or by distributors or customers.

The JIT system is usually credited to Taiichi Ohno, who was vicepresident for manufacturing with Toyota in Japan in the early 1950s – although he stated that he got the idea from American supermarkets! JIT is wholly contrary to the European and American logic of encouraging greater productivity, and welcoming production that exceeds the agreed schedule or quota, and stocking extras in case of the future problems.

JIT minimizes the cost of holding inventories, which are regarded negatively, as avoidable costs, rather than as assets. The large Japanese manufacturing companies have long practised (4)....., and generally use extensive networks of small subcontractors. Of course, if a single subcontractor fails to deliver a component on time, the whole production process is sabotaged, but the Japanese industrial system relies on mutual trust and long-term relationships. Small suppliers often attempt to situate their facilities close to the (5)..... of a larger company with which they work.

The Japanese also prefer small, specialized production (6).....

with a limited (7)....., in which, wherever possible, all the machines required for a certain job are grouped together. This avoids all the waiting and moving time involved in sending half-finished item from one department to another, although it often requires flexible, multi-skilled employees.

JIT thus greatly reduces transportation and inventory costs, and should ensure that there is no waste from overproduction, or from idle workers waiting for parts. It allows increased productivity because of shortened throughput time (timpul de prelucrare a materialelor). If factories are equipped so that set-up times are short, very small production runs (etape de producție) are possible. Any quality problems or product defects should be noticed more quickly, production (8)..... (timpul de conducere a producției) are reduced, and the firm can react more rapidly to demand changes.

Products and brands

Read the following text, and write a brief heading for each paragraph.

1

Marketing theorists tend to give the word product a very broad meaning, using it to refer to anything capable of satisfying a need or want. Thus services,

activities, people (politicians, athletes, film stars), places (holiday resorts), organizations (hospitals, colleges, political parties), and ideas, as well as physical objects offered for sale by retailers, can be considered as products. Physical products can usually be augmented (a spori, a crește) by benefits such as customer advice, delivery, credit facilities, a warranty or guarantee, maintenance, aftersales service, and so on.

2

Some manufactures use their name (the ‘family name’) for all their products, e.g. Philips, Colgate, Yamaha. Others, including Unilever and Procter & Gamble, market various products under individual brand names, with the result that many customers are unfamiliar with the name of the manufacturing company. The major producers of soap powders, for example, are famous for their multibrand strategy, which allows them to compete in various market segments, and to fill shelf space in shops, thereby leaving less room for competitors. It also gives them a greater chance of getting some of the custom of brand-switchers (cei care schimbă mărcile pe care le cumpără).

3

Most manufactures produce a large number of products, often divided into product lines. Most product lines consist of several products, often distinguished by brand names, e.g. a range of soap powders, or of tooth-pastes. Several different items (different sizes or models) may share the same brand name. Together, a company’s items, brands and products constitute its product mix. Since different products are always at different stages of their cycles, with growing, stable or declining sales and profitability, and because markets, opportunities and resources are in constant evolution, companies are always looking to the future, and re-evaluating their product mix.

4

Companies whose objectives include market share and market growth generally have long product lines, i.e. a large number of items. Companies whose objective is high profitability will have shorter lines, including only profitable items. Yet, most product lines have a tendency to lengthen over time, as companies produce variations on existing items, or add additional items to cover further market segments. Additions to product lines can be the result of either upmarket or down-market, i.e. making items of higher or lower quality. This can be carried out in order to reach new customers, to enter growing or more profitable market segments, to react to competitors’ initiatives, and so on.

Yet, such moves may cause image problems: moving to the lower end of the market dilutes (a slăbi, a dilua) a company's image for quality, while a company at the bottom of a range may not convince dealers and customers that it can produce quality products for the high end. Line-filling – adding further items in that part of a products range which a line already covers – might be done in order to compete in competitors' niches (nișă), or simply to utilize excess production capacity.

Vocabulary

Find words or expressions in the text which mean the following.

- 1 the possibility of paying for a product over an extended period
- 2 a promise by a manufacturer or seller to repair or replace defective goods during a certain period of time
- 3 a surface in a store on which goods are displayed
- 4 consumers who buy various competing products rather than being loyal to a particular brand
- 5 the standard pattern of sales of a product over the period that is marketed
- 6 the extent to which an activity provides financial gain
- 7 possibilities of filling unsatisfied needs in sectors in which the company can produce goods or services effectively
- 8 the sales of a company expressed as a percentage of total sales in a given market
- 9 the set of beliefs that the public at large holds of an organization
- 10 a small, specialized, but profitable segment of a market

Terms to know:

scarce resources resurse puține недостаточные средства
 consumer consumator потребитель
 saver persoană economă бережливый человек
 latest equipment utilaj performant последнее

	оборудование	
voluntary exchange	schimb intenționat	добровольный обмен
economic freedom	libertate economică	экономическая свобода
to require	a cere	требовать
to deliver	a distribui, a livra, a preda	доставлять
organizational skills	măiestrie, abilitate de organizare	организационные качества
competitive markets	piețe de concurență	конкурирующие рынки
market economy	economie de piață	рыночная экономика
willingness	bunăvoință	готовность
scarcity price	preț supraevaluat din cauza insuficienței ofertei	недостаток в цене
marginal production cost	cost marginal al produsului	предельные издержки производства
choice	alegere	выбор
to choose/chose/ chosen	a alege	выбирать
instead	în schimb/ loc, mai degrabă	вместо
to organize	a organiza	организовать
to coordinate	a coordona	координировать
raw materials	materie primă	сырьё
to provide a service	a aproviziona, a presta un serviciu	предлагать обслуживание
free market economy	economie liberă de piață	свободная рыночная экономика
to accomplish	a realiza, a face	выполнять
to allow	a permite	разрешать
to own	a poseda	владеть, обладать
will	dorință	желание, воля
to face	a înfrunța	сталкиваться с чем-либо
to afford	a-și permite,	позволить себе

a oferi

trade-off negociere сделка, обмен

income venit прибыль

employee funcționar работник

TEXT

Every day in our country millions of people choose about using scarce resources. They weigh the costs and benefits of these choices as consumers, savers, workers, business owners or managers, and government officials. Together, those choices create an economy. We can't possibly identify each of these choices, but we can put them into three groups. Let's call them the what, how, and who choices. What – What goods and services are to be produced and in what quantities? People choose the kinds and quantities of goods and services to produce.

How – How should those goods and services be produced? There is more than one way to build a home or a school, to manufacture an automobile, or to farm the land. Will the school and home be built from brick or wood? Will the automobile plant use flexible work teams or a traditional assembly line? Will farmers use the latest equipment, or will they use older machinery and more workers instead? (That is, who will produce them and which resources will be used to do so ?)

Who - Who receives those goods and services? Since there can't be enough production to satisfy everybody's wants, the goods and services that are produced must be divided among people who want more than they can possibly have. For example, there aren't enough CD players to go around for everyone who wants one. (This is the question "who gets what?")

We generally describe the economy as consisting of three sectors:

The primary sector: agriculture, and the extraction of raw materials from the earth;

The secondary sector: manufacturing industry, in which raw materials are turned into finished products (although of course many of the people working for manufacturing companies do not actually make anything,

but provide a service – administration, law, finance, marketing, selling, computing, personnel and so on);

The tertiary sector: the commercial services that help industry to produce and distribute goods to the final consumers, as well as activities such as education,

health care, leisure, tourism, and so on.

An economy organizes and coordinates all these choices. But an economy is not something apart from the

people who participate in it. Our individual choices as consumers, workers, savers, and producers determine what is produced, how things are produced, and who receives them. In any country the way people answer these questions describes the type of economic system they have. In Moldova there is a free market economy, in the United States there is a market economy, which is sometimes called a free enterprise system or capitalism.

A market occurs whenever and wherever people voluntarily make exchanges with one another. The markets allow businesses and individuals who own their resources to exchange them voluntarily. In a system of voluntary exchange, both parts benefit.

Free market economy is an economic system in which individuals and firms are free to enter and leave markets at their will.

Economic freedom ensures the existence of competitive markets, because sellers and buyers can enter markets as they choose. Economics is the study of people producing and exchanging to get the goods and services they want. Understanding economics means learning its content and using it to think more accurately. Goods are physical products businesses produce - like computers, basketball shoes, pizza etc.

Services are products you can't touch - like plumbing and auto repairs, taxi rides, and haircuts.

Scarcity is the result of an inability to satisfy all of everyone's wants. You face scarcity when you have more things to do during the day than time to accomplish them. In this case your time is scarce. Everyone faces scarcity.

Consumers want more than they can afford. Workers don't have enough time to get everything done. Even business faces scarcity. Likewise, government faces a scarcity of funds, despite their power to raise money through taxation. Consequently, we all must make choices about using money, time and other resources.

„The solution to scarcity is obvious,” you might say. „If the government printed more money, we could afford all we want.” But the problem isn't really a scarcity of money; it's a scarcity of all the things we buy with money – goods and services. Goods and services are scarce because our resources are scarce.

Resources are the basic elements used to produce goods and services. There are three types of productive resources: natural, human and capital.

Natural resources are unaltered gifts of nature, such as minerals, timber and fresh air.

Human resources, or labor, are the physical and mental efforts people use to create goods and services.

Capital resources are the buildings, tools and machines people create to produce other goods and services. So, too, is a truck that delivers gasoline and a computer or telephone that delivers information. Since producing any good or service requires natural, capital, and human resources, economists often call them factors of production.

Some economists also include management or entrepreneurship in the list of productive resources. Imaginative thinking, the willingness to take risks, and the management and organizational skills needed to operate a business are extremely important to the success of business and economy. However this list of the factors of production is limited to those resources people can see, touch, feel and measure.

Because resources are scarce, they can only be used one way at a time. Consequently, when you choose to use a resource for one purpose, you give up a chance to use it for another. Each choice has an opportunity cost, it is always the best alternative you give up when making a choice. Economists often focus on

the additional; or extra costs or benefits of a choice. Technically, these are called marginal costs and benefits. By focusing on marginal costs and benefits, consumers and producers often give up some of one thing to have more of another. This is a trade-off.

For convenience, economists usually study the choices of an individual, a family, or a business separately from all these choices put together as a nation. They even have specific names for each area of study – macroeconomics and micro-economics.

Macroeconomics is the study of the economy as a whole; micro-economics is the study of individual consumers and businesses. Macroeconomics examines questions that lead to an understanding of „the big picture.” How fast is the level of production in the nation changing? How fast are the prices rising? How many people are unemployed? How has the nation’s income changed? Macroeconomics also seeks to understand economy – wide issues, such as unemployment, poverty, and long term economic growth.

Microeconomics examines the choices that individuals, families, and business make. What prices should we charge for a concert ticket? What wages should we pay our employees? Should we invest in new computers? How do our customers like our new advertising campaign?

COMPREHENSION

Answer the following questions:

What are the three basic groups of choices?

What do they mean?

What is economy?

Which activities are as important as the production of goods?

Where does a market occur?

What kind of economic system is in Moldova?

What is the difference between goods and services?

How could you explain the term “scarcity”?

What are the types of productive resources?

What is the difference between macroeconomics and microeconomics?

Explain the motto of the lesson.

In each of the following, select the word or phrase that best completes the statement or answers the questions.

1. Detailed knowledge about the production and distribution of most products

is concentrated in a small team of managers.

is spread among many people who may not even know each other.

is collected and summarized by the Department of Commerce.

is easily obtained from the Internet.

In a voluntary exchange between two people a. both people believe they are benefiting. b. one person's gain is the other's loss.

c. both people lose.

d. no one really benefits or loses.

Which of the following illustrates a market?

a. A person buying a milkshake at an ice cream store.

Someone using a mail order catalog, telephone, or credit card to buy clothing.

None of the above.

d. Both of the above.

The unemployment rate is a subject of microeconomics.

macroeconomics.

opportunity costs.

marginal costs and benefits

In a market economy, what organizes and coordinates the production of goods and services?

Voluntary exchange

b. Scarcity

c. Government

Banks

Economists say that scarcity is a relative concept. This means that

a. resources are scarce only in poor societies.

scarce and limited resources are identical.

c. the scarcity of resources can change if wants or amounts of resources available change.

market economies usually eliminate scarcity.

Marketing, Advertising, Promotion.

The centrality of marketing

Look quickly through the following text and decide which paragraphs are about these subjects:

- company-to-company marketing
- identifying market opportunities
- the marketing mix
- the selling and marketing concepts
- the importance of market research

Most management and marketing writers now distinguish between selling and marketing. The 'selling concept' assumes that resisting consumers have to be persuaded by vigorous hard-selling techniques to buy non-essential goods or services. Products are sold rather than bought. The 'marketing concept', on the contrary, assumes that the producer's task is to find wants and fill them. In other words, you don't sell what you make, you make what will be bought. As well as satisfying existing needs, marketers can also anticipate and create new ones. The markets for the Walkman, video games, personal computers, and genetic engineering, to choose some recent examples, were largely created rather than identified.

Marketers are consequently always looking for market opportunities – profitable possibilities of filling unsatisfied needs or creating new ones in areas in which the company is likely to enjoy a differential advantage, due to its distinctive competencies (the things it does particularly well). Market opportunities are generally isolated by market segmentation. Once a target market has been identified, a company has to decide what goods or service to offer. This means that much of the work of marketing has been done before the final product or service comes into existence. It also means that the marketing concept has to be understood throughout the company, e.g. in the production department of a manufacturing company as much as in the marketing department itself. The company must also take account of the existence of competitors, who always have to be identified, monitored and defeated in the search for loyal customers.

Rather than risk launching a product or service solely on the basis of intuition or guesswork, most companies undertake market research (GB) or marketing research (US). They collect and analyze information about the size of

a potential market, about consumers' reactions to particular product or service features, and so on. Sales representatives, who also talk to customers, are another important source of information.

Once the basic offer, e.g. a product concept, has been established, the company has to think about the marketing mix, i.e. all the various elements of a marketing program, their integration, and the amount of effort that a company can expend on them in order to influence the target market. The best-known classification of these elements is the '4Ps': product, place, promotion and price. Aspects to be considered in marketing products include quality, features (standard and optional), style, brand name, size, packaging, services and guarantee.

Place in a marketing mix includes such factors as distribution channels, locations of points of sale, transport, inventory size, etc. Promotion groups together advertising, publicity, sales promotion, and personal selling, while price includes the basic list price, discounts, the length of the payment period, possible credit terms, and so on. It is the job of a product manager or a brand manager to look for ways to increase sales by changing the marketing mix.

It must be remembered that quite apart from consumer markets (in which people buy products for direct consumption) there exists an enormous producer or industrial or business market, consisting of all the individuals and organizations that acquire goods and services that are used in the production of other goods, or in the supply of services to others. Few consumers realize that the producer market is actually larger than the consumer market, since it contains all the raw materials, manufactured parts and components that go into consumer goods, plus capital equipment such as building and machines, supplies such as energy and pens and paper, and services ranging from cleaning to management consulting, all of which have to be marketed. There is consequently more industrial than consumer marketing, even though ordinary consumers are seldom exposed to it.

Comprehension

Look at the following diagrams from *Marketing Management* by Philip Kotler.

1 The first diagram contrasts the selling and the marketing concepts. Fill in the four spaces with the following words or expressions:

- Coordinated marketing
- Customer needs
- Market
- Profits through customer satisfaction

***Starting
Ends
point***

Focus

Means

Factory Profits through sales volume a. The selling concept (1) (2) (3) (4) b. The marketing concept	Products	Selling & promoting
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How companies advertise

Advertising informs consumers about the existence and benefits of products and services, and attempts to persuade them to buy them. The best form of advertising is probably word-of-mouth advertising, which occurs when people tell their friends about the benefits of products or services that they have purchased. Yet, virtually no providers of goods or services rely on this alone, but use paid advertising instead. Indeed, many organizations also use institutional or prestige advertising, which is designed to build up their reputation rather than to sell particular products.

Although large companies could easily set up their own advertising departments, write their own advertisements, and buy media space themselves, they tend to use the services of large advertising agencies. These are likely to have more resources, and more knowledge about all aspects of advertising and advertising media than a single company. The most talented advertising people generally prefer to work for agencies rather than individual companies as this gives them the chance to work on a variety of *advertising accounts* (contracts to advertise products or services). It is also easier for a dissatisfied company to give its account to another agency than it would be to fire its own advertising staff.

The client company generally gives the advertising agency an agreed budget; a statement of the objectives of the advertising campaign, known as a brief; and an overall advertising strategy concerning the message to be communicated to the target customers. The agency creates advertisements (the

word is often abbreviated to adverts or ads), and develops a media plan specifying which media – newspapers, magazines, radio, television, cinema, posters, mail, etc. – will be used and in which proportions. (On television and radio, ads are often known as commercials.) Agencies often produce alternative ads or commercials that are pre-tested in newspapers, television stations, etc. in different parts of a country before a final choice is made prior to a national campaign.

The agency's media planners have to decide what percentage of the target market they want to reach (how many people will be exposed to the ads) and the number of times they are likely to see them. Advertising people talk about frequency or 'OTS' (opportunities to see) and the threshold effect (*efectul de pronire*) – the point at which advertising becomes effective. The choice of advertising media is generally strongly influenced by the comparative cost of reaching 1,000 members of the target audience, the cost per thousand (often abbreviated to CPM, using the Roman numeral for 1,000). The timing of advertising campaigns depends on factors such as purchasing frequently and buyer turnover (new buyers entering the market).

How much to spend on advertising is always problematic. Some companies use the comparative-parity method (*metoda comparativ-analogică*) – they simply match their competitors' spending, thereby avoiding advertising wars. Others set their ad budget at a certain percentage of current sales revenue. But both these methods disregard (*a nu ține seama, a neglija*) the fact that increased ad spending or counter-cyclical advertising (*reclamă anticiclică*) can increase current sales. On the other hand, excessive advertising is counter-productive (*antiprodutivă*) because after too many exposures people tend to stop noticing ads, or begin to find them irritating. And once the most promising prospective customers have been reached, there are diminishing returns, i.e. an ever-smaller increase in sales in relation to increased advertising spending.

Vocabulary

Find the terms in the text which mean the following.

- 1 free advertising, when satisfied customers recommend products to their friends.
- 2 advertising that mentions a company's name but not specific products
- 3 companies that handle advertising for clients
- 4 a contract with a company to produce its advertising

5 the amount of money a company plans to spend in developing its advertising and buying media time or space

6 the statement of objectives of an advertising campaign that a client works out with an advertising agency

7 the advertising of a particular product or service during a particular period of time

8 a defined set of customers whose needs a company plans to satisfy

9 the people who choose where to advertise, in order to reach the right customers

10 the fact that a certain amount of advertising is necessary to attract a prospective customer's attention

11 choosing to spend the same amount on advertising as one's competitors

12 advertising during periods or seasons when sales are normally relatively poor

Discussion

Which of the following claims do you agree with?

1. Advertising is essential for business, especially for launching new consumer products.
2. A large reduction of advertising would decrease sales.
3. Advertising often persuades people to buy things they don't need.
4. Advertising often persuades people to buy things they don't want.
5. Advertising lowers the public's taste.
6. Advertising raises prices.
7. Advertising does not present a true picture of products.
8. Advertising has a bad influence on children.

In a well-known survey, the *Harvard Business Review* asked 2,700 senior business managers whether they agree with these statements. The survey produced some unexpected results. Which of the following percentages do you think go with which of the statements above?

41% 49% 51% 57% 60% 72% 85% 90%

Vocabulary

There is a logical connection among three of the four words in each of the following groups. Which is the odd one out, and why?

- 1 advertising – competitors – publicity – sales promotion
- 2 advertising agency – advertising campaign – media plan – word-of-mouth -advertising
- 3 advertising manager – brand-switcher – marketing manager – sales rep
- 4 after-sales service – guarantee – optional features – points of sale
- 5 brand awareness – brand loyalty – brand name – brand preference
- 6 competitions – coupons – free samples – line-stretching
- 7 credit terms – discount – list price – packaging
- 8 decline – growth – introduction – product improvement
- 9 focus group interviews – internal research – media plan – questionnaire
- 10 packaging – place – product – promotion

Money and Finance

A history of money – what makes the world go round

Money – it *jingles* in your pocket, it *rustles* in your wallet and it *clinks* in your *piggy-bank*. *Money makes the world go round*, but what's it? It's a *store of value* or a *measure of wealth*. Money is anything that is generally accepted as *payment for goods and services*. This is a wide definition and, over the centuries, money has appeared in all shapes and sizes; *cowrie shells* in ancient China, *huge stone discs* on a South Pacific Island or *beads (Wampum)* for the North American Indians.

Jingle = a zornăi

Rustle = a foşni

Clink = a zăngăni

Piggy-bank = puşculiţă

Cowrie = scoică, ghioc

Beads = mărgelă, mătăni

Wampum = colier de scoici

From Chickens to Plastic

At the end of the day, of course, it doesn't really matter what shape or size the money takes, as long as everyone *recognises* it and *accepts it in payment*. But, over the course of history, money has predominantly been associated with *metals*, in particular *gold, silver* and *copper*.

Bartering (troc)

Before metal money become the usual means of exchange, people would *swap (schimba)* goods and services in a process known as bartering – “I'll swap you ten chickens for your goat”. This kind of exchange does not really *encourage trade*, as all sorts of problems arise; are all the chickens of the same size? If I've only got five chickens, can I buy half a cow? Obviously, precious metals are a *practical alternative to payment in kind (în natură)*.

Four Essential Qualities

For money to be practical and efficient it should possess these qualities:
Durability – in prison, cigarettes may become a medium of exchange – but they’re easy to break and quickly dry up; in other words, they don’t last.

Portability – in some parts of Africa your wealth is measured in cattle. This is fine if you’re trading locally, but if money isn’t easy to carry, how can trade develop?

Divisibility – *small units* make life much easier – imagine trying to buy a hot dog in New York if the \$100 bill was the lowest unit of currency!

Intrinsic value – money should have some worth in itself, otherwise it won’t inspire confidence.

Coins

We first read of *coins* in the Kingdom of Lydia in the 7th century BC. Their coins were of *equal weight* and therefore of *equal value*, simplifying trade. *Stamping a design* onto the coins is called “*minting*”; *Alexander the Great* introduced the practice of stamping a picture of the *sovereign’s head* on the coins, an idea that was soon copied.

Coins however, were not always as valuable as they seemed – they were often *clipped* or *shaved* by unscrupulous individuals or *debased* by the state. The Romans, with the economic pressure of the Punic wars, began a long process of *debasement*, mixing more and more copper in with the silver, so that the *intrinsic value* of the coin was far lower than the *marked face value*.

Mint = a bate monedă

Debase = a devaloriza

Debasement = devalorizare

Clipped = retezat, scurtat

Shaved = redus

Paper Money

Bank notes were first introduced by the Chinese in the 10th century. They were later used by governments in *dire financial straits* (*în dificultăți mari financiare*) – caused by things like having *to finance* a war, for example. The English colonies in North America made important strides in the use of bank notes. For various political and economic reasons, the Colonists often found themselves *short of coinage*. To get round this problem, they used first

wampum, then *tobacco*, *rice* and *whisky* or *brandy* – not exactly the most practical solution. The first *paper money issue* was by the Massachusetts Bay Colony in 1690. The practice was frowned upon and eventually banned by the mother country, but the inventive *money-making instincts* of the new United States of America meant that, during the 19th century, most of the money used was in the form of *paper dollars*. The first fully printed note in England was issued in 1855 – until that time the *cashier* had to write the name of the payee and sign each note individually.

At first, bank notes were *redeemable* for *gold* – on Bank of England notes you will see written “*I promise to pay the bearer on demand the sum of...*” If you took a ten-pound note to the Bank they used to have to give you ten pounds in gold coin. Britain left the gold standard in 1931 and thus the notes are no longer backed by gold.

Strides = progresa, pași	Frown upon = a nu fi de acord
Short of coinage = lipsă de monezi	cu ceva
Ban = a interzice, a scoate în afara legii	Redeem = a compensa, răscumpăra

Plastic money

Nowadays many transactions are carried out with “*plastic money*” such as credit cards. The newest are called “*smart cards*” and carry small *silicon chips* that can record every transaction on the card. Research into the cards of the future continues, but the latest development is *e-cash*, cash to be used across the *Internet* – you’ll be able to spend money from the comfort of your armchair. If only earning the damn stuff was so easy!

MONEY TALK – the language of cash

Money is so central to our lives that it has spawned (*a prolifera*) a wealth of specific terminology, idioms and sayings. Great thinkers in all ages have had something to say about it; governments are elected on the strength of how they plan to manage it, empires rise and fall because of it.

The Root of All Evil

Money is so important to us – people even say it *makes the world go round* – that it has acquired many nicknames, such as *bread, dough, dinero, mazuma, spondulicks, rhino, gravy, dosh, lucre* or simply the *necessary*. Small amounts of it are *chickenfeed* or *peanuts*. (*în slang: lovele, biștari, parale, bani, câștig*) So what are you thinking about now? *A penny for your thoughts!* Oh, I see, you like the look of that new jacket – *it'll cost you an arm and a leg*. I'm afraid, or, to put it another way, you'll have *to pay through the nose for it*.

You may like it so much you insist that *money's no object* – but don't forget: *money doesn't grow on trees, so don't live beyond your means!* If you do go ahead and buy that jacket, your friends will tell you that *you might as well flush it* (the money) *down the toilet*. So, if you *can't afford it*, buy the *cheapo* version: *you can bet your bottom dollar* that nobody will be able to tell the difference.

Of course your attitude to money depends, to a certain extent, on *how well off you are*. You may be experiencing a *liquidity problem* or a *cashflow problem* at the moment; in other words, you're *strapped for cash, broke*, or even *flat broke*. Perhaps *you don't have a dollar to your name, you don't have a red cent* and *you haven't got a bean*, in which case *you're as poor as a church mouse!*

If, on the other hand, you've got plenty of money then you're *filthy rich*, or *stinking rich* or *rolling in it* – perhaps you had some good business ideas and *put your money where your mouth is* or *cashed in on a golden business opportunity* and managed to *get rich quick*, so now you're *laughing all the way to the bank*.

You've got *money to burn*; you're earning *megabucks* and, now that you know its power, you believe what people say – *money talks!* In spite of this, you might be so careful with money that people think you're *mean* or *stingy* (*zgârcit*). Perhaps they'll call you a *miser* behind your back; in the US you'd be called a *tightwad* (*calic, avar*).

You might reply that money doesn't grow on trees – but then others might say that *you can't take it with you* (when you die) and so they *spend money as if it were going out of fashion*. In this case, *money burns a hole in their pocket*, and you would be the first to remind them that *a fool and his money are soon parted*. If, on the other hand, you *look after the pennies, then the pounds will look after themselves*.

The profits of labor

Roman soldiers were given part of *their pay* in salt, as it was so valuable – at least that's the excuse the Senate gave!

At the time it was called their *salario*, and it is for this reason that we still use the word *salary* to describe the *regular monthly payment* made to *employees* – especially *white-collars workers*. If you receive your pay *every week*, then you receive *wages* on *payday*, in the form of a *paycheck* in the US, or a *paypacket* in the UK.

You may find that some of your money is taken from you before you even see it, that is it is *deducted at source*; in the US these deductions are known as *deducks* or *ducks*. They may be for *tax* and also, in the UK, *National Insurance*, which means that your *takehome pay* may be a lot less than you expected!

Those who are unlucky enough not to have a job will be *on the dole* – receiving *unemployment benefit* in the UK or *on welfare* in the US. If you pay money for your *retirement* then your company *runs a pension scheme*. If you work more than your normal hours, then you're paid *overtime*. If your company has been doing well, you may get a *bonus*.

If you're one of the bosses of a newly-privatised monopoly, your employees may call you a *fat cat*, and part of your pay may take the form of *share options*; when you started to work for the company you were given a *golden hello* and, regardless of the company's performance, you will be given a *golden handshake* when you leave. Perhaps you're the kind of boss that never stops complaining about your employees; if so remember: *if you pay peanuts you get monkeys!*

You and your fellow top-managers are likely to enjoy a range of *fringe benefits* or *perks* – like a free car, house and even private education for your children. This is *in lieu of money*, and means that you have a high *standard of living* without having to *declare* hundreds of thousands of pounds at the end of the *tax year*. All the *expenses* the company *incurs* on your behalf are also *tax deductible* for the company, so it doesn't *lose out* either.

When the time comes to retire, sooner rather than later, for the lucky few who can choose *early retirement*, you may decide to take your company pension in a *lump sum* – and finally you can go on that world cruise!

White-collars workers =
funcționari

On the dole = ajutor de șomaj,
subvenție de la stat

On welfare = ajutor social

Share options =

Fringe benefit / perks =
beneficiu suplimentar

In lieu of money = în loc de
bani

Incur = a face, a crea

Lump sum = sumă globală /
unică, plată unică

Borrowing

Many of us go to the bank at some point to ask for *a loan* – it is often said that *a bank manager* is someone who lends you an umbrella when the sun is shining and who asks for it back when it starts to rain.

The simplest way to borrow is with an *overdraft*, or by using the *facilities* offered by *a credit card*; but to borrow *large sums* you'll probably *negotiate a loan* with your bank; you can either borrow a *fixed amount* or agree *a credit limit*.

If you're buying a house, then you'll want a *mortgage*. If the bank refuses to lend you money, you might resort to borrowing from a *finance company* or even the local *loan shark* to pay off your *IOUs (I Owe You)*. For any loan, you should look at the *Annual Percentage Rate* which takes into account the various *charges* which will be included in your *repayments*.

Borrowing from a *loan shark* can involve exorbitant *interest rates*. If you're being *gouged* in this way, then you may end up being unable to make the repayments. Your *debt* may be sold to a *debt collector* or you may receive a visit from the *bailiffs* in the UK. If you've been buying something *in instalments* or *on a hire purchase (HP)* scheme, *defaulting on the repayments* will probably lead to a visit from the dreaded *repo* (repossession) *man*.

Gouged = escrocat, tras pe
sfoară

Bailiff = inspector

Dreaded = de temut

Forgery

With the invention of money came *forgery*. Modern *counterfeit notes* can be extremely difficult *to spot* and new developments in the production of notes are soon *copied* by the *forgers*. Here's a quick guide to recognizing a *counterfeit Bank of England note*:

The feel of the paper: it should be *crisp* and slightly *rough* in the *heavily printed areas*.

The watermark: you shouldn't be able to notice it until you *hold the note up to the light*; then you can see a picture of the Queen.

The thread: all genuine notes have a thread *embedded* in the paper. Recent notes have a "*windowed*" *thread* which does not appear as a continuous line until the note is held up to the light.

Quality of printing: *pure, clear colours* and *sharp, well-defined lines*.

Spot = a identifica, a distinge
Counterfeit notes = bancnote
contrafăcute

Forgers = falsificatori
Crisp = fragil
Embedded = introdus

IDIOMS

Hard Times

If you've *fallen on hard times*, you might tell people that you *need to watch your spending*, your *money* or your *pennies*. In the States, you might say that *you have to watch every dime*. Perhaps your bank account is *in the red*, so you decide to *control your spending* and *keep track of your expenses more closely*. This will certainly involve *cutting down on expenses* in general, *budgeting your money*, *tightening your belt* and *saving your pennies*.

Almost certainly you will have to *cut the frills* (unnecessary *expenditure*), *trim (reduce) the budget* and *go back to basics*. If an *unexpected expense* comes up that you have *to meet*, you might decide to *dip into your savings*, or *scrounge* the money somehow.

If, on the other hand, you *splash out* on something *extravagant*, you might *justify the expense* by telling people that *you've got enough saved up*, that you've *been saving for a rainy day* or that you're lucky enough to have a *nest egg* that you've finally decided to use.

Frills = fasoane, lucruri care
nu sunt necesare

Scrounge = a șaprlî, a șterpeli
Splash out = a se arunca

MONEY VOCABULARY

account n. a record of money a person deposits into a bank

ATM n. Automatic Teller Machine aka Hole in the wall.

balance n. the difference between credits and debits in an account

bank n. a building in which commercial banking is transacted.

bank charges n. money paid to a bank for the bank's services etc

banker's draft n. a cheque drawn on the bank (or building society) itself against either a cash deposit or funds taken directly from your own bank account.

barter v. to trade without using money.

borrow v. to ask for the temporary use of money on the condition of repayment and at a set rate of interest.

Branch n. local office or bureau of a bank

building society n. A building society is like a bank, but it is owned by its members - savers and borrowers - and not by shareholders. Its traditional purpose was to lend money to individuals to purchase or remortgage their homes. This money used to come exclusively from individual saving members who are paid interest on their deposits. Now, an increasing proportion, but still a minority of the funds are raised on the commercial money markets.

cashflow n. cash earnings minus cash outflows for fixed- and working-capital investment.

cashier n. an employee of a bank or building society who receives and pays out money.

chequebook n. book containing detachable cheques

cheque n. written order to a bank to pay the stated sum from one's account

counterfeit n. fake money made in order to deceive - also v.

credit n. money in a bank a/c; sum added to a bank a/c; money lent by a bank - also v.

credit card n. (plastic) card from a bank authorising the purchasing of goods on credit

currency n. money that is used by a country such as the United Kingdom.

current account n. bank a/c from which money may be drawn at any time; checking account US

debit n. a sum deducted from a bank account, as for a cheque - also v.

debit card n. you use a debit card in much the same way as a credit card but instead of receiving credit after making your purchase, the funds are automatically (within a few days usually) withdrawn from your bank account.

debt n. the state of owing something (especially money).

denomination n. a number that expresses the value of a coin or bill.
A five pound note and a ten pound note represent two denominations.

deposit n. an amount of money placed with a bank

deposit account n. bank a/c on which interest is paid; savings account
US.

fill in v. to add written information to a document to make it complete.

foreign exchange n. Used to describe the currency of other countries and the system for dealing in such currency (often shortened to Forex).

interest n. money paid for borrowing money, or money that a bank or building society pays a customer for putting money into their bank.

interest rate n. the percentage of an amount of money which is paid for the use of that money over a period of time.

lend v. to give the temporary use of money on the condition of repayment and at a set rate of interest.

loan n. money lent by a bank etc and that must be repaid with interest - also v.

mortgage n. most of us do not buy our homes outright for cash - instead we borrow money to do so.

overdraft n. deficit in a bank account caused by withdrawing more money than is paid in

pay v. To give (someone) money that is due for work done, goods received, or a debt incurred.

pay n. Money paid to someone for regular work. Also see salary.

pay in v. to deposit or put money in to a bank account

payee n. person to whom money is paid

paying-in slip n. small document recording money that you pay in to a bank account

pence n. more than one penny.

pension n. A regular payment made during a person's retirement (when they become too old to work) from an investment fund to which that person or their employer has contributed.

- salary** n. A fixed regular payment, typically paid on a monthly or biweekly basis made by an employer to an employee.
- standing order** n. an instruction to a bank to make regular payments
- statement** n. a record of transactions in a bank account
- withdraw** v. to take money out of a bank account
- withdrawal** n. the act of taking out money.

Vocabulary

There are ten gaps in the two statements which follow. According to the information in the previous text, decide where the following headings should appear:

Called-up share capital, cash in hand and at bank, corporation tax, debtors, depreciation, turnover, freehold properties, historical cost, net assets, overheads

The Arsenal Football Club PLC Profit and Loss Account for the Year Ended 31st May 1994

1994	1993
£	£
<p>[1]</p> <p>15,341,689</p> <p>(income from football and related activities: gate receipts, broadcasting, ground advertisements, prize money)</p>	<p>21,471,680</p>
<p>Costs and [2],</p> <p>(12,804,538)</p> <p>less other income (costs include salaries, [3], auditors' remuneration, and lease payments; other income includes Interest Receivable)</p>	<p>(14,951,737)</p>
<p>Profit on Ordinary Activities before Transfer Fees</p> <p>2,537,151</p>	<p>6,519,943</p>

Transfer fees payable (54,259)	(889,588)
Profit on Ordinary Activities before Taxation	5,630,355
2,482,892	
Taxation (750,000)	(1,596,226)
Profit after Taxation Retained for The Financial Year	4,034,129
1,732,892	

Arsenal Football Club PLC – Balance Sheet 31st May 1994

1994	1993
£	£
Fixed Assets	28,478,922
18,982,931 (including [4], leasehold properties, plant and equipment, and motor vehicles; all recorded at [5] minus depreciation)	
Current Assets	9,607,592
7,991,088 Stocks; (including [6], Instalments on executive boxes); and [7]	
Creditors	(9,863,457)
(8,755,491) Amounts falling due within one year (including [8] and social security)	

Total Assets less Current Liabilities	28,223,057
18,218,528	
Long Term Liabilities	
Amounts falling due after more than One year (including debenture Subscriptions)	(17,893,500)
(11,923,100)	
[9	10,329,557
6,295,428	
Capital and Reserves	
[10	56,000
56,000	
Share premium account	237,201
237,201	
Building reserve	846,000
846,000	
Profit and loss account	9,190,356
5,156,227	
(year's profit added to previous balance)	
Shareholders' Funds	10,329,557
6,295,428	

Banking and taxation - Vocabulary

Match up these terms with the definitions below.

Cash card, cash dispenser, credit card, home banking, loan, mortgage, overdraft, standing order, current account (GB) or checking account (US), deposit account (GB) or time or notice account (US)

1 an arrangement by which a customer can withdraw more from a bank account than has been deposited in it, up to an agreed limit; interest on the debt is calculated daily

2 a card which guarantees payment for goods and services purchased by the cardholder, who pays back the bank or finance company at a later date

3 a computerized machine that allows bank customers to withdraw money, check their balance, and so on

4 a fixed sum of money on which interest is paid, lent for a fixed period, and usually for a specific purpose

5 an instruction to a bank to pay fixed sums of money to certain people or organizations at stated times

6 a loan, usually to buy property, which serves as a security for the loan

7 a plastic card issued to bank customers for use in cash dispensers

8 doing banking transactions by telephone or from one's own personal computer, linked to the bank via a network

9 one that generally pays little or no interest, but allows the holder to withdraw his or her cash without any restrictions

10 one that pays interest, but usually cannot be used for paying cheques (GB) or checks (US), and on which notice is often required to withdraw money

Types of banks

Read the text below and write short headings (one or two words) for each paragraph

1

Commercial or retail banks are businesses that trade in money. They receive and hold deposits, pay money according to customers' instructions, lend money, offer investment advice, exchange foreign currencies, and so on. They make a profit from the difference (known as a spread or a margin) between the interest rates they pay to lenders or depositors and those they charge to borrowers. Banks also create credit, because the money they lend, from their

deposits, is generally spent (either on goods or services, or to settle debts), and in this way transferred to another bank account – often by way of a bank transfer or a cheque (check) rather than the use of notes or coins – from where it can be lent to another borrower, and so on. When lending money, bankers have to find a balance between yield and risk, and between liquidity and different maturities.

2

Merchant bank in Britain raise funds for industry on the various financial markets, finance international trade, issue and underwrite securities, deal with takeovers and mergers, and issue government bonds. They also generally offer stockbroking and portfolio management services to rich corporate and individual clients. Investment banks in the USA are similar, but they can only act as intermediaries offering advisory services, and do not offer loans themselves. Investment banks make their profits from the fees and commissions they charge for their services.

3

In the USA, the Glass-Steagall Act of 1934 enforced a strict separation between commercial banks and investment banks or stockbroking firms. Yet, the distinction between commercial and investment banking has become less clear in recent years. Deregulation in the USA and Britain is leading to the creation of ‘financial supermarkets’: conglomerates combining the services previously offered by banks, stockbrokers, insurance companies, and so on. In some European countries (notably Germany, Austria and Switzerland) there have always been universal banks combining deposit and loan banking with share and bond dealing and investment services.

4.....

A country’s minimum interest rate is usually fixed by the central bank. This is the discount rate, at which the central bank makes secured loans to commercial banks. Banks lend to blue chip borrowers (very safe large companies) at the base rate or the prime rate; all other borrowers pay more, depending on their credit standing (or credit rating, or creditworthiness): the lender’s estimation of their present and future solvency. Borrowers can usually get a lower interest rate if the loan is secured or guaranteed by some kind of asset, known as collateral.

5

In most financial centres, there are also branches of lots of foreign banks, largely doing Eurocurrency business. A Eurocurrency is any currency held outside its country of origin. The first significant Eurocurrency market was for US dollars in Europe, but the name is now used for foreign currencies held anywhere in the world (e.g. yen in the US, DM in Japan). Since the US\$ is the world's most important trading currency – and because the US has for many years had a huge trade deficit – there is a market of many billions of Eurodollars, including the oil-exporting countries' 'petrodollars'. Although a central bank can determine the minimum lending rate for its national currency it has no control over foreign currencies. Furthermore, banks are not obliged to deposit any of their Eurocurrency assets at 0% interest with the central bank, which means that they can usually offer better rates to borrowers and depositors than in the home country.

Commercial / retail bank – bancă comercială / bancă de depozit

Merchant bank / Investment bank – bancă comercială / de investiții

Vocabulary

a. Find the words or expressions in the text which mean the following.

- 1 to place money in a bank; or money placed in a bank
- 2 the money used in countries other than one's own
- 3 how much money a loan pays, expressed as percentage
- 4 available cash, and how easily other assets can be turned into cash
- 5 the date when a loan becomes repayable
- 6 to guarantee to buy all the new shares that a company issues, if they cannot be sold to the public
- 7 when a company buys or acquires another one
- 8 when a company combines with another one
- 9 buying and selling stocks or shares for clients
- 10 taking care of all a client's investments
- 11 the ending or relaxing of legal restrictions
- 12 a group of companies, operating in different fields, that have joined together
- 13 a company considered to be without risk
- 14 ability to pay liabilities when they become due
- 15 anything that acts as a security or a guarantee for a loan

b. The text contains a number of common verb-noun partnerships (e.g. to lend money, to finance international trade). Match up the verbs and nouns below to make common collocations.

Charge	device	Offer	funds
Do	bonds	Pay	interest
Exchange	business	Raise	loans
Issue	currencies	Receive	profits
Make		Underwrite	security
deposits		issues	

Opening an account and means of payment

At the Bank – Opening an account

Mr. X – I would like to open an account with you.

Bank Clerk – Very well, sir. Here is a form you'll have to fill in.

Mr. X – There may be a problem. You see, I'm a foreign resident.

Bank Clerk – This is quite all right, sir. Quite a large number of our clients are foreigners. Do you want to open a current account or a deposit account?

Mr. X – Well, I'm going to stay and work here for a while, and I'd like my salary to be paid into my account. But I don't want to have to give notice before I can withdraw money.

Bank Clerk – It's obviously a current account you need.

Mr. X – How long will take to open an account?

Bank Clerk – Doesn't take long, sir. Let me see... Today is Thursday, if you can complete this form today, your cheque-book will be ready for you on Tuesday.

Mr. X – Fine. So, my salary could be paid in at the end of the month.

Bank Clerk – No doubt, sir.

Mr. X – There are two questions I'd like to ask. Will this be the only place where I can cash a cheque?

Bank Clerk – Oh, no, sir. You can have them cashed at any of our branches.

Mr. X – Good. And what about statements of account? How frequently does one get them?

Bank Clerk – Normally, once a month. But we shall send one out after each transaction if you want us to.

General Information:

When do/are you open?

How late do you stay open?/ When do you close?

What are your opening hours?

In the US: Does this bank have an ATM (Automatic Teller Machine – *bancomat*)

In the UK: Do you have a cash point/dispenser?

The ATM ate/kept my card.

The cash dispenser won't give me my card back.

If you want to use bank services you may have to queue (UK) or stand in line (US) and wait for the next available teller (US) – or clerk (UK): When their desk is free, a light will come on:

Next, please./ Please step down (US)./ I'm open over/down here.

Queue / stand in line = a sta la coadă

Teller / clerk = funcționar la ghișeu

You can then tell him or her what you want:

I want/need/would like to cash a check.

I'd like to cash these travelers checks, please.

Can you change a ten-pound note, please?

I'd like ten dollars' worth of quarters, please.

I need a roll of quarters.

If you have an account there:/ I'd like to make a deposit.

I'd like to withdraw some money from my account./ I'd like to make a withdrawal.

If you want to withdraw some money from abroad:

I'd like to transfer some money from an overseas bank account.

Before the clerk gives you any money, she/he will ask:

How would you like that?

Any preference?

Large or small bills (US) notes (UK)?

Your reply:

It doesn't matter (which denomination)

All twenties, please.

Just tens and twenties, please.

Five, tens and three fives, please.

No small bills/notes, please.

If you want to transfer some money, the clerk will say:

Are you a customer here?

First of all, I need some ID, please.

May I see some identification?

Do you have a bank card with you?

I'd like the name and address of your bank, your account number and your sorting code, please.

Please fill in this form.

I'm afraid you'll have to go to the enquiries desk (*biroul de informații*).

Or, if you're cashing a check:

Could you endorse this (sign it on the back), please.

Perhaps you're withdrawing money with a credit card:

Enter your PIN number, please (PIN: Personal Identification Number).

If you have foreign currency:

Do you handle foreign exchange here?

Is there a foreign exchange desk?

I'd like to change/buy some foreign currency.

What's the current exchange rate, please?

How many marks to the dollar, please?

And the reply:

The exchange rate is 1,5 marks to the dollar.

I'm afraid the rate has gone up today.

You might want to know:

Do I have to pay bank charges (*comision*) on top of that?

Is that inclusive of commission?

Are there any additional expenses?

What commission do you charge?

Maybe you're staying in an Anglophone country for more than a year and you want to open a bank account there:

I'd like to open a deposit/checking/ savings account, please.

I'd like to apply for a loan.

I'd like to get a safety deposit box (*safe de depuneri*).

What's the interest rate on this account?

Could you explain the service charges on this account?

Could I have a new checkbook, please?

I'd like to apply for a bank/cheque/credit/cash card, please.

Means of payment.

I'd just had a phone call from the bank. They couldn't cash in D's cheque. They were told there were insufficient funds on his account.

I'm surprised. That would be the first time. Can you remind me of the amount?

It's not a large sum: only 135 pounds.

This is all the more surprising. He is not the kind of person to overdraw his account. What sort of a cheque did he make out?

I'm looking into his file... Now... It was a giro cheque. Usually he pays us by bank cheque for small amounts, and by draft for large sums.

It makes more sense. Just give him a ring, will you? I'm sure he'll settle immediately.

I'll do that. Something else. I've had very bad information about B, you know, the reseller (*vânzător*) who wanted immediate delivery.

I see who you mean. It's his first order with us?

That's it. He's already had a current account cancelled and has a reputation for being a slow payer.

If so, insist on payment with the order (*plata la comandă*). Delivery is out of the question until the sum has been paid into our account.

Well, I think that's all. Oh yes! One more thing, the drafts to be discounted...

Means of payment. Key sentences.

His account is overdrawn (in the red).

Cecul său este descoperit.

The settlement is long overdue.

Plata ar fi trebuit să fie făcută demult.

What's his current account number?

Care este numărul contului său curent?

Charge it to my account.

Scoateți suma din contul meu.

Settle the amount by money order if you find it more convenient.

Plățiți suma prin mandat poștal dacă considerați că este mai practic.

The cheque was made out to his order.

Cecul era făcut la ordinul său.

He intends to open a deposit account at one of our branches.

El are intenția să deschidă un cont pentru depuneri la una din sucursalele noastre.

I think I remember it was a bearer cheque.

Cred că îmi amintesc, era un cec la purtător.

Normally, that payment-in ought to have been recorded on my last statement of account.

Normal, acea plată (vărsământ) ar trebuie să figureze pe ultimul meu extras de cont.

For sight withdrawals, you simply have to go to counter no.3

Pentru retragerile la vedere, ajunge să mergeți la ghișeul nr.3

She will pay us by instalments over six months.

Ea ne va plăti în rate eşalonate pe șase luni.

I have kept the stub (counterfoil) of the cheque which I issued on March 6th.

Am păstrat talonul cecului pe care l-am emis pe 6 martie.

The holder of the credit card must inform our nearest office in case of loss or theft.

Titularul cărții de credit trebuie să informeze imediat biroul nostru cel mai apropiat în caz de pierdere sau de furt.

Thanks to your credit card, you may rent a car without leaving a deposit.

Datorită cărții dumneavoastră de credit veți putea închiria o mașină fără să lăsați o garanție.

How is it that this cheque has not been endorsed?

Cum se face că acest cec nu a fost andosat?

I suppose you'd rather be paid in cash?

Presupun că preferați să fiți plătiți cu bani gheață.

The draft will fall due at the end of the month.

Trata ajunge la scadență la sfârșitul lunii.

Why haven't you presented this draft for acceptance yet?

De ce nu ați prezentat încă această trată la acceptare?

How long will it take to have the sum transferred to my account?

Cât durează să virați suma în contul meu?

It has been rejected for non-conformity of the signature (because the signature was not true).

El a fost refuzat din cauza nepotrivirii semnăturii (din cauză că semnătura nu era cea adevărată).

This is not the first time he has issued bad cheques (dud checks; cheques that bounce).

Nu este prima dată când el emite cecuri fără acoperire.

Banking – Key words and sentences

The banks have played a prominent role in the development of modern economy since the very beginning of commercial activities. Their branches have become a familiar sight on many city streets, but also in villages, as more and more people now “bank” with any one of the national or local banks.

Banks offer their services both to private individuals and to businesses. One can open a current account or a deposit account with them. The former will enable a person to use a cheque for payment instead of hard cash, whereas the latter will bring a small interest. People can ask their bank to pay recurring expenses for them, such as subscription, rents, telephone, gas or electrical bills. Valuables or deeds can be left in custody in a bank safe on payment of certain charge. The bank will obtain foreign currencies, issue traveller’s cheques and letter of credit payable at their branches or at correspondent banks.

Besides, banks will operate transactions on the stock exchange for you and give advice on investments. They also lend money, generally on a short term basis: thus they can allow overdraft facilities or personal loans; if your credit rating is good and if you can offer some sort of security, they may consider longer term credit. Most of this applies to business discounting of their bills – Bills of Exchange (drafts), or even Promissory Notes. In the field of foreign trade, the banks can help by financing or advising their clients. They can be referred to by either party for status enquiries in business transactions.

Recurring expenses =
cheltuieli recurente
Valuables / deeds = acte,
valori

Overdraft = cont debitor,
descoperire de cont
Be referred to = a fi îndrumat

Definition

A cheque is signed by the payer and payable to the payee or to his order. **A draft** (or **bill of exchange**) is drawn by the creditor on the debtor and payable to the drawer or to a third party after acceptance by the drawee.

Un cec este semnat de plătitor și se plătește beneficiarului sau la ordinul său. O trată este trasă de creditor asupra debitorului și se plătește trăgătorului sau unei terțe părți după acceptare de către tras.

Bank. Key sentences.

1. An interest is charged on all banks services.

Se percepe dobândă pentru toate serviciile bancare.

2. You had better ask for an overdraft before your account is overdrawn (in red).

Ar fi bine să cereți un descoperit înainte de a vi se epuiza contul.

3. I always deposit my valuables and my wife's jewels in a bank safe before leaving for a long holiday.

Depun întotdeauna obiectele mele de valoare și bijuteriile soției la o bancă înainte de a pleca într-o vacanță de lungă durată.

4. Where can I cash this cheque (check – U.S.)?

Unde pot încasa acest cec?

5. Remember to record all withdrawals on counterfoils (U.S. – stubs) in your cheque-book.

Nu uitați să înregistrați toate retragerile pe talonul carnetului dumneavoastră de cecuri.

6. They offered me to refund a 2,000 personal loan over a 30-month period.

Ei mi-au propus să rambursez un împrumut personal de 2.000 de lire în treizeci de rate lunare.

7. When writing out or endorsing a cheque, one must be careful to avoid any erasure.

Când se redactează sau se andosează un cec, trebuie să se evite orice ștersătură.

8. She made out so many dud (bad) cheques that no bank will trust her with a cheque-book.

Ea a întocmit atâtea cecuri fără acoperire, încât nici o bancă nu-I va mai încredința un carnet de cecuri.

9. Don't forget to have these bills discounted by the end of this month.

Nu uitați să scontați aceste efecte la sfârșitul lunii.

10. Recently a trader sued his banker after he could no longer have his bills discounted.

Recent, un comerciant a intentat un proces băncii sale după ce na mai avut posibilitatea să-și sconteze efectele de comerț.

11. The clearing-house will centralize all the operations dealing with the exchange of bills and cheques between banks.

Camera de decontări/oficiul de cliring va centraliza toate operațiunile care se referă la schimbul interbancar de efecte de comerț și cecuri.

12. The U.S. investment banks have just raised their prime rate by $\frac{1}{4}$ point to 6,75%.

Băncile de investiții americane tocmai au crescut rata de bază (a dobânzii) la 6,75% mărind-o cu un sfert de punct.

13. The increase in the price of short-term money has been confirmed whereas longer term rates remain stable.

S-a confirmat creșterea prețului pentru împrumuturile pe termen scurt, în timp ce ratele (dobânzii) pe termen lung rămân stabile.

14. The Prime Rate (fine rate, blue-chip rate, [B.E.] base rate) is the rate granted by U.S. banks to their clients with the highest rating.

Rata de bază reprezintă rata acordată de băncile americane clienților care prezintă cel mai mic risc.

15. The spell of monetary stability has lasted since the beginning of the year.

Această perioadă de stabilitate monetară durează de la începutul anului.

16. The policy of expensive money is meant to fight inflation.

Politica dirijată împotriva creșterii prețurilor este destinată combaterii inflației.

17. ...but it has immediate repercussions on corporate income statements.

...dar acest lucru are repercursiuni imediate asupra conturilor de venit și pierderi ale întreprinderilor.

18. The Central Bank acts as banker to the government and to other banks, and as the central note-issuing authority.

Banca centrală funcționează în calitate de bancher pentru guvern și alte bănci și ca autoritate centrală de emisiune monetară.

Banking. Key sentences.

1. I'd like to change French francs into pounds.

Aș vrea să schimb franci francezi în lire.

2. Your account is in the red (overdrawn).

Contul Dumneavoastră este epuizat.

3. Should I (must I) endorse the cheque?

Trebuie să andosez cecul?

4. He has opened a giro account.

El a deschis un cont-cec poștal.

5. My salary is paid into my account every month.

Salariul meu este vărsat în contul meu în fiecare lună.

6. The holders of such deposit accounts must give seven day's notice before withdrawal.

Deținătorii de astfel de conturi de depuneri trebuie să înștiințeze (banca) cu șapte zile înainte pentru a-și retrage banii.

7. Savings accounts earn an interest.

Conturile de economii aduc o dobândă.

8. The last withdrawal dates back to the 27th of last month.

Ultima retragere este din 27 luna trecută.

9. He wanted me to make out a blank cheque.

El voia să facă un cec în alb.

10. I'm not sure I kept the stub.

Nu sunt sigur că am păstrat talonul.

11. Why not endorse the cheque to his (her) name?

De ce să nu andosez cecul pe numele lui (ei)?

12. My bank will lend me part of the sum.

Banca mea o să-mi dea cu împrumut o parte din sumă.

13. He will find it hard to repay his loan.

Îi va fi greu să ramburseze împrumutul.

14. Why has his (her) overdraft been discontinued ?

De ce nu i s-a mai dat descoperitul?

15. He should not have borrowed so much.

Nu ar fi trebuit ca el să împrumute atât.

16. This is the 5th bad cheque (dud cheque) we've had this month.

Este al cincilea cec fără acoperire care mi se dă luna aceasta.

17. Please go to counter 6.

Vă rog să mergeți la ghișeul 6.

18. Please give me the rest in 5-pounds notes.

Dați-mi restul în hârtii (bancnote) de 5 lire.

19. The statement has still not reached me.

Extrasul (de cont) nu a ajuns încă la mine. (nu mi-a parvenit încă)

20. I have to (I must) replenish my account.

Trebuie să-mi reprovizionez contul.

21. She hasn't drawn on her account for 3 weeks.

Ea nu a mai scos din contul său de trei săptămâni.

Taxation and how to avoid it - Vocabulary

Which terms do the following sentences define?

1. The tax people pay on their wages and salaries is called
Capital transfer *tax income* *tax wealth tax*

2. A tax on wages and salaries or on company profits is a/an
Direct tax *indirect tax* *value-added tax*

3. A tax levied at a higher rate on higher incomes is called a
Progressive tax *regressive tax* *wealth tax*

4. A tax paid on property, sales transactions, imports, and so on is a/an
Direct tax *indirect tax* *value-added tax*

5. A tax collected at each stage of production, excluding the already taxed costs from previous stages, is called a/an
Added-value tax *sales tax* *value-added tax*

6. Profits made by selling assets are generally liable to a
Capital gains tax *capital transfer tax* *wealth tax*

7. Gifts and inheritances over a certain value are often liable to a
Capital gains tax *capital transfer tax* *wealth tax*

8. The annual tax imposed on people's fortunes (in some countries) is a/an
Added-value tax *capital gains tax* *wealth tax*

9. Making false declarations to the tax authorities is called
Fiscal policy *tax avoidance* *tax evasion*

10. Reducing the amount of tax you pay to a legal minimum is called
Creative accounting *tax avoidance* *tax evasion*

Income tax – impozit pe venit
Wealth tax – impozit pe avere
Direct tax – impozit direct
Indirect tax – impozit indirect
Progressive tax – impozit progresiv
Regressive tax – impozit regresiv
Value-added tax – TVA
Sales tax – impozit pe vânzări
Capital gains tax – impozit pe plusul de capital
Capital transfer tax – impozit pe transferul de capital
Fiscal policy – politică fiscală
Tax avoidance – evitare fiscală
Tax evasion – evaziune fiscală
Tax – taxă, impozit
Taxation – impozit, impozitare
Tax shelter – protecție fiscală
Tax haven – paradis fiscal
Tax-deductible – deductibil fiscal
Excise duties – accize, impozit de fabricare

Reading

Read the following text and decide which paragraphs could be given the following headings.

- Advantages and disadvantages of different tax systems
- Avoiding tax on profits
- Avoiding tax on salaries
- Tax evasion
- The functions of taxation

Taxation (and how to avoid it!)

The primary function of taxation is, of course, to raise revenue to finance government expenditure, but taxes can also have other purposes. Indirect excise duties, for example, can be designed to dissuade (*a preveni, a schimba părerea*) people from smoking, drinking alcohol, and so on. Governments can also encourage capital investment by permitting various methods of accelerated depreciation accounting that allow companies to deduct more of the cost of investments from their profits, and consequently reduce their tax bills.

There is always a lot of debate as to the fairness of tax systems. Business profits for example, are generally taxed twice: companies pay tax on their profits (corporation tax in Britain, income tax in the USA), and shareholders pay income tax on dividends. Income taxes in most countries are progressive, and are one of the ways in which governments can redistribute wealth. The problem with progressive taxes is that the marginal rate – the tax people pay on any additional income – is always high, which is generally a disincentive to both working and investing. On the other hand, most sales taxes are slightly regressive, because poorer people need to spend a larger proportion of their income on consumption than the rich.

The higher the tax rates, the more people are tempted to cheat but there is a substantial ‘black’ or ‘underground’ economy nearly everywhere. In Italy, for example, self-employed people – whose income is more difficult to control than that of company employees – account for more than half of national income. Lots of people also have undeclared, part-time evening jobs (some people call this ‘moonlighting’) with small and medium-sized family firms, on which no one pays any tax or national insurance. At the end of the 1986, the Director of the Italian National Institute of Statistics calculated the size of the underground economy, and added 16.7% to Italy’s gross national product (GNP) figure, and then claimed that Italy had overtaken Britain to become the world’s fifth largest economy.

To reduce income tax liability, some employers give highlypaid employees lots of ‘perks’ (short for perquisites) instead of taxable money, such as company cars, free health insurance, and subsidized lunches. Legal ways of avoiding tax, such as these, are known as loopholes in tax laws. Life insurance policies, pension plans and other investments by which individuals can postpone the payment of tax, are known as tax shelters. Donations to charities that can be

subtracted from the income on which tax is calculated are described as taxdeductible.

Companies have a variety of ways of avoiding tax on profits. They can bring forward capital expenditure (on new factories, machines, and so on) so that at the end of the year all the profits have been used up; this is known as making a tax loss. Multinational companies often set up their head offices in countries such as Liechtenstein, Monaco, the Cayman Islands, and the Bahamas, where taxes are low; such countries are known as tax havens. Criminal organizations, meanwhile, tend to pass money through a series of companies in very complicated transactions in order to disguise its origin from tax inspectors – and the police; this is known as laundering money.

Comprehension

According to the text, are the following statements True or False?

- 1 Taxes can be designed both to discourage and to encourage spending.
- 2 The same amount of money can be taxed more than once.
- 3 Progressive taxes may discourage people from working extra hours.
- 4 Sales taxes are unfair because poor people spend more than the rich do.
- 5 The Italian government knows that about one seventh of national income escapes taxation.
6. 'Loopholes' are a common form of tax evasion.
7. If you pay a lot of your income into a pension fund or a life insurance policy you never have to pay tax on it.
- 8 A company that makes an unusually large profit during a tax year might quickly decide to spend it, for example, on a new factory or equipment.

Vocabulary

Find words in the text that mean the following.

- 1 reducing the value of a fixed asset, by charging it against profits
- 2 something which discourages an action
- 3 an adjective describing a tax that is proportionally higher for people with less money
- 4 spending money to buy things, rather than saving it
- 5 working for yourself, being your own boss
- 6 a tax on incomes that pays for sickness benefit, unemployment benefit, and ld-age pensions

7. non-financial benefits or advantages of a job
- 8 a way to delay the payment of tax to a later time
- 9 an adjective describing expenditure that can be taken away from taxable income or profits
- 10 a country offering very low tax rates to foreign businesses

International trade

International trade is the exchange of [capital](#), [goods](#), and [services](#) across [international borders](#) or territories. In most countries, such [trade](#) represents a significant share of [gross domestic product](#) (GDP). While international trade has existed throughout history (for example [Uttarapatha](#), [Silk Road](#), [Amber Road](#), [scramble for Africa](#), [Atlantic slave trade](#), [salt roads](#)), its economic, social, and political importance has been on the rise in recent centuries.

Trading globally gives consumers and countries the opportunity to be exposed to new markets and products. Almost every kind of product can be found in the international market: food, clothes, spare parts, oil, jewelry, wine, stocks, currencies, and water. Services are also traded: tourism, banking, consulting, and transportation. A product that is sold to the global market is an [export](#), and a product that is bought from the global market is an [import](#). Imports and exports are accounted for in a country's current account in the balance of payments.

[Industrialization](#), advanced technology, including [transportation](#), [globalization](#), [multinational corporations](#), and [outsourcing](#) are all having a major impact on the international trade system. Increasing international trade is crucial to the continuance of globalization. Nations would be limited to the goods and services produced within their own borders without international trade. International trade is, in principle, not different from [domestic trade](#) as the motivation and the behavior of parties involved in a trade do not change fundamentally regardless of whether trade is across a border or not. The main difference is that international trade is typically more costly than domestic trade. This is due to the fact that a border typically imposes additional costs such as [tariffs](#), time costs due to border delays, and costs associated with country differences such as language, the legal system, or culture.

Another difference between domestic and **international trade** is that [factors of production](#) such as capital and [labor](#) are typically more mobile within a country than across countries. Thus, international trade is mostly restricted to trade in goods and services, and only to a lesser extent to trade in capital, labour, or other factors of production. Trade in goods and services can serve as a substitute for trade in factors of production. Instead of importing a factor of production, a country can import goods that make intensive use of that factor of production and thus embody it. An example of this is the import of

labor-intensive goods by the United States from China. Instead of importing Chinese labor, the United States imports goods that were produced with Chinese labor. One report in 2010 suggested that international trade was increased when a country hosted a network of immigrants, but the trade effect was weakened when the immigrants became assimilated into their new country.

The **history of international trade** chronicles notable events that have affected the trade between various countries.

In the era before the rise of the [nation state](#), the term 'international' trade cannot be literally applied, but simply means trade over long distances; the sort of movement in goods which would represent international trade in the modern world.

In the 21st century, [China](#), the [European Union](#) and the [United States](#) are the three largest trading markets in the world.

Ancient

- Records from the 19th century [BCE](#) attest to the existence of an [Assyrian](#) merchant colony at [Kanesh](#) in [Cappadocia](#).
- The domestication of camel allows [Arabian](#) nomads to control long distance trade in spices and silk from the Far East.^[3]
- The [Egyptians](#) trade in the [Red sea](#), importing spices from the "[Land of Punt](#)" and from [Arabia](#)
- Indian goods are brought in Arabian vessels to Aden.
- The "ships of [Tarshish](#)", a [Tyrian](#) fleet equipped at Ezion Geber, make several trading voyages to the East bringing back gold, silver, [ivory](#) and precious stones.
- [Tiglath-Pileser III](#) attacks [Gaza](#) in order to control trade along the [Incense Route](#).
- The Greek [Ptolemaic dynasty](#) exploits trading opportunities with India prior to the Roman involvement.
- The cargo from the India and Egypt trade is shipped to [Aden](#).

[Roman trade with India](#) according to the [Periplus Maris Erythraei](#), 1st century CE.

- The [Silk Road](#) is established after the diplomatic travels of the [Han Dynasty](#) Chinese envoy [Zhang Qian](#) to Central Asia, with Chinese

goods [making their way](#) to India, [Persia](#), and the [Roman Empire](#), and vice versa.

- With the establishment of [Roman Egypt](#), the Romans initiate [trade with India](#).
- The goods from the East African trade are landed at one of the three main Roman ports, Arsinoe, Berenice or Myos Hormos.
- Myos Hormos and Berenice (rose to prominence during the 1st century BCE) appear to have been important ancient trading ports.
- [Gerrha](#) controls the Incense trade routes across Arabia to the [Mediterranean](#) and exercises control over the trading of [aromatics](#) to [Babylon](#) in the 1st century BC. Additionally, it served as a port of entry for goods shipped from India to the East.
- Due to its prominent position in the incense trade, [Yemen](#) attracts settlers from the [fertile crescent](#).

The economy of the [Kingdom of Qataban](#) (light blue) was based on the cultivation and trade of spices and aromatics including frankincense and myrrh. These were exported to the Mediterranean, India and [Abyssinia](#) where they were greatly prized by many cultures, using camels on routes through Arabia, and to India by sea.

- Pre-Islamic Meccans use the old Incense Route to benefit from the heavy Roman demand for luxury goods.
- In [Java](#) and [Borneo](#), the introduction of Indian culture creates a demand for aromatics. These trading outposts later serve the Chinese and Arab markets.
- Following the demise of the incense trade Yemen takes to the export of coffee via the Red Sea port of *al-Mocha*.

Middle Ages

- The [Abbasids](#) use [Alexandria](#), [Damietta](#), [Aden](#) and [Siraf](#) as entry ports to India and China.
- At the eastern terminus of the [Silk Road](#), the [Tang Dynasty](#) Chinese capital at [Chang'an](#) becomes a major metropolitan center for foreign trade, travel, and residence. This role would be assumed by [Kaifeng](#) and [Hangzhou](#) during the [Song Dynasty](#).

- [Guangzhou](#) was China's greatest international seaport during the [Tang Dynasty](#) (618–907), but its importance was eclipsed by the international seaport of [Quanzhou](#) during the [Song Dynasty](#) (960–1279).
- Merchants arriving from India in the port city of Aden pay tribute in form of [musk](#), [camphor](#), [ambergris](#) and [sandalwood](#) to [Ibn Ziyad](#), the [sultan](#) of Yemen.
- Indian exports of spices find mention in the works of Ibn Khurdadbeh (850), al-Ghafiqi (1150), Ishak bin Imaran (907) and Al Kalkashandi (14th century).
- The [Hanseatic League](#) secures trading privileges and market rights in England for goods from the League's trading cities in 1157.

Early modern

This figure illustrates the path of [Vasco da Gama](#) heading for the first time to India (black) as well as the trips of [Pêro da Covilhã](#) (orange) and [Afonso de Paiva](#) (blue). The path common to both is the green line.

- Due to the [Turkish](#) hold on the [Levant](#) during the second half of the 15th century the traditional [Spice Route](#) shifts from the [Persian Gulf](#) to the Red Sea.
- In 1492 a Spanish expedition commanded by [Christopher Columbus](#) arrive in America.
- Portuguese diplomat Pero da Covilha (1460 – after 1526) undertakes a mission to explore the trade routes of the Near East and the adjoining regions of Asia and Africa. The exploration commenced from [Santarém](#) (1487) to [Barcelona](#), [Naples](#), [Alexandria](#), [Cairo](#) and ultimately to India.
- Portuguese explorer and adventurer [Vasco da Gama](#) is credited with establishing another sea route from Europe to India.
- In the 1530s, the Portuguese ship spices to [Hormuz](#).
- Japan introduced a system of foreign trade licenses to prevent smuggling and [piracy](#) in 1592.
- The first Dutch expedition left from [Amsterdam](#) (April 1595) for [South East Asia](#).
- A Dutch convoy sailed in 1598 and returned one year later with 600,000 pounds of spices and other [East Indian](#) products.
- The [Dutch East India Company](#) is formed in 1602.

- The first English outpost in the [East Indies](#) is established in Sumatra in 1685.
 - Japan introduces the closed door policy regarding trade (Japan was sealed off to foreigners and only very selective trading to the Dutch and Chinese was allowed) 1639.
 - The 17th century saw military disturbances around the [Ottawa](#) river trade route.^[19] During the late 18th century, the French built military forts at strategic locations along the main trade routes of Canada. These forts checked the British advances, served as trading posts which included the [Native Americans](#) in [fur](#) trade and acted as communications posts.
 - In 1799, The Dutch East India company, formerly the world's largest company goes bankrupt, partly due to the rise of competitive [free trade](#).
- Later modern.**
- Japan is served by the Portuguese from [Macao](#) and later by the Dutch.^[17]
 - Despite the late entry of the [United States](#) into the spice trade, merchants from [Salem, Massachusetts](#) trade profitably with Sumatra during the early years of the 19th century.
 - In 1815, the first commercial shipment of nutmegs from [Sumatra](#) arrived in Europe.
 - [Grenada](#) becomes involved in the spice trade.
 - The [Siamese-American Treaty of 1833](#) calls for free trade, except for export of rice and import of munitions of war.
 - [Opium War](#) (1840) – Britain invades China to overturn the Chinese ban on opium imports.
 - Britain unilaterally adopts a policy of free trade and abolishes the [Corn Laws](#) in 1846.
 - The first international free trade agreement, the [Cobden-Chevalier Treaty](#), is finalised in 1860 between the United Kingdom and France, prepared by [Richard Cobden](#) and [Michel Chevalier](#); it sparks off successive agreements between other countries in Europe.
 - The Japanese Meiji Restoration (1868) leads the way to Japan opening its borders and quickly industrialising through free trade. Under bilateral treaties restraint of trade imports to Japan were forbidden.
 - In 1873, the Wiener Börse slump signals the start of the continental [Long Depression](#), during which support for protectionism grows.

Post-World War II

- In 1946, the [Bretton Woods system](#) goes into effect; it had been planned since 1944 as an international economic structure to prevent further [depressions](#) and wars. It included institutions and rules intended to prevent national [trade barriers](#) being erected, as the lack of free trade was considered by many to have been a principal cause of [war](#).
- In 1947, 23 countries agree to the [General Agreement on Tariffs and Trade](#) to rationalize trade among the nations.
- In Europe, six countries form the [European Coal and Steel Community](#) (ECSC) in 1951, the first international organisation to be based on the principles of [supranationalism](#).
- The [European Economic Community](#) (EEC) is established by the [Inner Six](#) European countries with a [common commercial policy](#) in 1958.
- The [European Free Trade Association](#) (EFTA) is established in 1960 as a [trade bloc](#)-alternative by the [Outer Seven](#) European countries who did not join the EEC.
- Four important ISO ([International Organization for Standardization](#)) recommendations standardized containerization globally:
 - January 1968: **R-668** defined the terminology, dimensions and ratings
 - July 1968: **R-790** defined the identification markings
 - January 1970: **R-1161** made recommendations about corner fittings
 - October 1970: **R-1897** set out the minimum internal dimensions of general purpose freight containers
- The Zangger Committee is formed in 1971 to advise on the interpretation of nuclear goods in relation to international trade and the [Nuclear Non-Proliferation Treaty](#) (NPT).
- 16 October 1973: [OPEC](#) raises the [Saudi](#) light crude export price, and mandate an export cut the next day, plus an [Embargo](#) on oil exports to nations allied with [Israel](#) in the course of the [Yom Kippur War](#). (also see [Oil crisis](#))
- The [Nuclear Suppliers Group](#) (NSG) was created in 1974 to moderate international trade in nuclear related goods, after the explosion of a nuclear device by a non-nuclear weapon State.
- The breakdown of the [Soviet Union](#) leads to a reclassification of within-country trade to international trade, which has a small effect on the rise of international trade.

- After expanding its membership to 12 countries, the European Economic Community becomes the [European Union](#) (EU) on 1 November 1993
- 1 January 1994: The [European Economic Area](#) (EEA) is formed to provide for the [free movement](#) of persons, goods, services and capital within the [internal market](#) of the European Union as well as three of the four member states of the European Free Trade Association.
- 1 January 1994: the [North American Free Trade Agreement](#) (NAFTA) takes effect.
- 1 January 1995: [World Trade Organization](#) is created to facilitate free trade, by mandating mutual [most favored nation](#) trading status between all signatories.
- 1 January 2002: Twelve countries of the European Union launch the [Euro zone](#) (euro in cash), which instantly becomes the second most used currency in the world.
- 2008-2009 : during the [Great Trade Collapse](#), a drop of world GDP of 1% surprisingly caused a drop of international trade of 10%.

2. Telephoning

Telephoning across cultures

Many people are not very confident about using the telephone in English. However, good preparation can make telephoning much easier and more effective. Then, once the call begins, speak slowly and clearly and use simple language.

Check that you understand what has been said. Repeat the most important information, look for confirmation. Ask for repetition if you think it is necessary.

Remember too that different cultures have different ways of using language. Some speak in a very literal way so it is always quite clear what they mean. Others are more indirect, using hints, suggestions and understatement (for example 'not very good results' = 'absolutely disastrous') to put over their message. North America, Scandinavia, Germany and France are 'explicit' countries, while the British have a reputation for not making clear exactly what they mean.

One reason for this seems to be that the British use language in a more abstract way than most Americans and continental Europeans. In Britain there are also conventions of politeness and a tendency to avoid showing one's true feelings. For example if a Dutchman says an idea is 'interesting' he means that it is interesting. If an Englishman says that an idea is 'interesting' you have to deduce from the way he says it whether he means it is a good idea or a bad idea.

Meanwhile, for a similar reason Japanese, Russian and Arabs – 'subtle' countries – sometimes seem vague and devious to the British. If they say an idea is interesting it may be out of politeness. The opposite of this is that plain speakers can seem rude and dominating to subtle speakers, as Americans can sound to the British – or the British to the Japanese.

The British have the tendency to engage in small talk at the beginning and end of a telephone conversation. Questions about the weather, health, business in general and what one has been doing recently are all part of telephoning, laying a foundation for the true purpose of the call. At the end of the call there may well be various pleasantries, *Nice talking to you*, *Say hello to the family* (if you have met them) and *Looking forward to seeing you again soon*. A sharp, brief style of talking on the phone may appear unfriendly to a British partner. Not all nationalities are as keen on small talk as the British!

Being aware of these differences can help in understanding people with different cultural traditions. The difficulty on the telephone is that you cannot see the body language to help you.

Choose the closest definition of the following words from the text.

1. *literal*

- a. direct and clear b. full of literary style c. abstract and complicated

2. *understatement*

- a. kind words b. less strong way of talking c. clever speech

3. *deduce*

- a. reduce b. work out c. disagree

4. *vague*

- a. unclear b. unfriendly c. insincere

5. *devious*

- a. rude b. dishonest c. clever

6. *pleasantries*

- a. question b. request c. polite remarks

Language Checklist

Telephoning (1)

Introducing yourself

Good morning, Aristo.
Hello, this is ... from ...
Hello, my name's ... calling from ...

Saying who you want

I'd like to speak to ... please.
Could I have the ... Department, please?
Is... there, please?

Saying someone is not available

I'm sorry he/she's not available ...
Sorry, he/she's away / not in / in a meeting / in Milan.
Leaving and taking messages
Could you give him/her a message?
Can I leave him/her a message?
Please tell him/her ...
Please ask him/her to ring me on...
Can I take a message?
If you give me your number I'll ask him/her to call you later.

Offering to help in other ways

Can anyone else help you?
Can I help you perhaps?
Would you like to speak to his assistant?
Shall I ask him to call you back?

Asking for repetition

Sorry, I didn't catch (your name / your number / your company name)
Sorry, could you repeat your (name, number, etc.).
Sorry, I didn't hear that.
Sorry, I didn't understand that.
Could you spell (that / your name), please.

Acknowledging repetition

Okay, I've got that now.
(Mr. Kyoto) I understand.
I see, thank you.

Skill Checklist

Telephoning: Preparation for a call
Reading – background information

Desk preparation

Have the following available:

- Relevant documentation / notes
- Correspondence received
- Computer files on screen
- Pen and paper
- Diary

Check time available

- How much time do you need?
- How much time do you have?

Objectives

- Who do you want to speak to?
- In case of non/availability, have an alternative strategy:
- Call back / be called back – when?
- Leave a message
- Speak to someone else
- Write or fax information

Do you want to:

- Find out information?
- Give information?

Introduction

Do you need to refer to:

- A previous call?
- A letter, order, invoice or fax?
- Someone else (who?)
- An event (what? When?)

Prediction

What do you expect the other person to say / ask you? how will you respond?

• DATAFILE: The Telephone

This datafile gives you many of the terms and phrases commonly used in making telephone calls.

The directory

Look up their number in the directory. (UK).

I'll look up the number in the telephone book. (US).

The number is ex-directory. (UK).

The number is unlisted. (US).

I'll ring Directory Enquiries. (UK).

I'll ring information. (US).

The receiver

Can I help you?

Putting you through.

I'm afraid he's not available at the moment. (UK).

I'm afraid he's tied up at the moment.

You're welcome. Goodbye.

The line

He's on the other line.

Would you like to hold the line?

The line is engaged. (UK).

The line is busy. (US).

The operator (in the public telephone system)

Dial 100 for the operator. (UK).

Dial 0 (zero) for the operator. (US).

I'd like to make a reverse charge call. (UK).

I'd like to make a collect call. (US).

I'd like to make a transfer charge call. (UK).

The dial

Dial 123 for the correct time. (UK).

Listen for the dialling tone.

All lines to the country you have dialled are engaged.

Please try later. (UK).

The codebook

I'm on a long distance (or international) call.

The STD code is ... (UK).

The area code is ... (US).

A message pad

Can I tell him who called?

Can I give her a message?

Let me take down your number.

• Remember

If you do not understand, say... "Sorry, I didn't quite catch that."

Language Checklist

Telephoning (2)

Stating reason for a call

I'm ringing to ...

I'd like to ...

I need some information about ...

Making arrangements

Could we meet some time next month?

When would be a good time?

Would Thursday at 5 o'clock suit you?

What about July 21st?

That would be fine.

No, sorry, I can't make it then.

Sorry I'm too busy next week.

Changing arrangements

We've an appointment for next month, but ...

I'm afraid I can't come on that day.

Could we fix an alternative?

Confirming information

So...

Can I check that? You said ...

To confirm that ...

Can you / can I confirm that by fax?

Ending a call

Right. I think that's all.

Thanks very much for your help.

Do call if you need anything else.

I look forward to ... seeing you / your call / your letter / your fax / our meeting.

Goodbye and thanks.

Bye for now.

Skills Checklist*Telephoning (2)**Voice*

- Speed
- Clarity
- Volume

Structure

- Background information
- Key information
- Repetition, emphasis and confirmation
- Possible confirmation by fax

Style

- Formal / informal
- Cold call / new contact / established contact
- In-company vs. Customer / Supplier / Outside agent
- Colleague / friend / business associate / public
- Company image

*Structure of a call****Beginning***

Introduce yourself

Get who you want

Small talk

State problem / reason for call

Middle

Ask questions

Get / give information

Confirm information

End

Signal end

Thank other person

Small talk

Refer to next contact

Close call

Check that there's nothing else to say

Schedule:***Monday, 12 November***

Morning Arrive Sydney airport 8.30 a.m.
Afternoon 3 p.m. Tim Brown (agent) at hotel

Tuesday, 13 November

Morning 10 a.m. Mr. Whitley, Australian Chemical Bank
Afternoon

Wednesday, 14 November

Morning
Afternoon 2 p.m. Lund & Lund Associates (Mr. William Lund)

Thursday, 15 November

Morning
Afternoon 3 p.m. Jenny Kinsella + colleagues (B.I.G.Distribution)

Friday, 16 November

Morning 11 a.m. Tim Brown
Afternoon flight 390, Depart Sydney 6 p.m.

Language Checklist

Telephoning (3)

Stating reason for the call

I'm calling about ...

Unfortunately, there's a problem with ...

I'm ringing to complain about ...

Explaining the problem

There seems to be ...

We haven't received...

The ... doesn't work.

The quality of the work is below standard.

The specifications are not in accordance with our order.

Referring to previous problems

It's not the first time we've had this problem.

This is the (third) time this has happened.

Three months ago...

We had a meeting about this and you assured us that...

Threatening

If the problem is not resolved...

We'll have to reconsider our position.

We'll have to renegotiate the contract.

We'll contact other suppliers.

The consequences could be very serious.

Handling complaints and other problems

Asking for details

Could you tell me exactly what ...?

Can you tell me ...?

What's the ...?

Apologizing

I'm sorry to hear that.

I'm sorry about the problem / delay / mistake...

Denying an accusation

No, I don't think that can be right.

I'm sorry but I think you're mistaken.

I'm afraid that's not quite right.

I'm afraid that can't be true.

Skills Checklist

Telephoning (3)

If you receive a complaint:

- Consider your company's reputation
- Express surprise
- Ask for details
- Suggest action
- Promise to investigate
- Make reasonable suggestions, offers to help.

Consider your customer and:

- Show polite understanding
- Use active listening
- Reassure customer.

If you make a complaint:

- Prepare for the call
- Be sure of the facts
- Have documentation available
- Decide what you require to resolve the problem – at least partially – or completely.

Who is to blame?

Who is responsible?

Are you talking to the right person?

Was your order or your specifications correct?

Were you partly responsible for arrangements which went wrong, e.g. transport?

Does responsibility actually lie elsewhere, i.e. with a third party?

If you do not get what you want:

- Keep control – state what you need calmly
- Do you need to continue to do business with the other side?
- If you do, keep a good relationship
- Express disappointment – not anger
- Don't use threats – unless you have to!

3. Presentations

Planning and preparation - Language Checklist

Structure (1) The introduction to a presentation

Greeting

Good morning / afternoon ladies and gentlemen.
(Ladies and) Gentlemen ...

Subject

I plan to say a few words about ...
I'm going to talk about ...
The subject of my talk is ...
The theme of my presentation is ...
I'd like to give you an overview of ...

Structure

I've divided my talk into (three) parts.
My talk will be in (three) part.
I'm going to divide ...
First ...
Second ...
Third ...
In the first part ...
Then in the second part...
Finally...

Timing

My talk will take about ten minutes.
The presentation will take about two hours ... but there'll be a twentyminute
break in the middle. We'll stop for lunch at 12 o'clock.

Policy on questions / discussion

Please interrupt if you have any question.
After my talk there'll be time for a discussion and any questions.

Skills Checklist Effective presentations – planning and preparation***Audience***

- Expectations
- Technical knowledge
- Size
- Questions and / or discussion

Speaker's competence

- Knowledge
- Presentation technique

Content

- What to include
- Length / depth (technical details)
- Number of key ideas

Structure

- Sequence: beginning, middle, end
- Repetition, summarizing

Delivery

- ***Style***: Formal / informal
Enthusiasm / confidence
- ***Voice***: Variety / speed
Pauses
- ***Body language***: Eye contact
Gesture / movement
Posture

Visual aids

- Type / design / clarity
- Relevance

Practice

- Tape recorder
- Script or notes

Room

- Size / seating
- Equipment (does it work?)
- Sound quality

Language

- Simple / clear
- Spelling
- Sentence length
- Structure signals

• *Reading***Read the text below and find:**

- a. eight advantages of using visual aids
- b. three warnings about using visual aids

Image, impact and making an impression

Dinckel and Parnham (1985) say that ‘The great danger (in using visual aids) is that presenters place the major emphasis on visual aids and relegate themselves to the minor role of narrator or technician. You are central to the presentation. The visual aid needs you, your interpretation, your explanation, your conviction and your justification.’

Visual aids can make information more memorable and they help the speaker. However, they must literally support what the speaker says and not simply replace the spoken information. It is also not enough to just read the text from a visual aid.

There are many advantages to the correct use of visual aids. They can show information which is not easily expressed in words or they can highlight information. They cause the audience to employ another sense to receive information, they bring variety and therefore increase the audience’s attention. They save time and they clarify complex information.

Relegate = a retrograda, a degrada

Language Checklist

Using visuals

Types of visual support

Visual: film / video / picture / diagram / chart / pie chart / plan / map

Table graph

x axis / horizontal axis

y axis / vertical axis

left hand / right hand axis

Line graph

solid line

dotted line

broken line

Equipment

(slide) projector

slides (B.E.)

diapositives (Am.E.)

overhead projector (OHP)

transparency (B.E.)

slide (Am.E.)

flip chart

whiteboard

metaplan board

Introducing a visual

I'd like to show you ...

Have a look at this ...

This (graph) shows / represents ...

Here we can see ...

Let's look at this ...

Here you see the trend in ...

Comparisons

This compares x with y

Let's compare the ...

Here you see a comparison between ...

Pie chart = diagramă circulară (rotundă, "plăcintă")

Flow chart = schema procesului tehnologic / organigramă

Diagram = diagramă

Bar graph = diagramă cu bare

Table graph = grafic stil tabel
Line graph = grafic cu linii
overhead projector = proiector
transparency / slide = slide-uri
(slide) projector = dia-proiector
slides / diapositives = diapozitive
flip chart = panou cu foi de hârtie detaşabile
whiteboard = panou alb din material sintetic

Describing the speed of change

A dramatic dramatically
A marked markedly
A significant increase / fall To increase / fall significantly
A slight slightly

Describing trends

To go up
To increase -an increase
To rise -a rise
To climb -a climb
To improve -an improvement
To go down
To decrease -a decrease
To fall -a fall
To decline -a decline
To deteriorate- a deterioration
To recover -a recovery
To get better -an upturn
To get worse -a downturn
To level out- a leveling out
To stabilize
To stay the same
To reach a peak -a peak
To reach a maximum
To peak
To reach a low point
To hit bottom -a trough
To undulate -an undulation
To fluctuate -a fluctuation

Skills Checklist

Using visual supports

Visual must be:

- well prepared
- well chosen
- clear

Available media

Use media which suit the room and audience size.

- Overhead projector (OHP)
 - Transparencies / OHT's / slides (Am.E.)
- Slide projector
 - Slides / diapositives (Am.E.)
- Video / computer graphics / flip chart / whiteboard

Use of visual aids

Combination of OHP and flip chart with pens often good.

First visual should give the title of talk.

Second show structure of talk – main headings.

Keep text to minimum – never just read text from visuals.

Do not use too many visuals – guide is one per minute.

Use pauses – give audience time to comprehend picture.

Never show a visual until you want to talk about it.

Remove visual once finished talking about it.

Switch off equipment not in use.

Use of colour

For slides, white writing on blue / green is good. Use different colours if colour improves clarity of message (e.g. pie charts.).

Use appropriate colour combination: yellow and pink are weak colours on white backgrounds.

Use of room and machinery

Check equipment in advance.

Check organization of room, equipment, seating, microphones, etc.

Use a pointer on the screen (not your hand).

Have a good supply of pens.

Check order of your slides / OHT's, etc.

You in relation to your audience

Decide appropriate level of formality, dress accordingly.

Keep eye contact at least 80% of the time.

Use available space.

Move around, unless restricted by a podium.

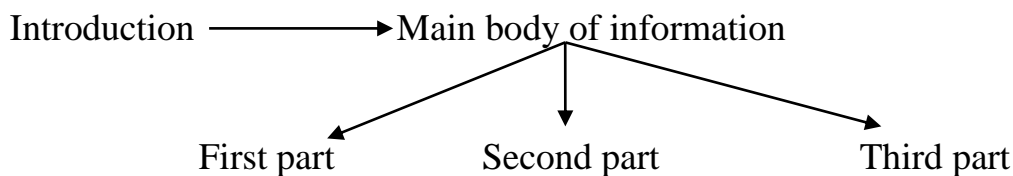
Use gesture.

Read the following text and identify the following:

- a. the relationship between the main body of the presentation and the introduction
- b. a recommendation on one way to divide the main body of the talk.

The main body of the presentation contains the details of the subject or themes described in the introduction. All the above techniques are especially useful in making the main body easily understood. They help the audience to follow the information and to remember it.

They also help the speaker to keep to the planned structure and to know exactly what stage has been reached at all times during the presentation. Clear structure doesn't just help the audience! In many presentations the main body can be usefully divided into different parts. The main parts, each with a main heading, are referred to in the Introduction. Clearly there are many ways to divide the main body of presentation and often different parts will themselves be divided into smaller sections of information:

**The presentation**

Draw a line graph for use in a presentation. Choose any situation or subject, real or imagined. If possible draw the picture on an overhead transparency.

Then present the graph as you would in a presentation. Your description should last no more than one minute. If possible, construct a graph that makes comparisons possible. Use solid, dotted or broken lines (or colours) to make the picture clear.

Language Checklist

Structure (2) The main body

Signaling different parts in a presentation:

Ending the introduction

So that concludes the introduction.

That's all for the introduction.

Beginning the main body

Now let's move to the first part of my talk, which is about ...

So, first ... To begin with ...

Listing

There are three things to consider. First ... Second ... Third ...

There are two kinds of ... The first is ... The second is ...

We can see four advantages and two disadvantages. First, advantages.

One is ... Another is ... A third advantage is ... Finally ...

On the other hand, the two disadvantages.

First ... Second ...

Linking: Beginning a new part

Let's move to (the next part which is) ...

So now we come to ...

Now I want to describe ...

Sequencing

There are (seven) different stages to the process

First / then / next / after that / then (x) / after x there's y, last ...

There are two steps involved.

The first step is ... The second step is ...

There are four stages to project.

At the beginning, later, then, finally ...

I'll describe the development of the idea.

First the background, then the present situation, and then the prospects for the future.

Skills Checklist

Structure (2) The main body

Organization of presentation

- Logical progression of ideas and/or parts of presentation.
- Clear development.
- Sequential description of processes.
- Chronological order of events, i.e. background -- present -- future

Topic

Main parts

Sections

Subsections

A	i	a. b.
	ii.	
B	i.	a. b.
	ii.	
	iii.	a. b. c.
C	i.	a. b.
	ii.	

Internal structure of the main body of a complex presentation

Signaling the structure

- Use listing techniques.
- Link different parts.
- Use sequencing language.

Signaling the structure ...

- Makes the organization of the talk clear
- Helps the audience to follow
- Helps *you* to follow the development of your talk.

6. The end of the presentation- Reading

Read the following texts and identify:

- a. a potential problem at the end of a presentation.
- b. three ways to avoid the problem.

Open for questions: The silent disaster

A nightmare scenario is as follows: the speaker finishes his talk with the words ‘Any questions?’ This is met by total silence. Not a word. Then an embarrassed shuffling, a cough ... how can this be avoided? A possible answer is that if the presentation has been good and the audience is clearly interested, *someone* will have *something* to say.

Another way to avoid the nightmare of utter silence is to end with an instruction to the audience. This should ensure immediate audience response. Giving an instruction is often useful in sales presentations and where the audience has special requirements.

A sales presentation

After talking about his or her products or services, the speaker wants the audience to explain their needs and says:

‘Okay – I’ve told you about the ways Snappo can help companies like yours. Now for us to do that, we need to know more about the way you work. For example, tell me about your particular situation, tell me what in particular may interest you’

This places a responsibility on the audience to respond – unless of course they have a completely negative view of both the presenter and the message! Assuming they are well-disposed towards the potential supplier, it is probably in their interests to offer some information and begin discussion.

A training manager

Speaking to an audience of Department Managers, vicepresidents, or potential trainees, the Training Manager has outlined recommendations and explained what is available. He/she can end with:

‘Right! I’ve told you what we can offer. Now tell me what are your impressions, what are your priorities and what else do you need to know now?’

Another option is for the speaker to have a question prepared. Ask something which you know the audience will have to answer. This often breaks the ice and starts discussion. It may be possible to single out an individual who is most likely to have a question to ask you or a comment to make, or it may be apparent from earlier contact perhaps during the reception or coffee break, that a particular individual has something to say or to ask.

• *Handling questions is thought by many speakers to be the most difficult part of a presentation. Why do you think this is?*

• *Here you have a list of the pieces of advice you need in handling questions:*

Be polite.

Check understanding if necessary by paraphrasing.

Listen very carefully.

Don’t say anything you’ll regret later.

Ask for repetition or clarification.

Agree partially before giving own opinions: *Yes, but...*

Keep calm.

Tell the truth (most of the time!)

Language Checklist

The end of presentation

Ending the main body of the presentation

Right, that ends (the third part of) my talk.

That's all I want to say for now on ...

Beginning the summary and/or conclusion

I'd like to end by emphasizing the main point(s).

I'd like to finish with .../ A summary of the main points.

- Some observations based on what I've said.
- Some conclusions / recommendations/ A brief conclusion.

Concluding

There are two conclusions / recommendations.

What we need is .../ I think we have to ...

I think we have seen that we should ...

Inviting questions and/or introducing discussion

That concludes (the formal part of) my talk. (Thanks for listening) ... Now I'd like to invite your comments.

Now we have (half an hour) for questions and discussion.

Right. Now, any question or comments?

So, now I'd be very interested to hear your comments.

Handling Questions

Understood but difficult or impossible to answer

That's a difficult question to answer in a few words.

- it could be .../ in my experience .../ I would say ...
- I don't think I'm the right person to answer that. Perhaps (Mr.Holmes) can help ...
- I don't have much experience in that field ...

Understood but irrelevant or impossible to answer in the time available

I'm afraid that's outside the scope of my talk / this session. If I were you I'd discuss that with ...

I'll have to come to that later, perhaps during the break as we're short of time.

Not understood

Sorry, I'm not sure I've understood. Could you repeat?

Are you asking if ...?/ Do you mean ...?

I didn't catch (the last part of) your question.

If I understood you correctly, you mean ...? Is that right?

Checking that your answer is sufficient

Does that answer your question?

Is that okay?

Skills Checklist

Structure (3) Ending the presentation

A summary

- Restates main point(s).
- Restates what the audience must understand and remember.
- Contains no new information.
- Is short.

A conclusion

- States the logical consequences of what has been said.
- Often contains recommendations.
- May contain new and important information.
- Is short.

Questions

- Inviting questions implies that the audience is less expert than the speaker.
- Beware of the 'nightmare scenario' – total silence! Have one or two prepared questions to ask the audience.
- Keep control of the meeting.

Discussion

- Inviting discussion gives the impression that the audience have useful experience, so is often more 'diplomatic'.
- You still need to control the discussion.

Inviting discussion and questions

- Offer the best solution.
- Keep control, limit long contributions, watch the time.

Handling questions

- Listen very carefully.
- Ask for repetition or clarification if necessary.
- Paraphrase the question to check you understand it.
- Give yourself time to think – perhaps by paraphrasing the question.
- Check that the question is relevant. If not, don't answer if you don't want to.
- Refer questioner to another person if you can't answer.
- Suggest you'll answer a question later if you prefer.
- Check that the questioner is happy with your answer: eye contact and a pause is often sufficient.
- Keep control.
- Don't allow one or two people to dominate.
- Be polite.
- Signal when time is running out – 'Time for one last question'.
- At the end, thank the audience.

Meetings *Preparation for the meeting*

Language Checklist *Chairing and leading discussion*

Opening the meeting

Thank you for coming .../ (It's ten o'clock). Let's start ...

We've received apologies from ...

Any comments on our previous meeting?

Introducing the agenda

You've all seen the agenda .../ On the agenda, you'll see there are three items.

There is one main item to discuss ...

Stating objectives

We're here today to hear about plans for ...

Our objective is to discuss different ideas ...

What we want to do today is to reach a decision ...

Introducing discussion

The background to the problem is .../ This issue is about ...

The point we have to understand is ...

Calling on a speaker

I'd like to ask Mary to tell us about ...

Can we hear from Mr. Passas on this?

I know that you've prepared a statement on your Department's views...

Controlling the meeting

Sorry Hans, can we let Magda finish?/ Er, Henry, we can't talk about that.

Summarising

So, what you're saying is ...

Can I summarise that? You mean ...

So, the main point is ...

Moving the discussion on

Can we go to think about ...

Let's move on to the next point.

Closing the meeting

I think we've covered everything.

So, we've decided ...

I think we can close the meeting now.

That's it. The next meeting will be ...

Skills Checklist

Preparation for meetings

Chair

- Decide objectives.
- What type of meeting (formal or informal, short or long, regular or a 'one off', internal / external information giving / discussion / decision making)?
- Is a social element required?
- Prepare an agenda.
- Decide time / place / participants / who must attend and who can be notified of decisions.
- Study subjects for discussion.
- Anticipate different opinions.
- Speak to participants.

Secretary

- Obtain agenda and list of participants.
- Inform participants and check: Room, equipment, paper, materials.
Refreshments, meals, accommodation, travel.

Participants

- Study subjects on agenda, work out preliminary options.
- If necessary, find out team or department views.
- Prepare own contribution, ideas, visual supports, etc.

The role of the Chair

- Start and end on time.
- Introduce objectives, agenda.
- Introduce speakers.
- Define time limits for contributions.
- Control discussion, hear all views.
- Summarise discussion at key points.
- Ensure that key decisions are written down by the secretary.
- Ensure that conclusions and decisions are clear and understood.
- Define actions to be taken and individual responsibilities.

2. In pairs, prepare a brief opening statement by the chair to introduce the meeting above:

Think about what the opening statement from the chair needs to say

Use your agenda as a guide

Refer to the Language Checklist

Practise in pairs

Participating in meetings

Language Checklist *Discussion in meetings*

Stating opinion

It seems to me ...

I tend to think ...

In my view ...

We think / feel / believe ...

There's no alternative to ...

It's obvious that ...

Clearly / obviously ...

Asking for opinion

I'd like to hear from ...

Could we hear from ... ?

What's your view?

What do you think about ...?

Do you have any strong views on ... ?

Any comments?

Interrupting

Excuse me, may I ask for clarification on this?

If I may interrupt, could you say ... ?

Sorry to interrupt, but ...

Do you think so? My impression is ...

What? That's impossible. We / I think ...

Handling interruptions

Yes, go ahead.

Sorry, please let me finish ...

If I may finish this point ...

Can I come to that later?

That's not really relevant at this stage ...

Can we leave that to another discussion?

Skills Checklist

Participating in meetings

Types of meeting

- Decision making meeting
- Information giving meeting
- Spontaneous / emergency meeting
- Routine meeting
- Internal meeting
- Customer / client / supplier - first meeting / established relationship

Structure of decision making meetings

- Study / discuss / analyse the situation
- Define the problem
- Set an objective
- State imperatives and desirables
- Generate alternatives
- Establish evaluation criteria
- Evaluate alternatives
- Choose among alternatives

The DESC stage of meeting

D Describe situation

E Express feelings

S Suggest solutions

C Conclude with decision

Goal of decision making meetings

Objective: to get a consensus in a time-efficient and cost effective manner

Importance of communication

- Two-way process
- Participants must be aware of others' needs
- Full communication and understanding is essential
- Four elements in communication: awareness – understanding – empathy – perception

Reaching a consensus

- Discussion leads to consensus
- Consensus is recognised and verbalised by leader
- Decisions checked and confirmed

• Reading

1. Read the following extract and answer these questions.

- a. What kind of meeting is the text about?
- b. What *structure* does the text describe?
- c. What key points is made about communication?

2. Read the text again. Do you agree with:

- a. The first sentence? Give reasons for your answer.
- b. Hayne's suggestions for the steps involved in decision making?
- c. The view that communication must be a two-way process?
- d. What the writer says about consensus in the final paragraph?

The reason for having a meeting is to make a decision. Information may be given in a presentation followed by questions or discussion, but it is to get a consensus that the meeting has been arranged in the first place. Achieving this in the most time- and cost-effective manner possible is a goal that everyone attending (the meeting) must share.

Marion Haynes (1988) maintains that decision-making meetings need to follow a specific structure. The rational decision process includes the following steps:

- Study / discuss / analyse the situation
- Define the problem
- Set an objective
- State imperatives and desirables
- Generate alternatives
- Establish evaluation criteria
- Evaluate alternatives
- Choose among alternatives.

One other aspect of decision making is the necessity for participants in the meeting to be aware of one another's needs and perceptions. If these are not effectively communicated, if there is an insufficient degree of understanding of one another's requirements, then an acceptable conclusion is unlikely to be reached. There are four essential elements in decision-making: awareness, understanding, empathy and perception.

It is only when we accept that communications are a two-way process that any form of communication, including decision making, will become genuinely successful and effective.

Decision-making is not always an identifiable activity. Frequently the discussion can evolve into a consensus which can be recognised and verbalised by the leader without the need to 'put things to the vote'.

3. Find words or phrases in the text which mean the same as the following:

- a. common agreement
- b. economical use of resources
- c. aim
- d. fix a goal
- e. what one must have
- f. what one would like to have
- g. consider other options
- h. way of seeing things
- i. seeing things as others see them
- j. develop
- k. express through speaking.

Interruptions can have different intentions:

To ask for clarification

To add opinion

To ask for more details

To change direction of the discussion

To disagree.

Handling interruptions:

Promise to come back to a point later

Politely disagree with an interruption

Say the interruption is not relevant or that time is short

Politely accept the interruption and respond to it before continuing

Reject a suggestion

9. Ending the meeting- Reading**Read the following text and identify:**

- a. three recommendations on how a meeting should end
- b. what should happen *after* a meeting.

Regardless of the type of meeting (information or decision making), it is important to close with a restatement of objective, a summary of what was accomplished, and a list of agreed action that needs to be taken.

After the meeting, it is essential to follow up with action. A brief memorandum of conclusions should be written and distributed. Inform appropriate people who did not attend the meeting about essential decisions made.

Finally, each meeting should be viewed as learning experience. Future meetings should be improved by soliciting evaluations and deciding what action is required to conduct better meetings.

Language Checklist *Ending the meeting*

Asking for clarification

Could you be more specific?/ Can you explain that (in more detail)?

What do you mean by ...?

Clarifying

This means .../ What I mean is .../ What I want to say is ...

To explain this in more detail ...

Checking that the clarification is sufficient

Is that okay? / is that clearer now?

Referring to other speakers

As Peter has already told us ...

I'm sure Mr. Kowski knows about this ...

Later we'll hear a report from Neil on ...

Professor Gilberto is certainly aware of ...

Delaying decisions

I think we need more time to consider this.

I think we should postpone a decision ...

Can we leave this until another date?

It would be wrong to make a final decision ...

Ending the meeting

• *Summarising*

I think we should end there. Just to summarise ...

We've covered everything, so I'd like to go over the decisions we've taken ...

So, to conclude ... we've agreed ...

• *Confirming action*

We'll contact .../ John will .../ We've got to .../ We need to look at ...

• *Referring to next contact*

We'll meet again next month ...

We look forward to hearing from you ...

It's been a pleasure to see you today and I look forward to our next meeting ...

Skills Checklist *Ending meetings**Two general rules*

Meeting should end on time!

Decision making meetings should end with decisions!

The Chair should close the meeting with:

- A restatement of the objectives
- A summary of decisions taken
- A summary of the action now required
- Reference to any individual responsibilities.

After the meeting

- A memorandum should be sent to all participants summarising the decisions taken and the action required.
- The memorandum should be sent to any interested individuals who were unable to attend.
- The Chair should seek feedback on the meetings to try to improve future meetings.

Improving meetings

- Motivation to change
- Gather information on present situation
- Identify specific areas needing improvement
- Identify alternative courses of action
- Practise new techniques
- Improvement model.

Before you start: Five basic principles for a good CV

1. Concentrate on the essentials

- Employers generally spend less than one minute reading a CV before deciding to reject it, or to shortlist it for detailed consideration. If you fail to make the right impact, you missed your chance.
- If applying for an advertised vacancy, always ensure that you comply with any application process entirely. The vacancy notice might specify: how to apply (CV, application form, online application), the length and/or format of the CV, whether a covering letter is required, etc.
- Be brief: two A4 pages are usually more than enough, irrespective of your education or experience. Do not exceed three pages. If you hold a degree, include your secondary school qualifications only if relevant to the job in question.
- Is your work experience limited? Describe your education and training first; highlight volunteering activities and placements or traineeships.

2. Be clear and concise

- Use short sentences. Avoid clichés. Concentrate on the relevant aspects of your training and work experience.
- Give specific examples. Quantify your achievements.
- Update your CV as your experience develops. Don't hesitate to remove old information if it does not add value for the position.

3. Always adapt your CV to suit the post you are applying for

- Highlight your strengths according to the needs of the employer and focus on the skills that match the job.
- Do not include work experience or training which is not relevant to the application.
- Explain any breaks in your studies or career giving examples of any transferable skills you might have learned during your break.
- Before sending your CV to an employer, check again that it corresponds to the required profile.
- Do not artificially inflate your CV; if you do, you are likely to be found out at the interview.

4. Pay attention to the presentation of your CV

- Present your skills and competences clearly and logically, so that your advantages stand out.
- Put the most relevant information first.
- Pay attention to spelling and punctuation.
- Print your CV on white paper (unless you are asked to send it electronically).
- Retain the suggested font and layout.

5. Check your CV once you have filled it in

- Correct any spelling mistakes, and ensure the layout is clear and logical.
- Have someone else re-read your CV so that you are sure the content is clear and easy to understand.
- Do not forget to write a cover letter.

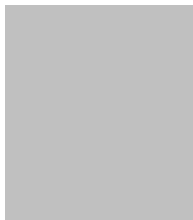
All CV headings/fields are optional. Remove any fields left empty.

PERSONAL INFORMATION


Replace with First name(s) Surname(s)

If you have more than one first name, start with the one you usually use. Example:

John Smith





Insert picture only if required.

 Replace with house number, street name, city, postcode, country.

Choose the postal address at which you can be contacted quickly. Example:

32 Reading Rd., Birmingham B26 3QJ, United Kingdom

 Replace with telephone number.  Replace with mobile number.

Choose the number at which you can be contacted quickly, most likely your mobile phone.

Example:

+44 7871 330 1234

Separate groups of digits in accordance to national convention, to ensure your telephone number is easy to read. Example: +<CountryCode> <AreaCode> <LocalNumber>

 State e-mail address

Choose the e-mail address at which you can be contacted quickly, preferably your personal e-mail address. Avoid fancy or silly addresses. Example:

John.smith@hotmail.com

 State personal website(s)

Be sure it is relevant to the position and it does not hinder your application. Example:

www.sample.com

 Replace with type of IM service / Replace with messaging account(s).

Be sure it is relevant to the position and it does not hinder your application. Example:

AOL Instant Messenger (AIM) john.smith

Sex Enter sex | Date of birth dd/mm/yyyy | Nationality Enter nationality/-ies

Complete only if required. Check local legal provisions regarding data such as sex, age, nationality, etc. on a CV. Example:

Sex Male | Date of birth 01/04/1973 | Nationality Spanish

JOB APPLIED FOR
POSITION

PREFERRED JOB

STUDIES APPLIED FOR
PERSONAL STATEMENT

Delete non relevant headings.

Select from list: Job applied for / Position / Preferred job / Studies applied for / Personal statement

This heading gives an immediate overview of the purpose of your application. Delete non relevant headings in the left column. Examples:

JOB APPLIED FOR

Human Resources Assistant (ref. 562/2013)

POSITION

Car painter

PREFERRED JOB

Customer Service Representative or Clerical Support

STUDIES APPLIED FOR

Postgraduate Applied Economics

PERSONAL STATEMENT

A graduate with strong communication and organisational skills gained in nursing, now seeking to move into HR as a trainee manager

Use 'Personal statement' only if you have a clear idea of what job you wish to apply for. Focus on your core strengths and achievements related to the job, rather than past duties. A few sentences are enough (max. 50 words). Avoid generic statements such as 'Looking for a challenging opportunity', etc.

WORK EXPERIENCE

- Focus on the work experience that gives added weight to your application.
- Add separate entries for each experience. Start with the most recent.
- If your work experience is limited:
 - describe your education and training first;
 - mention volunteering or (paid/unpaid) work placements which provide evidence of work experience.
- If you are applying for a position you have no prior experience of, underline skills gained from previous jobs relevant for the position. For example if you apply for a managerial position but have never worked as manager, emphasise that your previous position involved significant responsibility and decision-making duties (delegation, coordination, training staff, etc.)

Replace with dates (from - to)
Example:
September 2007 - Present

Replace with occupation or position held.

Examples:

Maintenance technician / Receptionist / Ice Hockey Volunteer Coach

Replace with employer's name and locality (if relevant, full address and website).

Example:

Anderson and Dobbs Ltd., 12 Highland Road, Edinburgh EH3 4AB, United Kingdom

Indicate telephone, fax, e-mail or Internet address only if required. **Example:**

Tel.: (44-31) 123 45 67 - Fax (44-31) 123 45 68 - E-mail: J.Robinson@andes.co.uk

<http://www.anderdobbs.co.uk>

Replace with main activities and responsibilities.

Examples:

- maintenance of computers
- relations with suppliers
- coaching a junior Ice Hockey team (10 hours/week)

If necessary, quantify your responsibilities (percentage of working time, length of time spent on each occupation, etc.).

Business or sector Replace with type of business or sector.

Use only if required. **Examples:**

Business or sector Transport and logistics / Auditing / Manufacturing of motor vehicle parts

EDUCATION AND TRAINING

Replace with dates (from - to)
Example:
September 2004 - June 2007

Add separate entries for each course. Start from the most recent.

Replace with qualification awarded.

Example:

National Vocational Qualification (NVQ) Level 2: Bakery Service

Avoid using abbreviations on their own (e.g. NVQ).

Replace with name and locality of education or training organisation (if relevant, country).

Example:

South Wales Technical College, Cardiff

Replace with a list of principal subjects covered or skills acquired.

Examples:

General

- English, Welsh, Mathematics, Spanish
- physical education

Occupational

- occupational techniques (making of standard breads, fancy breads, cakes and pastries)
- science applied to food and equipment (microbiology, biochemistry, hygiene)
- occupational technology (basic principles, hygiene and safety)
- knowledge of business and its economic, legal and social context.

Focus on the occupational skills which would be an asset if you were appointed.

Replace with EQF level if relevant

Example:

EQF level 3

PERSONAL SKILLS

Mother tongue(s)

Remove any fields left empty.
 Replace with mother tongue(s).
 Example:
 English

Do not overestimate your level, which may be checked if you are interviewed!

Other language(s)

UNDERSTANDING		SPEAKING		WRITING
Listening	Reading	Spoken interaction	Spoken production	

Replace with language.
 Example:
 Spanish

Example: C1	Example: C1	Example: B2	Example: B2	Example: B1
----------------	----------------	----------------	----------------	----------------

Replace with name of language certificate. Enter level if known.
 Example:
 Certificado de Español: Lengua y Uso

Replace with language.
 Example:
 French

Example: B2	Example: B2	Example: B1	Example: B1	Example: A2
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Replace with name of language certificate. Enter level if known.
 Example:
 Diplôme d'études en langue française (DELFF) B1

Levels: A1/2: Basic user - B1/2: Independent user - C1/2 Proficient user
[Common European Framework of Reference for Languages](#)

When describing your personal skills:

- Use simple words and clear, unambiguous language.
- Avoid jargon and clichés (e.g. I am a team player) without context-based evidence of skills.
- Be succinct: take time to understand what skills are important for the position you are applying for.
- Specify in what context they were acquired (through training, work, seminars, voluntary or leisure activities, etc.).

Communication skills

Replace with your communication skills. Specify in what context they were acquired.

Examples:

- good communication skills gained through my experience as sales manager
- excellent contact skills with children gained through my experience as ice hockey volunteer coach

Organisational / managerial skills

Replace with your organisational / managerial skills. Specify in what context they were acquired.

Examples:

- leadership (currently responsible for a team of 10 people)
- good organisational skills gained as secretary of the History Society, responsible for booking speakers and promoting events
- good team-leading skills gained as ice hockey volunteer coach

Job-related skills

Replace with any job-related skills not listed elsewhere. Specify in what context they were acquired.

Examples:

- good command of quality control processes (currently responsible for quality audit)
- mentoring skills (as senior nurse, I was responsible for the training and induction of new nursing staff)

Digital skills

SELF-ASSESSMENT				
Information processing	Communication	Content creation	Safety	Problem solving
Example: Basic user	Example: Independent user	Example: Independent user	Example: Proficient user	Example: Proficient user

Levels: Basic user - Independent user - Proficient user
[Digital competences - Self-assessment grid](#)

Replace with name of ICT-certificates
Example:
 State certificate: office suite - Independent user

Replace with your other computer skills. Specify in what context they were acquired.

Examples:

- good command of office suite (word processor, spread sheet, presentation software)
- good command of photo editing software gained as an amateur photographer

Other skills

Replace with other relevant skills.

Use only if these bring added value to your application and have not been already mentioned. Specify in what context they were acquired. Example:

- first aid: certified in providing first aid, as part of my scuba diving training
- Just mentioning personal interests such as reading, walking, cinema, etc. does not bring any added value. On the contrary, giving examples of activities undertaken would suggest an outgoing, proactive individual who likes to help others. Examples:**
- reading: passionate reader, I help younger pupils with reading difficulties twice a week
 - mountaineering: experienced climber, active member of the local Hiking and Climbing club

Driving licence

Replace with driving licence category/-ies.

Example:

B

ADDITIONAL INFORMATION

<p>Publications</p> <p>Presentations</p> <p>Projects</p> <p>Conferences</p> <p>Seminars</p> <p>Honours and awards</p> <p>Memberships</p> <p>References</p> <p>Citations</p> <p>Courses</p> <p>Certifications</p>	<p>Replace with relevant publications, presentations, projects, conferences, seminars, honours and awards, memberships, references and citations.</p> <p>Remove headings not relevant in the left column. Examples:</p> <p>Publication</p> <ul style="list-style-type: none"> ▪ How to write a successful CV, New Associated Publishers, London, 2002. <p>Where appropriate, provide a brief description; specify the type of document (article, report, presentation, etc.).</p> <p>Project</p> <ul style="list-style-type: none"> ▪ Devon new public library. Principal architect in charge of design, production, bidding and construction supervision (2008-2012). <p>Membership</p> <ul style="list-style-type: none"> ▪ Member of the University's Film-Making Society <p>References</p> <p>Unless the vacancy specifically requests referees, write "References are available on request."</p>
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ANNEXES

Replace with list of documents annexed to your CV (copies of degrees and qualifications, testimonial of employment or work placement, publications or research).

Examples:

- copy of degree in engineering
- Europass Language Passport
- testimonial of employment (Anderson and Dobbs)

Attach only documents relevant to the position. Do not attach long documents such as publications; better list them under 'Additional information' with a hyperlink if relevant.

13 Letters. Contents of the Letter / Scrisorile. Elementele unei scrisori

Stilul scrisorii de afaceri este formal si e de preferat sa se evite formele contrate din limba precum: I'm, I've, He/She's, I/We'll, can't, don't, doesn't, haven't, hasn't, won't etc. Si se vor folosi I am, I have, He/She is/has, I/We will, cannot, do not, does not, have not, has not, will not etc.

Retineti! cannot se scrie legat. Cel mai des intalnit format(layout) al scrisorii de afaceri este cunoscut drept formatul bloc(block format). In acest caz, intreaga scrisoara este aliniata la stanga, cuprinzand doar intre paragrafe spatieri de doua randuri. Un alt layout des folosit este formatul bloc modificat. In acest caz, continutul scrisorii este aliniat la stanga, cu o spatiere de un rand. Insa, data si formula de incheiere sunt aranjate in centrul paginii. Cel din urma format, mai rar intalnit, este cel semi-bloc. Seamana cu formatul bloc modificat, exceptand faptul ca fiecare paragraf este aliniat central.

The heading/Antetul

La stanga:

- logo of the company/sigla companiei
- name of the company(along with the necessary abbreviations)/numele companiei(impreuna cu abrevierile necesare)
- address of the company/adresa companiei
- phone and fax number (primary phonenumber or the main departments' honelines)/numarul de telefon si fax(linia principala a companiei sau liniile principalelor departamente)
- Internet and email address/adresele de email si de site

The recipient's information/ Datele destinatarului

Dedesubt, in partea stanga:

- recipient company name/numele companiei destinatare
- address/adresa
- recipient name and title(if known)/numele si pozitia destinatarului(daca se cunosc)

The Date/ Data

In partea stanga:

- day/ziua
- month/luna

- year/anul
- abbreviation of the months/abrevierile lunilor: Jan., Febr., Mar., Apr., Aug., Sept., Oct., Nov., Dec., (May, June, July-nu se abreviaza)
- inst. este abrevierea de la instant(luna curenta)
- May 05, 2007
- 5th May, 2007

References/ Referinte

Pe partea stanga:

- recipient reference(Your ref.)/referinta destinatarului
- sender reference(Our ref.)/referinta expeditorului

Se pot adauga fisiere sau documente in aceasta sectiune, specificand detaliile prescurtate ale acestora.

The Salutation /Formula de salut

La stanga:

- Dear Sir/Madam or Dear Mr. (surname)/Dear Ms. (surname)
- Dear (full name)
- Dear Sirs/Messrs (surnames)

The Subject Line/Subiectul

La stanga:

- Acceptance of Counter Proposal;Order;Purchase;Resignation/Aprobarea ofertei concurente;comenzii;demisiei
- Acknowledgement of Application;Cancellation;Modified Terms;Proposal;Receipt/Luare la cunostinta a aplicatiei;contramandarii;termenilor ulteriori;propunerii;chitantei
- Agreement to Extend Debt Payment/Acord de extindere a platii - Announcement of Additional Location;Change of Address;New Business Line;New Discount;New Policies/Anunt al locatiei aditionale/schimbării adresei/noului domeniu de afaceri/noului discount/noilor conditii
- Apology and... Replacements of Goods/Extend Delivery/Tender of Compensation/Scuze si... schimbarea bunurilor/prelungirea termenului de livrare(furnizare;distribuire);oferta de despagubire Assignment of Contract;Copywrite;Claim of Damages;Deed of trust;Income;Trademark/Cesionarea contractului;drepturilor de autor;despagubirilor;procurii(mandatului);venitului;marcii fabricii(inregistrarii)

- Commendation/Recomandare
- Credit Application/Formular de credit
- Commercial Account/Cont
- Complimentary Letter with Individual Commendation/Scrisoare de felicitare cu recomandare individuala
- Congratulation/Felicitari
- Contract Proposal for Services/Propunere de contract pentru servicii
- Correction of Deposition/Rectificarea dispozitiei
- Cover Letter for Loan/Scrisoare de intentie pentru imprumut
- Customer New Charge/Noua impunere client
- Customer Service Request/Cerere serviciu clienti
- Decline to Interview/Respins la interviu
- Demand for Delivery/Cerere livrare
- Demand for Payment/Cerere plati
- Denial for Delivery/Comanda refuzata
- Disclosure Statement/Declaratie
- Employment Agreement/Contract de munca
- Expense Account Statement/Declaratie actiuni
- Final Notice of Payment;Delivery/Termen final de plata/livrare
- Friendly Appology for Late Payment/Scuze pentru plati intarziate
- Guarantee/Certificat de garantie
- Notice of Application;Credit;Transfer;Defective Goods;Dispatch;Reclamation;Refusal/Aviz(instiintare) de cerere(depunere formular de cerere);credit;transfer;bunuri deficiente;executare;reclamatie;respingere
- Promotional Letter/Scrisoare promovare
- Recommendation/Recomandare
- Refund/Returnare(de fonduri sau produse)
- Reply to Notice/Raspuns la aviz(instiintare)
- Request to Reference;Price;Refund;Extention Time;Price Quote;Authorization/Cerere de referinta;pret;returnare;extindere termen;cotatii preturi
- Resignation/Demisie
- Response to Invoice;Request/Raspuns la comanda/cerere
- Return Authorization/Autorizatiei respinsa

Body of Letter/ Cuprinsul scrisorii

La stanga:

- I am writing to.../Va scriem sa...
- Thank you for.../Multumim pentru a...
- Further to the letter of.../Ca urmare a scrisorii...
- I would like to announce;inform;acquire/Doresc sa va

anunt;informez;achizitionez

- We are very sorry;regret.../Ne pare rau;regretam...

- We remaind; notify; recommend;advice/ Va

reamintim;anuntam;recomandam;sfatuim

Further Details about the Purpose of the Letter/Detalii despre scopul scrisorii

De la stanga:

- Our company.../Compania noastra...
- We reason that.../Concluzionam ca...
- We understand;hear;believe that.../Intelegem;cunoastem;credem ca...
- We justify that with.../Argumentam prin...
- Our arguments;opinions.../Argumentele;opiniile noastre...
- Our mission;values.../Misiunea;valorile noastre...

The Complimentary Close/Formula de incheiere

De la stanga:

- Thank you in advance for.../Multumim anticipat...
- I would appreciate;be most grateful.../As aprecia;fi recunoscator...
- Please write;phone;email to;let me know.../Rugam raspundeti;sunati;

trimiteti email;anuntati

- I look forward to hearing from you.../Astept raspunsul dvs.... Inainte de

nume:

- Yours.../A(l) dvs. cu
- faithfully/stima
- truly/respect
- Truly yours/Cu respect
- Yours sincerely/Cu sinceritate
- Sincerely/Cu sinceritate

Mai putin formal:

- Best wishes/Cele bune

-Kind regards/Cele bune

Closing Elements/Elemente de incheiere

-for and on behalf of/pp(on behalf of)/pentru si in numele...

-cc: a copy is sent to other people/o copie e trimisa si altor persoane

-enc: documents are attached/documente atasate

On the envelope:/Pe plic:

-For the attention of:/In atentia:

-Attention:/In atentie:

-Personal;Private;Confidential/Personal;Privat;Confidential

-Special Delivery;Global Express;Registered Mail/Expediere speciala;Expres;Corespondenta recomandata

Electronic correspondence/ Corespondenta electronica

Acest tip de corespondenta este facilitat de formatul automat pentru logo-ul si sigla firmei, adresele expeditorului, data, referinte, atasamente, uneori chiar si pentru titlul subiectului, astfel incat scrisoarea propriu-zisa incepe cu formula de salut. Exprimarea este stricta privind formula de adresare, paragraful de introducere, continutul si formula de incheiere. Diferenta intre corespondenta clasica si cea electronica este data de abrevieri, forme contrase ale verbelor si abrevieri specifice permise in email. De asemenea, formula de adresare poate fi de tipul:

-Dear,/Draga/Stimate-neutru

-Dear (Family name),/Draga/Stimate (Nume)-formal

-Dear (Birth name),/Draga/(Prenume)-familiar

-Dear (Full name),/Draga(Numele complet)-formal

-Dear Sirs/Sir or Madam/Stimati domni/Domnule,Doamna-uzual

Abrevieri posibile in comunicarea non-formala:

-AAMOF- as a matter of fact/de fapt

-AFAIK- as far as I know/dupa cate stiu

-ASAP- as soon as possible/cât de curand

-B4-before/inainte de

-CO-on line conference/ conferinta online

-HTH-hope this helps/sper sa fie de folos aceasta

-IME-In my experience/din experienta mea

-IMO-In my opinion/in opinia mea

-msg-message/mesaj

-OTHO-on the other hand/pe de alta parte

-DL, UL-download, upload/Descarcare, Incarcare(despre fisiere)

O scrisoare in format electronic este specifica comunicarii in cadrul firmei, intre angajatii de la diferite departamente care transmit informatii legate de activitate, iar atunci cand este folosita in afara firmei, in corespondenta de afaceri, se utilizeaza formularile standard, precum in corespondenta clasica.

Retineti! O scrisoare de succes contine cuvinte directe, precise si are o lungime de o pagina, atunci cand nu sunt atasate documente; iar o conversatie telefonica de afaceri are o durata de maximum 5 min.

PAD International -

International Business Unit

Selstand House, 12-14 Mances Road

Hamilton

ES1V 8TD

United Kingdom

Telephone +44(0) 1722 411898

Fax +44(0) 1722 411899

> ***Return Address***

26th July 2000 -

> ***Date***

Your ref: cl/20.07.00 -

Our ref: Re./C.900152

(Cc: <mailto:patrick.james@maywick.com>)

> ***References***

Maywick Company -

18221 Covent Avenue

Cheston, FL 33133

United States

Telephone +151 555 43214

Fax +151 555 43219

> ***Inside Address***

Dear Customer Service Representative, -

> ***Salutation***

Further to my discussion with Mr. James, we are pleased to announce you that we have concluded the investigation in the matter of the Complaint Ref.

Consignment 900152, which was sent on the 21st of July and was allocated the above consignment number./In urma discutiei cu Dl. James, suntem incantati sa va anuntam ca am incheiat investigatia Reclamatiei cu referinta la Scrisoare de Conosament 900152 care a fost expediata pe 21 iulie si a primit numarul de inregistrare precizat mai sus.

I have completed my investigated into that facts which surrounded the delay of your transaction. In summary, due to a combination of a data transmission error and power supply issues being outside our control lead to a delay of transaction. PAD International has reviewed the past processes to avoid further reoccurrences./Am finalizat investigatia faptelor care au condus la intarzierea tranzactie. Pe scurt, datorita unei combinatii a erorilor de date transmise si probleme de furnizare a energiei care nu a intrat in atributiile noastre a dus la intrarzierea tranzactiei.

As the investigation completed, on behalf our PAD International, please accept my sincere appologies for the delay in transaction. We are extremely sorry for the inconvenience caused./Investigatia fiind incheiata, din partea PAD International, primiti sincerele mele scuze pentru intarzierea tranzactiei. Ne pare deosebit de rau pentru inconvenientele create.

Yours sincerely,/ Al dvs. cu sinceritate, -

> *Closing*

Signature

Sarah Daves -
Regional Network Manager
PAD International
International Business Unit

> *Typed name*

Lectia 2 - Corespondenta în activitatile de import-export, ramuri industriale

2.1 The Inquiry/ Cererea de oferta

2.2 The Offer/ Oferta

2.3 The Order/ Comanda

2.4 International Trade/Tranzactiile comerciale internationale

2.5 Terms used in Transportation Correspondence / Termeni utilizati in corespondenta referitoare la transporturi

2.1 The Inquiry/ Cererea de oferta

A first step is identifying the sender, his/her function in the company where he/she works or he/she owns and the implied activities, then it is mentioned, in the introduction, the interest for the receivercompany's activities. Un prim pas este identificarea expeditorului, a statutului pe care il detine in institutia pentru care lucreaza sau pe care o detine si activitatile pe care le desfasoara, dupa care se mentioneaza introductiv interesul catre activitatile firmei destinatare.

- to import/a importa
- importer;import agent/importator
- to import oil from a country/a importa petrol dintr- o tara
- import ban/interdictia importului
- to impose an import ban on gas/a interzice importul gazului
- an importing country;company/o companie;tara importatoare
- import levy;licence/taxa vamala;licenta pe import
- to export/a exporta
- exporter/exportator
- export/bunuri sau servicii exportate
- chief export items/principalele articole de export
- the export trade/activitatea de export
- the export market/piata externa
- to be interested in;to be keen on/a fi interesat in
- to exceed/a depasi (in cantitate)
- export incentives/stimulente pentru export
- export duties;documents/taxe;documente de export
- domestic customers/consumatori in tara
- foreign products/produse straine
- trade/comert
- international trade/comert international

- legitimate fashion/cale legala
- goods/bunuri, produse
- commodity/articol de comert
- commodities/marfuri

The import agents of commodities to which an import quota applies must first obtain an import licence./Importatorii marfurilor carora li se aplica cota de import trebuie sa obtina licenta de import.

- Our company imports and exports leather/farmaceutical products./Our company is specialized in the industrial services and materials./Compania noastra importa si exporta produse de piele/farmaceutice./ Compania noastra este specializata in servicii si materiale industriale.

- We are aware/hear/understand from ...Company that you export/import.../ Am aflat/cunoastem de la firma ... ca exportati/importati...

- We are interested in importing/exporting....from/to you./ Ne intereseaza sa importam/exportamde la/catre dv.

- We have seen/encountered your advertisement in ...Revue/Magazine/ Am vazut anuntul dv. in ziarul/revista...

- Following our conversation/discussion with your company's representative/sales department manager.../ In urma conversatiei/discutiei noastre cu reprezentantul/managerul de vanzari al companiei dvs...

2.1.1. Specimen Sentences Expressing a Request of Quotations, Offers, Price- lists, Prospectuses, Samples / Formulari pentru cereri de cotatii, oferte, liste de preturi, prospecte, mostre

The second paragraph of the correspondance may have the form of a request for the offers, prices- lists, prospectuses, invitations, samples, catalogues. Cel de- al doilea paragraf al corespondentei poate avea forma unei cereri de oferte, liste de preturi, prospecte, invitatii, mostre, cataloage.

- to quote/a indica;fixa;stabili un pret;a estima un cost
- to bid/a licita;a cere sau oferi un pret;a face o oferta scrisa
- to place the bid/a oferta
- bid price/pret de cumparare;pret de ofertare
- what am I bid for/ cat mi se ofera pentru
- to bade against/ a licita impotriva

- opening;closing bid/prima;ultima strigare
- leveraged bid/oferta de cumparar de actiuni ale unei companii cu bani
- higher; further;high;low bid/pret mai mare;mai mare;mare;mic
- to quote the best;lowest;most advantageous price/a cota la cel mai bun;ieftin;avantajos pret
- quotation of price/oferta de pret
- prices are quoted in.../preturile sunt stabilite in...
- to get;obtain a number of quotes/a obtine un numar de de oferte de pret
- quoted company;share/companie;actiune cotata la bursa
- full specification/detalii complete pentru un produs
- shipping date/durata livrarii
- in great request/foarte cautat
- ...Company requests the price- list for your top products in...field/Compania...cere lista de preturi pentru cele mai bune produse din domeniu

Please quote the follwing products at the most advantageous price./Va rugam sa cotati urmatoarele produse la cel mai avantajos pret pe care il oferiti.

Our company is delighted to offer 50 invitations to the private auction on Wednesday, March 17, 2007, Grand Hotel, East Sussex.

Comania noastra e incantata sa ofere 50 de invitatii la licitatie privata ce va avea loc miercuri, 17 martie 2007 la Hotelul Grand, din East Sussex

2.1.2.Specimen Sentences Which Refer to Prospects for Fruitful Business Relations / Formulari referitoare la perspectivele unor tranzactii fructuoase

The third pragraph will make a synthesis of the information needed to perform a desired transaction. Al treilea paragraf va sintetiza informatiile de care este nevoie pentru tranzactia dorita.

- to propose an item; a plan;a scheme/a propune un paragraf, alineat, punct, articol (din lista, cont, registru);un plan/ o schema, un program, sistem
- to expect/a se astepta la...
- to set up a meeting/a aranja o intalnire
- to make a deal/ a face o afacere

- to open a new branch/ a deschide o noua filiala
- to break into the market/a intra pe piata
- We expect quality, rather than quantity and if ...product comes up to our expectation, we would place in 2 days an order of.../ Asteptam calitatea, in loc de cantitate si daca produsul...satisface asteptarile vom face o comanda in 2 zile de...
- We are sending you samples designed to cover the divisional market in both price and quality in the field of chain shops, if your marketing tests are satisfactory, we can make a deal to mutual advantage./ Va trimitem mostrele create sa acopere piata regionala ca pret si calitate in aria lanturilor de magazine, daca testele dvs. de marketing sunt satisfacatoare, putem colabora avantajos de ambele parti.
- As previously, we would like to place an order of 10.000 pieces of ..., if you can supply directly from stock and we request the fidelity discount you offer on this terms./ Ca in trecut, dorim sa comandam 10.000 de bucati de..., daca puteti livra direct din stoc si cerem discountul de fidelitate oferit in acesti termeni.

2.1.3. Concluding Sentences/ Formulari de incheiere

The closing is conducted by the motivation of the recipient for an efficient answer, thus resulting an expected effect. Formulele de incheiere se completeaza motivand destinatarului pentru un raspuns eficient, din care sa rezulte efectul scontat.

- to look forward/a astepta cu nerabdare
- convenient/inconvenient/convenabil/neconvenabil
- acknowledgements/multumiri
- to wish to thank for/tinem sa multumim pentru
- to wish to express thanks for/a prezenta multumiri pentru
- to cast about for.../a cauta o solutie pentru
- We look forward to your quotations/receiving an early reply/inhouse cocktail invitations/samples delivery./ Asteptam cu nerabdare cotatii/un raspuns curand/invitatiile la cocktailul firmei/livrarea mostrelor.
- Your prompt answer/reply/order/delivery will be appreciated./ V- am fi recunoscatori pentru un raspuns/comanda/livrarea prompt(a).
- We thank you in anticipation of a prompt reply/answer/order/delivery./ Va multumim in asteptarea unui raspuns prompt/unei comenzi/livrari prompte.

- We would be grateful if you would update the customer database./
V- am fi recunoscatori daca ati completa noile detalii pentru baza de date clienti.

- The delivery is 10 days delayed. The transportation department cast about for a solution./ Livrarea este intarziata 10 zile. Dapartamentul transporturi cauta o solutie.

2.1.4. Specimen Sentences Used in Replies to Inquiries/

Formulari utilizate in raspunsul la cererea de oferta

In the reply to inquiries it's formulated either a polite refusal or a stay-in-touch remark for a future contact. In raspunsul la cererea de oferta se formuleaza fie un refuz politicos, fie o remarca de a pastra legatura pentru o colaborare viitoare.

- to come to terms/a cadea de acord

- to come to agreement/a ajunge la intelegere

- to comply with/a se conforma, a satisface

- to meet standards/deadline/a respecta standarde/termene limita

- a proviso/o clauza conditionala

- a qualified agreement/un contract/intelegere nedefinitivata

- to aim at/a tinti spre

- Our company/deparments are pleased to receive your letter/revue in reply to our advertisement in.../ In cadrul companiei/departamentelor ne- a facut placere sa primim scrisoarea/cronica dv. ca raspuns la reclama noastra din...

- Your inquiry is in our attention and we announce you will receive a price- lists memo./ Comanda dvs. este in atentia noastra si va anuntam ca veti primi un memo cu lista de preturi.

- We are sorry but we don't have the ...product on stock/our delivery hours end at 5 p.m./ Ne pare rau dar nu avem produsul...pe stoc/orele de livrare se incheie la 5 dupa- amiaza.

- Our products meet/aim at the EU standards and we are pleased to comply within our company's 2 working days delivery policy./

Produsele noastre intrunesc/tintesc spre standardele Uniunii Europene si va anuntam ca respectam politica firmei de a livra in 2 zile lucratoare.

Negotiations- *Know what you want***Language Checklist***Making an opening statement**Welcoming*

Welcome to ...

I'm sure we will have a useful and productive meeting ...

First meeting

We see this as a preparatory meeting ...

We would like to reach agreement on ...

One of a series of meetings

Following previous meetings we have agreed on some important issues. Today we have to think about ...

We have reached an important stage ...

Stating your aims and objectives

I'd like to begin with a few words about our general expectations ...

May I outline our principle aims and objectives today ...

We want to clarify our positions ...

We have a formal agenda ...

We don't have a formal agenda, but we hope to reach agreement on ...

There are three specific areas we would like to discuss. These are ...

We have to decide ...

Stating shared aims and objectives

Together we want to develop a good relationship ...

We agree that ...

It is important for both of us that we agree on ...

Handing over

I'd like to finish there and give you the opportunity to reply to this.

I'd like to hand over to my colleague ..., who has something to say about ...

Skills Checklist -Planning and preparation

Type of negotiation

- Towards agreement- Both teams try to suit joint interests
- Independent advantage- Each team aims to get best deal
- Conflict- A team aims to win and make the other team lose

Purpose of negotiation

- Exploratory (possible areas of interest)
- Conciliatory (resolving differences)

Targets

- Scale (e.g. 1-10)
- Decide realistic maximum and minimum acceptable scores

Facts and figures

- Prepare statistical data
- Know facts
- Prepare visuals

Strengths and weaknesses

- List your bargaining strengths
- Know your possible weaknesses
- Calculate your bargaining position

Possible concessions

- Plan your bargaining strategy
- List essential conditions

Impossible to concede

- List possible concessions

Opening statements

- State general objectives
- State priorities
- State independent (not joint) objectives
- Be brief

Getting what you can- Reading

1. Read the following extract. According to the writer, are these statements about negotiating true (T) or false (F):

- a. Decide on the most important and less important issues.
- b. Try to guess what the other side thinks.
- c. Note answers to the questions you ask.
- d. Deal with issues in isolation, one at a time.
- e. Make concessions and get a concession in return.
- f. Tough bargaining can combine with a spirit of cooperation.
- g. If there are problems, you have to accept or reject what is on offer.

Effective negotiation requires clear thinking and a constructive approach

It is necessary to have a clear understanding of what for you are the most important issues and at the same time what for you are less important. Try to identify aspects in the second category where the other side will be very happy to gain concessions. Give what is not so important for you, but is valuable for the other side.

To do this, you have to do the following:

- Check every item of what the other side wants. Ask how important items are and look for flexibility.
- Do not guess their opinions or motives – you could be wrong, or they won't like your speculation.
- Note the other side's answers, but don't immediately say what you think.
- Avoid being forced into considering one issue alone, consider two or three at once – aim for an agreement to a package.

If there are big differences between the two parties, you have a choice of these options: to accept, to reject, or to carry on negotiating. If you decide to carry on, then the options in the next round are:

- To make a new offer
- To seek a new offer from the other party
- To change the shape of the deal (vary the quantity or the quality, or bring in third parties)
- Begin bargaining.

Your bargaining should be governed by three principles: be prepared, think about the whole package, and be constructive. In preparing, you must identify the issues, and prepare your bargaining position. You need:

- An essential conditions list – issues where you cannot concede anything
- A concessions list – issues where you can make concessions
- To grade the concessions from the easiest to the most difficult, where you need most in return.

As for the package, you must look for agreement in principle on a broad front (*zonă cu elemente diferite*). When the time comes for compromise, each party will concede on one issue if they win a concession on another.

The final principle is to be positive and constructive. You should be fair and cooperative, even during difficult bargaining. This approach is not likely to move the negotiation towards a settlement that both sides feel is to their advantage.

2. Read the text again. Identify the following:

- a. How to respond to what the other side wants.
- b. Three ways to change a deal.
- c. Three actions to prepare for bargaining

Language Checklist *Negotiations (2)**Bargaining*

We can agree to that if ...

On condition that ...

So long as ...

That's not acceptable unless ...

Without ...

Making concessions

It you could ... we could consider ...

So long as ... we could agree to ...

On condition that we agree on ... then we could ...

Let's think about the issue of ...

We could offer you ...

Would you be interested in ...?

Could we tie this agreement to ...?

Accepting

We agree.

That seems acceptable.

That's probably all right.

Confirming

Can we run through what we've agreed?

I'd like to check what we've said / confirm

I think this is a good moment to repeat what we've agreed so far.

Summarising

I'd like to run through the main points that we've talked about.

So, I'll summarise the important points of our offer.

Can we summarise the proposal in a few words?

Looking ahead

So, the next step is ...

We need to meet again soon.

In our next meeting we need to ...

So, can we ask you to ...?

Before the next meeting we'll ...

We need to draw up a formal contract.

Skills Checklist *Negotiations (2) – Bargaining in negotiations**Concessions rules*

‘A key principle in negotiation is to give a little and get a little at the same time.’

- Ask for concessions
- All concessions are conditional
- Conditions first ‘If ... then ...’
- ‘It’s a package’
- Give what’s cheap to you and valuable to them.

During the negotiation*Main speaker*

- Create a joint, public and flexible agenda.
- Question needs and preferences.
- Don’t talk too much.
- Listen.
- Don’t fill silences.
- Build on common ground.
- Explore alternatives ‘What if ...?’
- Be clear, brief and firm.
- Follow concession rules.

Support speaker

- Wait till the Chair or your main speaker brings you in.
- Be clear, brief and firm.
- Follow the concession rules.
- Support your main speaker
 - Agree (nod, ‘That’s right ...’)
 - Emphasise (‘This point is very important’)
 - Add forgotten points (‘And we must remember ...’)
 - But don’t make concessions for your main speaker.
 - Listen.
 - Don’t fill silences.

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Neil Finch
Ministry of Urban Development
140- 144 Whitehall
London WCI 4RF

May 2 200—

Dear Neil,

Re: Meeting in Bristol, April 30 --- ‘Railway Land Sale’

I am writing to (a) _____ points (b) _____ in the above meeting, held to discuss the sale of government owned railway land to Gibson Trust Limited.

We would like to confirm through this letter and the (c) _____ drawings that the property (d) _____ in the above sale consists of the land presently occupied by the station buildings and also the former car parks to the east of the station, the offices to the west and the warehouse alongside the traks. The government-owned housing on the north side of the railway lines is (e) _____ .

We also agree that the station will be renovated by the Transport Department and that the government will be responsible for running an eventual museum and paying a rent of £ 100,000 per year to Gibson Trust. The remaining land will be (f) _____ by Gibson Trust and later sold off separately. The development is intended to be for commercial and residential use. The eventual use of the land should be (g) _____ in the contract.

Our next meeting will be on May 15 at 10 a.m., at which development plans will be (h) _____. Soon after this, contracts will be (i) _____. Then we will need time to consider the contracts but hopefully they will be (j) _____ by the end of September.

Do contact us if you have any comments or alterations you would like to make to this summary. Thank you once again for a very constructive meeting and we look forward to seeing you again on May 15.

Your sincerely,

Jill Kearne
Chief Negotiator
Encs. (I)

12. *Not getting what you don't want*

TEST What type of negotiator are you?

1. Your aim in a negotiation is ...
 - a) to find the greatest area of agreement in the joint interests of both parties.
 - b) To win and to make the other side lose.
 - c) To find the best deal for your side.

2. When the other side is talking you ...
 - a) use the information you are hearing to identify weaknesses in the other party.
 - b) Plan what you are going to say next.
 - c) Listen with maximum attention.

3. You think that ...
 - a) part of the available time must be spent socialising and getting to know the other side.
 - b) Goodwill is important but the speed of the meeting should be quick and businesslike.
 - c) The meeting should get down to business as soon as possible and reach quick decisions.

4. When you speak in a negotiation you ...
 - a) make bold and forceful statements, possibly banging the table.
 - b) Make carefully considered statements in a calm, controlled voice.
 - c) Are occasionally forceful and inflexible.

5. If the other side disagree with you, you ...
 - a) try hard to find a creative position by modifying your position.
 - b) Repeat your demands and will not concede – your objective is to make the other side give in.
 - c) Reshape your offer without fundamental changes.

6. If the other side state an opinion you disagree with, you ...
 - a) tentatively suggest an alternative.
 - b) Ask for clarification and explanation.
 - c) Ridicule it with sarcasm.

1 a)3 b)2 c)2 **2** a)1 b)2 c)3 **3** a)3 b)2 c)1
4 a)1 b)3 c)2 **5** a)3 b)1 c)2 **6** a)3 b)2 c)1

If you score 15 or more you are a **creative negotiator**. 11-14 you **negotiate to independent advantage**. 7-10 you are a **fighter**! Less than 7 you should get a gun licence!

• Reading

Match each of the following to a phrase in the text with a similar meaning:

- a. highlight the disadvantages of failing to reach a deal
- b. think of new benefits for both sides
- c. alter parts of what is on offer
- d. take a break to consider positions
- e. have the negotiation in a different place
- f. change the individuals involved
- g. ask an independent person to come and help you reach agreement
- h. have an informal meeting to talk things over.

Dealing with conflict

Conflict may sometimes be an unavoidable step on the road towards agreement. However, in some cases conflict leads to the break down of negotiations as one or both sides realise that agreement is not possible. In many cases this is better than agreeing to something which would be against the interests of the people concerned.

When conflict arises, there are several possible actions which may help to resolve conflict in a negotiation:

- Leave the problem, go on to a different topic and return later to the point at issue
- Summarise progress and areas of agreement
- Emphasise the benefits available to both sides
- Emphasise the loss to both sides of not reaching agreement
- Restate the issue and wait for a response
- Change the package
- Invent new options for mutual gain
- Offer *conditional* concessions
- Adjourn (*a amâna, a suspenda*) to think and reflect
- Fix an off-the-record meeting (*întâlnire neoficială*)
- Change location
- Change negotiator (personal chemistry?)
- Bring in a third party (mediator?)
- Consider walking away.

• **Below are five strategies in dealing with conflict. Use them in making statements.**

- a. Adjourn to think and reflect.
- b. Summarise progress and areas of agreement.
- c. Leave the problem, discuss something else, come back later to the problem.
- d. Emphasise the loss to both sides of not reaching agreement.
- e. Offer a conditional concession.

Language Checklist Negotiations (3)*Dealing with conflict*

I think we should look at the points we agree on ...

We should focus on the positive aspects ...

We should look at the benefits for both sides ...

It is in your interests to resolve the issue ...

What do you think is a fair way to resolve this problem?

We hope you can see our point of view ...

Let us explain our position ...

Could you tell us why you feel like that?

I think we should look at the whole package, not so much at individual areas of difficulty.

Perhaps we could adjourn for a little while.

I think we need to consider some fresh ideas ...

Rejecting

I'm afraid we can't ...

Before agreeing to that we would need ...

Unfortunately ...

I don't think it would be sensible for us to ...

I think if you consider our position, you'll see that ...

Ending negotiations

So, can we summarise the progress we've made?

Can we go through the points we've agreed?

Perhaps if I can check the main points ...

So, the next step is ...

What we need to do now is ...

It's been a very useful and productive meeting.

We look forward to a successful partnership.

Breaking off negotiations

I think we've gone as far as we can.

I'm sorry, but I don't think we're going to agree a deal.

It's a pity we couldn't reach agreement this time.

Unfortunately we appear unable to settle our differences.

It would be better if we looked for some independent arbitrator.

Skills Checklist Negotiations (3)*Dealing with conflict*

- Show understanding of the other side's position
- Highlight advantages of agreement

Don't ...

- Be sarcastic
- Attack
- Criticise
- Threaten
- Blame

Do ...

- ask questions
- listen
- summarise
- build on common ground
- explain your feelings

Types of negotiators*Hard*

Negotiates to win
Makes demands

Principled

Looks for common benefits
Makes offers

Soft

Looks for agreement
Accepts what's on offer

Fighter

Win-lose

Independent advantage

win-win

Creative negotiator

looks for agreement

Rejecting

- Ask for an adjournment.
- Discuss options.
- Remember your limits.
- Decide if your interests are being met: if not, reject the proposal on offer, or suggest alternatives.

After the negotiation

- Compare the result with your objectives, targets and limits.
- Examine the process of the negotiation: The planning – the strategy – team roles – the issues.
- Learn from failure: What went wrong and why? Identify weaknesses and errors. Discuss and plan ahead.
- Build on success: Recognise success. Praise people. Develop teamwork and partnership.

• Negotiating Conditions

Conditions

Examples

Unit price	\$8.50 per unit
Minimum quantity	at least 10,000 units
Credit period	30 days after invoice
Delivery date	20 June 2003
Bulk discount	-2 % if over 10,000 units
Penalty clause	5 % for each month of delay
Cancellation clause	50 % charge if cancelled less than six weeks beforehand
Exclusivity	sole rights over all East Coast states
Royalty on sales under licence	3 % of turnover on licensed goods
Commission	5 % on sales in the territory
Early settlement discount	-2 % if paid within 20 days
Option period	first option for 12 months after contract
Method of payment	irrevocable letter of credit
Warranty period	18 months warranty from completion

• DATAFILE: Negotiation

Below are the stages of negotiation and some expressions which you may find useful at each stage:

Conversation (1)

I'm sure/confident we can reach agreement. (optimistic)

I'm sure there's room for negotiation.

We have a lot to discuss.

Let's see how we get on. (cautious)

Presenting your position (2)

This is our position.

This is how we see it.

We think the following is reasonable/appropriate.

Our approach is this.

Questioning the other's position (3)

How do you/ explain your attitude? / justify ...? Account for...? Arrive at...?

Why do you want...?

Why such a / high charge? / long delivery period? / low discount?

Refusing to accept (4)

I'm sorry, I can't accept 2 %.

You'll have to do better than that, I'm afraid.

I'm afraid it's not enough.

Other firms offer more than 2 %.

Refusing to move (5)

I'm afraid I can't agree to / that. / increase the rate. / lower the price. / shorten delivery.

We've done our best for you.

We have maintain a policy.

I have my instructions.

Suggesting a compromise (6)

May I make a suggestion?

If you ... then we may be able to...

We may be able to... but only if you...

Unless you ... there is no question of our being able to...

Reaching agreement (7)

Let's just go through the terms.

Let's summarize the conditions.

10. Production and products

Vocabulary

a. Match up these words with the definitions which follow.

Capacity, component, inventory, lead time, plant, location, subcontractor, outsourcing or contracting out

1. any company that provides goods or services for another one

2. any of the pieces or parts that make up a product, machine, etc.

3. buying products or processed materials from other companies rather than manufacturing them

4. the (maximum) rate of output that can be achieved from a production process

5. the buildings, machines, equipment and other facilities used in the production process

6. the geographical situation of a factory or other facility

7. the stock of any item or resource used in an organization (including raw materials, parts, supplies, work in process and finished products)

8. the time needed to perform an activity (i.e. to manufacture or deliver something)

b. After it has been decided what to manufacture, operations managers have to decide *where* to manufacture the different products, *how much productive capacity* their factories and plants should have, and *how much inventory* to maintain. **Read the 15 sentences below, and classify them under the following six headings. Some sentences may fall under two headings.**

A The consequences of insufficient capacity

B The consequences of excess capacity

C The advantages of large facilities

D The disadvantages of large facilities

E The advantages of having a large inventory

F The disadvantages of having a large inventory

1. A long lead time may allow competitors to enter the market.

2. Average fixed cost per unit drops as volume increases because each succeeding unit absorbs part of the fixed costs, giving economies of scale.

3. Finding staff and coordinating material flow become expensive and difficult.

4. If lead time increases, some customers may go to other suppliers.

5. Lost sales and market share are usually permanent.

6. The working environment might worsen and industrial relations deteriorate.

7. There are costs of storage, handling, insurance, depreciation, the opportunity cost of capital, and so on.

8. You can be more flexible in product scheduling, and have longer lead times and lower cost operation through larger production runs with fewer set-ups.

9. There is always a risk of obsolescence, theft, breakage, and so on.

10. You can meet variation in product demand.

11. You may be under-utilizing your work force.

12. You have protection against variation in raw material delivery time (due to shortages, strikes, lost orders, incorrect or defective shipments, etc.)

13. You may be forced to produce additional less profitable products.

14. You can take advantage of quantity discounts in purchasing.

15. You may have to reduce prices to stimulate demand.

Read the text below, and insert the eight words defined in vocabulary in the spaces.

Capacity, component, inventory, lead time, location outsourcing plants, subcontractor

Just-in-time production

Manufacturing companies are faced with a ‘make-or-buy decision’ for every item or (1) they use (as well as for every process and service). Do they make it themselves or do they outsource (*a contracta lucrări în afara companiei*), and buy from a (2)? If a company assembles products supplied by a large number of subcontractors (*furnizor intermediar*), they face the problem of how much (3) they require. In Just-In-Time (JIT) production – also called lean production, stockless production, and continuous flow manufacture – nothing is bought or produced until it is needed. Each section of the production process makes the necessary quantity of the necessary units at the necessary time – which is when it is required by the next stage of the manufacturing process, or by distributors or customers.

The JIT system is usually credited to Taiichi Ohno, who was vicepresident for manufacturing with Toyota in Japan in the early 1950s – although he stated that he got the idea from American supermarkets! JIT is wholly contrary to the European and American logic of encouraging greater productivity, and welcoming production that exceeds the agreed schedule or quota, and stocking extras in case of the future problems.

JIT minimizes the cost of holding inventories, which are regarded negatively, as avoidable costs, rather than as assets. The large Japanese manufacturing companies have long practised (4)....., and generally use extensive networks of small subcontractors. Of course, if a single subcontractor fails to deliver a component on time, the whole production process is sabotaged, but the Japanese industrial system relies on mutual trust and long-term relationships. Small suppliers often attempt to situate their facilities close to the (5)..... of a larger company with which they work.

The Japanese also prefer small, specialized production (6).....

with a limited (7)....., in which, wherever possible, all the machines required for a certain job are grouped together. This avoids all the waiting and moving time involved in sending half-finished item from one department to another, although it often requires flexible, multi-skilled employees.

JIT thus greatly reduces transportation and inventory costs, and should ensure that there is no waste from overproduction, or from idle workers waiting for parts. It allows increased productivity because of shortened throughput time (*timpul de prelucrare a materialelor*). If factories are equipped so that set-up times are short, very small production runs (*etape de producție*) are possible. Any quality problems or product defects should be noticed more quickly, production (8)..... (*timpul de conducere a producției*) are reduced, and the firm can react more rapidly to demand changes.

Products and brands

Read the following text, and write a brief heading for each paragraph.

1

Marketing theorists tend to give the word *product* a very broad meaning, using it to refer to anything capable of satisfying a need or want. Thus services, activities, people (politicians, athletes, film stars), places (holiday resorts), organizations (hospitals, colleges, political parties), and ideas, as well as physical objects offered for sale by retailers, can be considered as products. Physical products can usually be augmented (*a spori, a crește*) by benefits such as customer advice, delivery, credit facilities, a warranty or guarantee, maintenance, aftersales service, and so on.

2

Some manufactures use their name (the ‘family name’) for all their products, e.g. Philips, Colgate, Yamaha. Others, including Unilever and Procter & Gamble, market various products under individual brand names, with the result that many customers are unfamiliar with the name of the manufacturing company. The major producers of soap powders, for example, are famous for their multibrand strategy, which allows them to compete in various market segments, and to fill shelf space in shops, thereby leaving less room for competitors. It also gives them a greater chance of getting some of the custom of brand-switchers (*cei care schimbă mărcile pe care le cumpără*).

3

Most manufactures produce a large number of products, often divided into product lines. Most product lines consist of several products, often distinguished by brand names, e.g. a range of soap powders, or of tooth-pastes. Several different items (different sizes or models) may share the same brand name. Together, a company's items, brands and products constitute its product mix. Since different products are always at different stages of their cycles, with growing, stable or declining sales and profitability, and because markets, opportunities and resources are in constant evolution, companies are always looking to the future, and re-evaluating their product mix.

4

Companies whose objectives include market share and market growth generally have long product lines, i.e. a large number of items. Companies whose objective is high profitability will have shorter lines, including only profitable items. Yet, most product lines have a tendency to lengthen over time, as companies produce variations on existing items, or add additional items to cover further market segments. Additions to product lines can be the result of either *upmarket* or *down-market*, i.e. making items of higher or lower quality. This can be carried out in order to reach new customers, to enter growing or more profitable market segments, to react to competitors' initiatives, and so on. Yet, such moves may cause image problems: moving to the lower end of the market dilutes (*a slābi, a dilua*) a company's image for quality, while a company at the bottom of a range may not convince dealers and customers that it can produce quality products for the high end. *Line-filling* – adding further items in that part of a products range which a line already covers – might be done in order to compete in competitors' niches (*niṣā*), or simply to utilize excess production capacity.

Vocabulary

Find words or expressions in the text which mean the following.

1 the possibility of paying for a product over an extended period

2 a promise by a manufacturer or seller to repair or replace defective goods during a certain period of time

3 a surface in a store on which goods are displayed

4 consumers who buy various competing products rather than being loyal to a particular brand

5 the standard pattern of sales of a product over the period that is marketed

6 the extend to which an activity provides financial gain

7 possibilities of filling unsatisfied needs in sectors in which the company can produce goods or services effectively

8 the sales of a company expressed as a percentage of total sales in a given market

9 the set of beliefs that the public at large holds of an organization

10 a small, specialized, but profitable segment of a market

Terms to know:

scarce resources	resurse puține	недостаточные средства
consumer	consumator persoană	потребитель бережливый
saver	economă	человек
latest equipment	utilaj performant	последнее оборудование
voluntary exchange	schimb intenționat	добровольный обмен
economic freedom	libertate economică	экономическая свобода
to require	a cere	требовать
to deliver	a distribui, a livra, a preda	доставлять

organizational skills	măiestrie, abilitate de organizare	организационные качества
competitive markets	piețe de concurență	конкурирующие рынки рыночная
market economy	economie de piață	экономика
willingness	bunăvoință	готовность
scarcity price	preț supraevaluat din cauza insufi- cienței ofertei	недостаток в цене
marginal production cost	cost marginal al produsului	предельные издержки производства
choice	alegere	выбор
to choose/chose/ chosen	a alege	выбирать
instead	în schimb/ loc, mai degrabă	вместо
to organize	a organiza	организовать
to coordinate	a coordona	координировать
raw materials	materie primă	сырьё
to provide a service	a aproviziona, a presta un serviciu	предлагать обслуживание
free market economy	economie liberă de piață	свободная рыночная экономика
to accomplish	a realiza, a face	выполнять
to allow	a permite	разрешать
to own	a poseda	владеть, обладать
will	dorință	желание, воля
to face	a înfrunța	сталкиваться с
to afford	a-și permite, a oferi	чем- либо позволить себе
trade-off	negociere	сделка, обмен
income	venit	прибыль
employee	funcționar	работник

TEXT

Every day in our country millions of people choose about using scarce resources. They weigh the costs and benefits of these choices as consumers, savers, workers, business owners or managers, and government officials. Together, those choices create an economy. We can't possibly identify each of these choices, but we can put them into three groups. Let's call them the *what*, *how*, and *who* choices. **What – *What goods and services are to be produced and in what quantities?*** People choose the kinds and quantities of goods and services to produce.

How – *How should those goods and services be produced?* There is more than one way to build a home or a school, to manufacture an automobile, or to farm the land. Will the school and home be built from brick or wood? Will the automobile plant use flexible work teams or a traditional assembly line? Will farmers use the latest equipment, or will they use older machinery and more workers instead? (That is, who will produce them and which resources will be used to do so ?)

Who - *Who receives those goods and services?* Since there can't be enough production to satisfy everybody's wants, the goods and services that are produced must be divided among people who want more than they can possibly have. For example, there aren't enough CD players to go around for everyone who wants one. (This is the question "who gets what?")

We generally describe the economy as consisting of three sectors:

The **primary sector**: *agriculture*, and the extraction of raw materials from the earth;

The **secondary sector**: *manufacturing industry*, in which raw materials are turned into finished products (although of course many of the people working for manufacturing companies do not actually make anything, but provide a service – administration, law, finance, marketing, selling, computing, personnel and so on);

The **tertiary sector**: *the commercial services* that help industry to produce and distribute goods to the final consumers, as well as activities such as education, health care, leisure, tourism, and so on.

An economy organizes and coordinates all these choices. But an economy is not something apart from the people who participate in it. Our individual choices as consumers, workers, savers, and producers determine what is produced, how things are produced, and who receives them. In any country the way people answer these questions describes the type of economic system they have. In Moldova there is a *free market economy*, in the United States there is a market economy, which is sometimes called a *free enterprise system* or *capitalism*.

A **market** occurs whenever and wherever people voluntarily make exchanges with one another. The markets allow businesses and individuals who own their resources to exchange them voluntarily. In a system of voluntary exchange, both parts benefit.

Free market economy is an economic system in which individuals and firms are free to enter and leave markets at their will.

Economic freedom ensures the existence of competitive markets, because sellers and buyers can enter markets as they choose. **Economics** is the study of people producing and exchanging to get the goods and services they want. Understanding economics means learning its content and using it to think more accurately. **Goods** are physical products businesses produce - like computers, basketball shoes, pizza etc.

Services are products you can't touch - like plumbing and auto repairs, taxi rides, and haircuts.

Scarcity is the result of an inability to satisfy all of everyone's wants. You face scarcity when you have more things to do during the day than time to accomplish them. In this case your time is scarce. Everyone faces scarcity. Consumers want more than they can afford. Workers don't have enough time to get everything done. Even business faces scarcity. Likewise, government faces a scarcity of funds,

despite their power to raise money through taxation. Consequently, we all must make choices about using money, time and other resources.

„The solution to scarcity is obvious,” you might say. „If the government printed more money, we could afford all we want.” But the problem isn’t really a scarcity of money; it’s a scarcity of all the things we buy with money – goods and services. Goods and services are scarce because our resources are scarce.

Resources are the basic elements used to produce goods and services. There are three types of productive resources: natural, human and capital.

Natural resources are unaltered gifts of nature, such as minerals, timber and fresh air.

Human resources, or labor, are the physical and mental efforts people use to create goods and services.

Capital resources are the buildings, tools and machines people create to produce other goods and services. So, too, is a truck that delivers gasoline and a computer or telephone that delivers information. Since producing any good or service requires natural, capital, and human resources, economists often call them **factors of production**.

Some economists also include management or entrepreneurship in the list of productive resources. Imaginative thinking, the willingness to take risks, and the management and organizational skills needed to operate a business are extremely important to the success of business and economy. However this list of the factors of production is limited to those resources people can see, touch, feel and measure.

Because resources are scarce, they can only be used one way at a time. Consequently, when you choose to use a resource for one purpose, you give up a chance to use it for another. Each choice has an **opportunity cost**, it is always the best alternative you give up when making a choice. Economists often focus on the additional; or extra costs or benefits of a choice. Technically, these are called marginal costs and benefits. By focusing on marginal costs and benefits, consumers and producers often give up some of one thing to have more of another. This is a **trade-off**.

For convenience, economists usually study the choices of an individual, a family, or a business separately from all these choices put together as a nation. They even have specific names for each area of study – **macroeconomics** and **micro-economics**.

Macroeconomics is the study of the economy as a whole; **micro-economics** is the study of individual consumers and businesses. *Macroeconomics* examines questions that lead to an understanding of „the big picture.” How fast is the level of production in the nation changing? How fast are the prices rising? How many people are unemployed? How has the nation’s income changed? Macroeconomics also seeks to understand economy – wide issues, such as unemployment, poverty, and long term economic growth.

Microeconomics examines the choices that individuals, families, and business make. What prices should we charge for a concert ticket? What wages should we pay our employees? Should we invest in new computers? How do our customers like our new advertising campaign?

COMPREHENSION

Answer the following questions:

What are the three basic groups of choices?

What do they mean?

What is economy?

Which activities are as important as the production of goods?

Where does a market occur?

What kind of economic system is in Moldova?

What is the difference between **goods and services**?

How could you explain the term “**scarcity**”?

What are the types of productive resources?

What is the difference between **macroeconomics and microeconomics**?

Explain the motto of the lesson.

In each of the following, select the word or phrase that best completes the statement or answers the questions.

1. Detailed knowledge about the production and distribution of most products
 is concentrated in a small team of managers.
 is spread among many people who may not even know each other.
 is collected and summarized by the Department of Commerce.
 is easily obtained from the Internet.

In a voluntary exchange between two people **a.** both people believe they are benefiting. **b.** one person's gain is the other's loss.

- c.** both people lose.
d. no one really benefits or loses.

Which of the following illustrates a market?

- a.** A person buying a milkshake at an ice cream store.
 Someone using a mail order catalog, telephone, or credit card to buy clothing.
 None of the above.

- d.** Both of the above.

The unemployment rate is a subject of
 microeconomics.
 macroeconomics.
 opportunity costs.
 marginal costs and benefits

In a market economy, what organizes and coordinates the production of goods and services?
 Voluntary exchange

- b.** Scarcity
c. Government

Banks

Economists say that scarcity is a relative concept. This means that

- a.** resources are scarce only in poor societies.
 scarce and limited resources are identical.
c. the scarcity of resources can change if wants or amounts of resources available change.
 market economies usually eliminate scarcity.

Management

What is management?- Discussion

What do you think makes a good manager? Which *four* of the following qualities do you think are the most important?

- a) being decisive: able to make quick decisions
- b) being efficient: doing things quickly, not leaving tasks unfinished, having a tidy desk, and so on
- c) being friendly and sociable
- d) being able to communicate with people
- e) being logical, rational and analytical
- f) being able to motivate and inspire and lead people
- g) being authoritative: able to give orders
- h) being competent: knowing one's job perfectly, as well as the work of one's subordinates
- i) being persuasive: able to convince people to do things
- j) having good ideas

Types of Managers

We have been using the term *manager* to mean anyone who is responsible for subordinates and other organizational resources. There are many different types of managers, with diverse tasks and responsibilities. Managers can be classified in two ways: by their *level* in the organization – so-called first-line, middle, and top managers – and by the *range* of organizational activities for which they are responsible – so-called functional and general managers.

Management Levels

First-Line Managers. The lowest level in an organization at which individuals are responsible for the work of others is called first-line or first-level management. First-line managers direct operating employees only; they do not supervise other managers. Examples of first-line managers are the “foreman” (*maistru*) or production supervisor (*șef de producție*) in a manufacturing plant, the technical supervisor (*șef de echipă*) in a research department, and the clerical supervisor (*șef de birou*) in a large office. First-level managers are often called “supervisors.”

Middle Managers. The term middle management can include to more than one level in an organization. Middle managers direct the activities of lower-level managers and sometimes also those of operating employees. Middle managers' principal

responsibilities are to direct the activities that implement their organizations' policies and to balance the demands of their superiors with the capacities of their subordinates.

Top Managers. Composed of a comparatively small group of executives, top management is responsible for the overall management of the organization. It establishes operating policies and guides the organization's interactions with its environment. Typical titles of top managers are "chief executive officer", "president" and "senior vice-president". Actual titles vary from one organization to another and are not always a reliable guide to membership in the highest management classification.

Functional and General Managers

The other major classification of managers depends on the scope of the activities they manage.

Functional Managers. The **functional manager** is responsible for only one organizational activity, such as production, marketing, sales, or finance. The people and activities headed (*a conduce*) by a functional manager are engaged in a common set of activities.

General Managers. The **general manager**, on the other hand, oversees (*a supraveghea*) a complex unit, such as a company, a subsidiary, or an independent operating division. He or she is responsible for all the activities of that unit, such as its production, marketing, sales, and finance.

A small company may have only one general manager – its president or executive vice-president – but a large organization may have several, each at the head of a relatively independent division. In a large food company, for example, there might be a grocery-production division, a refrigerated-products division, and a frozen-food-products division, with a different general manager responsible for each. Like the chief executive of a small company, each of these divisional heads would be responsible for all the activities of the unit.

chief executive officer = director executiv

senior vice-president = vice-președinte senior (mai important decât cel Junior)

president = președinte

executive vice-president – vice-președinte executiv

chief executive = director sau administrator al unei firme

The Management Process

Planning

Plans give the organization its objectives and set up the best procedures for reaching them. In addition, plans become the guides by which the organization obtains and commits (*a angaja*) the resources required to reach its objectives, members of the organization carry on activities consistent with (*concordant cu*) the chosen objectives and procedures, and progress toward the objectives is monitored and measured, so that corrective action can be taken if progress is unsatisfactory.

The first step in planning is the selection of goals for the organization. Then objectives are established for the *subunits* of the organization – its divisions, departments, and so on. Once the objectives are determined, programs are established for achieving them in a systematic manner. Of course, in selecting objectives and developing programs, the manager considers their feasibility and whether will be acceptable to the organization's managers and employees.

Plans made by top management for the organization as a whole may cover periods as long as five or ten years. In a large organization, such as a multinational energy corporation, those plans may involve commitments (*angajamente*) of billions of dollars.

Planning at the lower levels, by middle or first-line managers, covers much shorter periods. Such plans may be for the next day's work, for example, or for a two-hour meeting to take place in a week.

Organizing

Once managers have established objectives and developed plans or programs to reach them, they must design and staff an organization able to carry out those programs successfully. Different objectives will require different kinds of organizations. For example, an organization that aims to develop computer software will have to be far different from one that wants to manufacture blue jeans.

Producing a standardized product like blue jeans requires efficient assembly-line techniques, whereas writing computer programs requires teams of professionals – systems analysts, software engineers, and operators.

Although they must interact effectively, such people cannot be organized on an assembly-line basis. It is clear, then, that managers must have the ability to determine what type of organization will be needed to accomplish a given set of objectives. And they must have the ability to develop (and later to lead) that type of organization.

Leading

After plans have been made, the structure of the organization has been determined, and the staff has been recruited and trained, the next step is to arrange for movement toward the organization's defined objectives. This function can be called by

various names: leading, directing, motivating, actuating (*impulsionare, stimulare*), and others. But whatever the name used to identify it, this function involves getting the members of the organization to perform in ways that will help it achieve its established objectives.

Whereas planning and organizing deal with the more abstract aspects of the management process, the activity of leading is very concrete; it involves working directly with people.

Controlling

Finally, the manager must ensure that the actions of the organization's members do in fact move the organization toward its stated goals. This is the controlling function of management, and it involves four main elements:

Establishing standards of performance.

- Measuring current performance and comparing it against the established standards.
- Detecting deviations from standard goals in order to make corrections before a sequence (*succesiune, șir*) of activities is completed.
- Taking action to correct performance that does not meet those standards.
- Through the controlling function, the manager can keep the organization on its chosen track, keeping it from straying (*a se depărata, a se abate*) from its specified goals.

Management Level and Skills

Managers at every level plan, organize, lead, and control. But they differ in the amount of time devoted to each of these activities. Some of these differences depend on the kind of organization in which the manager works, some on the type of job the manager holds.

Managers of small private clinics, for example, spend their time quite differently from the way the heads of large research hospitals spend theirs: Managers of clinics spend comparatively more time practicing medicine, and less time actually managing, than do directors of large hospitals. The technical supervisor of research physicists at AT&T Bell Labs will have a job that in some respects is quite different from that of a production supervisor on a General Motors assembly line. Yet both are first-line managers. And yet there will also be important similarities in the jobs of all these managers.

Other differences in the ways managers spend their time depend upon their levels in the organizational hierarchy. Robert L. Kats, a teacher and business executive, has identified three basic kinds of skills: technical, human, and conceptual. Every manager needs all three. *Technical skill* is the ability to use the procedures, techniques, and knowledge of a specialized field. Surgeons, engineers, musicians, and accountants all have technical skills in their respective fields. *Human skill* is the ability to work with, understand, and motivate other people, as individuals or in groups. *Conceptual skill* is the ability to coordinate and integrate all of an organization's interests and activities. It involves the manager's ability to see the organization as a whole, to understand how its parts depend on one another, and to anticipate how a change in any of its parts will affect the whole.

Kats suggests that although all three of these skills are essential to a manager, their relative importance depends mainly on the manager's rank in the organization. Technical skill is most important in the lower levels. Human skill, by contrast, is important for managers at every level: because they must get their work done primarily through others, their ability to tap (*a capta, a aborda*) the technical skills of their subordinates is more important than their own technical skills. Finally, the importance of conceptual skill increases as one rises through the ranks of a management system based on hierarchical principles of authority and responsibility. It depends mainly on the manager's rank in the organization.

Companies and Organizations

Company structure –Vocabulary

Match up the words on the left with the definitions on the right

1 autonomous	A a system of authority with different levels, one above the other
2 decentralization	B a specific activity in a company, e.g. production, marketing, finance
3 function	C independent, able to take decisions without consulting a higher authority
4 hierarchy	D people working under someone else in a hierarchy
5 line authority	E dividing an organization into decisionmaking units that are not centrally controlled
6 report to	F the power to give instructions to people at the level below in the chain of command
7 subordinates	G to be responsible to someone and to take instructions from him or her

• Reading

Read the text below, about different ways of organizing companies, and then label them:

Line structure / functional structure / matrix structure / staff structure

Most organizations have hierarchical or pyramidal structure, with one person or a group of people at the top, and an increasing number of people below them at each successive level. This is a clear line or chain of command running down the pyramid. All the people in the organization know what decisions they are able to make, who their superior (or boss) is (to whom they report), and who their immediate subordinates are (to whom they can give instructions).

Some people in an organization have colleagues who help them: for example, there might be an Assistant to the Marketing Manager. This is known as a staff position: its holder has no line authority, and is not integrated into the chain of command, unlike, for example, the Assistant Marketing Manager, who is number two in the marketing department.

Yet, the activities of most companies are too complicated to be organized in a single hierarchy. Shortly before the First World War, the French industrialist Henry Fayol organized his coal-mining business according to the functions that it had to carry out. He is generally credited with inventing functional organization. Today, most large manufacturing organizations have a functional structure, including (among others) production, finance, marketing,

sales, and personnel or staff departments. This means, for example, that the production and marketing departments cannot take financial decision without consulting the finance department.

Functional organization is efficient, but there are two standard criticisms. Firstly, people are usually more concerned with the success of their department than that of the company, so there are permanent battles between, for example, finance and marketing, or marketing and production, which have incompatible goals. Secondly, separating functions is unlikely to encourage innovation.

Yet, for a large organization manufacturing a range of products, having a single production department is generally inefficient. Consequently, most large companies are decentralized, following the model of Alfred Sloan, who divided General Motors into separate operating divisions in 1920. Each division had its own engineering, production and sales departments, made a different category of car (but with some overlap (*suprapunere, întrepătrundere*), to encourage internal competition), and was expected to make a profit.

Business that cannot be divided into autonomous divisions with their own markets can simulate decentralization, setting up divisions that deal with each other using internally determined transfer prices. Many banks, for example, have established commercial, corporate, private banking, international and investment divisions.

An inherent problem of hierarchies is that people at lower levels are unable to make important decisions, but have to pass on responsibility to their boss. One solution to this is matrix management, in which people report to more than one superior. For example, a product manager with an idea might be able to deal directly with managers responsible for a certain market segment and for a geographical region, as well as the managers responsible for the traditional functions of finance, sales and productions. This is one way of keeping authority at lower levels, but it is not necessarily a very efficient one. Thomas Peters and Robert Waterman, in their wellknown book *In Search of Excellence*, insist on the necessity of pushing authority and autonomy down the line, but they argue that one element – probably the product – must have priority; four-dimensional matrices are far too complex.

A further possibility is to have wholly autonomous, temporary groups or teams that are responsible for an entire project, and are split up (*a se diviza, a se împărți*) as soon as it is successfully completed. Teams are often not very good for decision-making, and they run the risk of relational problems, unless they are small and have a lot of self-discipline. In fact, they still require a definite leader, on whom their success probably depends.

Describing company structure

The most common verbs for describing structure are:

Consists of, contains, includes, is composed of, is made up of, is divided into.

e.g. The company consists of five main departments.

The marketing department is made up of three units.

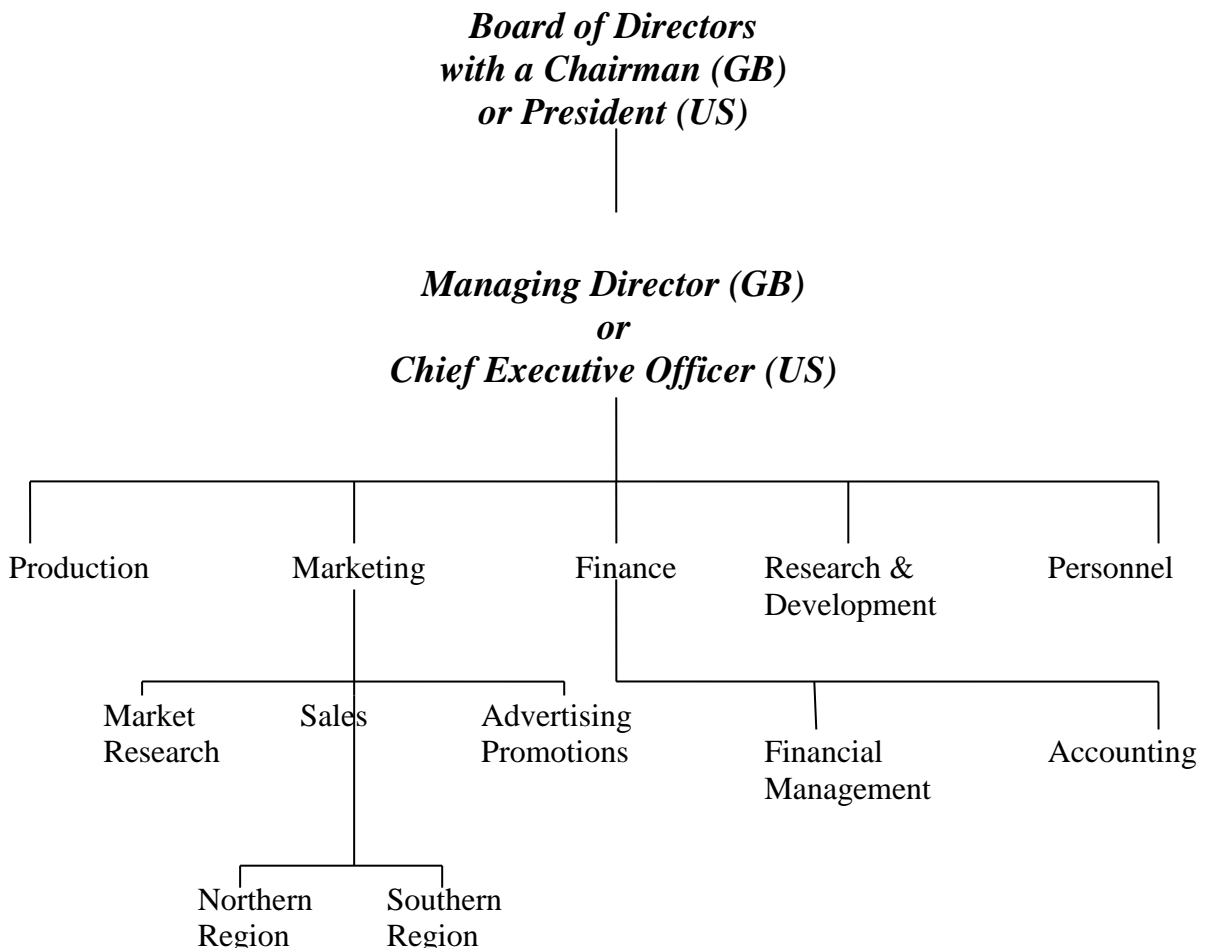
Other verbs frequently used to describe company organization include:

To be in charge of, to be responsible for, to support or to be supported by, to assist or to be assisted by, to be accountable to.

e.g. The marketing department is in charge of the sales force.

The five department heads are accountable to the Managing Director.

This is an example of part of a company organization chart:



Now write a description of either the organization chart above, or a company you know, in about 100-150 words.

The External Environment of Organizations

The many rapid changes taking place in the external environment of organization require increasing attention from managers. The **direct-action component** of the environment consists of the organization's stakeholders – that is, the groups with direct impact on the organization's activities. **External stakeholders** include customers, suppliers, governments, consumer and environmental advocates, special interest groups, labor unions, financial institutions, the media, and competitors. **Internal stakeholders** include employees, shareholders, and the board of directors.

Managers must balance the interests of the various stakeholders for the good of the organization as a whole. They may be able to use the network of relationships among the stakeholders and the organization to influence stakeholders individually. For their part, stakeholders may unite in coalitions to exert over (*a exercita, a face uz de influență*) the organization. Individual stakeholders may also hold conflicting stakes (*interes, participare*) in an organization.

The **indirect-action component** of the environment consists of their factors that influence the organization indirectly. Not only do these factors create a climate to which the organization must adjust, but they have the potential to move into the direct-action environment. Demographic and lifestyle variables mold (*a forma, a modela*) an organization's labor supply and customer base, and changes in values are at heart of every other social, economic, political, and technological change. Managers must distinguish between and adjust to structural and cyclical changes in the economy. In addition, they must contend with (*a lupta cu*) the growing influence of special interest groups in politics, and technological developments also fuel the competition between organizations.

Technological advances in communication and transportation have made the international environment increasingly important. Greater international competition has made the U.S. lag (*a întârzia, a rămâne în urmă*) in competitiveness critical, and has also blurred (*a întuneca, a pune în ceață*) the distinction between the private and public sectors.

The environment determines the extent to which (*gradul în care*) organizations face uncertainty and to which they are dependent on others for vital resources. In turbulent environments, organizations must devote more of their resources to monitoring the environment. The natural-selection, resource-dependence, and industrial organization models provide alternative views of the relationship between organizations and the environment.

Managers – especially at higher levels – must monitor the external environment and try to forecast changes that will affect the organization. They may use strategic planning and organizational design to adjust to the environment.

Market structure and competition

Market leaders, challengers and followers

Read the following text and write short headings for each paragraph.

1

In most markets there is a definite market leader: the firm with the largest market share. This is often the first company to have entered the field, or at least the first to have succeeded in it. The market leader is frequently able to lead other firms in the introduction of new products, in price changes, in the level or intensity of promotions, and so on.

2

Market leaders usually want to increase their market share even further, or at least to protect their current market share. One way to do this is to try to find ways to increase the size of the entire market. Contrary to a common belief, wholly dominating a market, or having a monopoly, is seldom an advantage: competitors expand markets and find new uses and users for products, which enriches everyone in the field, but the market leader more than its competitors. A market can also be expanded by stimulating more usage: for example, many households no longer have only one radio or cassette player, but perhaps one in each room, one in the car, plus a Walkman or two.

3

In many markets, there is often also a distinct market challenger, with the second-largest market share. In the car hire business, the challenger actually advertises this fact: for many years Avis used the slogan 'We're number two. We try harder.' Market challengers can either attempt to attack the leader, or to increase their market share by attacking various market followers.

4

The majority of companies in any industry are merely market followers, which present no threat to the leader. Many market followers concentrate on market segmentation: finding a profitable niche in the market that is not satisfied by other goods or services, and that offers growth potential or gives the company a differential (*distinctiv, deosebit*) advantage because of its specific competencies.

5

A market follower, which does not establish its own niche is in a vulnerable position: if its product does not have a 'unique selling proposition' there is no reason for anyone to buy it. In fact, in most established industries, there is only room for two or three major companies: think of soft drinks, soap and washing powders, jeans, sports shoes, and so on. Although small companies are generally flexible, and can quickly respond to market conditions, their narrow range of customers causes problematic fluctuations in turnover and profit. Furthermore, they are vulnerable in a recession when, largely for psychological reasons, distributors, retailers and customers all prefer to buy from big, well-known suppliers.

Vocabulary

Find words in the text which mean the following.

- 1 a company's sales expressed as a percentage of the total market
- 2 short-term tactics designed to stimulate stronger sales of a product
- 3 the situation in which there is only one seller of a product
- 4 companies offering similar goods or services to the same set of customers
- 5 a short and easily memorized phrase used in advertising
- 6 the division of a market into submarkets according to the needs or buying habits of different groups of potential customers
- 7 a small and specific market segment
- 8 a factor which makes you superior to competitors in a certain respect
- 9 a business's total sales revenue
- 10 a period during which an economy is working below its potential

Takeovers, mergers and buyouts

Vocabulary

Match up these words with the definitions below.

Backward integration, to diversify (diversification), synergy, forward integration, horizontal integration, to merge (a merger), to innovate (innovation), a raid, a takeover bid, vertical integration.

- 1 designing new products and bringing them to the market
- 2 to expand into new fields
- 3 to unite, combine, amalgamate, integrate or join together
- 4 buying another company's shares on the stock exchange, hoping to persuade enough other shareholders to sell to take control of the company
- 5 a public offer to a company's shareholders to buy their shares, at a particular price during a particular period, so as to acquire a company
- 6 to merge with or take over other firms producing the same type of goods or services
- 7 joining with other firms in other stages of the production or sale of a product
- 8 a merger with or the acquisition of one's suppliers
- 9 a merger with or the acquisition of one's marketing outlets
- 10 combined production that is greater than the sum of the separate parts

Reading

Leveraged buyouts

One indication that the people who warn against takeovers might be right is the existence of leveraged buyouts.

In the 1960s, a big wave of takeovers in the US created conglomerates – collections of unrelated businesses combined into a single corporate structure. It later became clear that many of these conglomerates consisted of too many companies and not enough synergy. After the recession of the early 1980s, there were many large companies on the US stock market with good earnings but low stock prices. Their assets were worth more than the companies' market value.

Such conglomerates were clearly not maximizing stockholder value. The individual companies might have been more efficient if liberated from central management. Consequently, raiders (*persoană agresivă, acaparatoare*) were able to borrow money, buy badly managed, inefficient and under-priced corporations, and then restructure them, split them up, and resell them at a profit.

Conventional financial theory argues that stock markets are efficient, meaning that all relevant information about companies is built into their share prices. Raiders in the 1980s discovered that this was quite simply untrue. Although the market could understand data concerning companies' earnings, it was highly inefficient in valuing assets, including land, buildings and pension funds. Asset-stripping – selling off the assets of poorly performing or under-valued companies – proved to be highly lucrative (*avantajos, profitabil*).

Theoretically, there was little risk of making a loss with a buyout, as the debts incurred (*datoriile făcute*) were guaranteed by the companies' assets. The ideal targets for such buyouts were companies with huge cash reserves that enabled the buyer to pay the interest on the debt, or companies with successful subsidiaries that could be sold to repay the principal, or companies in fields that are not sensitive to a recession, such as food and tobacco.

Takeovers using borrowed money are called 'leveraged buyouts' or 'LBOs'. Leverage (*raportul dintre creanțe și capital*) means having a large proportion of debt compared to equity capital. (Where a company is bought by its existing managers, we talk of a **management buyout** or MBO.) Much of the money for LBOs was provided by the American investment bank Drexel Burnham Lambert, where Michael Millken was able to convince investors that the high returns on debt issued by risky enterprises more than compensated for their riskiness, as the rate of default (*rata neonorării plății*) was lower than might be expected. He created a huge and liquid market of up to 300 billion dollars for 'junk bonds' (*obligațiuni cu risc*). (Millken was later arrested and charged (*a fi acuzat*) with 98 different felonies (*crime, acte penale*), including a lot of insider dealing (*operațiuni ale unui inițiat, a unei persoane angajate în*

respectiva firmă), and Drexel Burnham Lambert went bankrupt (*a da faliment*) in 1990.)

Raiders and their supporters argue that the permanent threat of takeovers is a challenge to company managers and directors to do their jobs better, and that well-run businesses that are not undervalued are at little risk. The threat of raids forces companies to put capital to productive use. Fat or lazy companies that fail to do this will be taken over by raiders who will use assets more efficiently, cut costs, and increase shareholder value. On the other hand, the permanent threat of a takeover or a buyout is clearly a disincentive (*mijloc de intimidare*) to long-term capital investment, as a company will lose its investment if a raider tries to break it up as soon as its share price falls below expectations.

LBOs, however, seem to be largely an American phenomenon. German and Japanese managers and financiers, for example, seem to consider companies as places where people work, rather than as assets to be bought and sold. Hostile takeovers and buyouts are almost unknown in these two countries, where business tends to concentrate on long-term goals rather than seek instant stock market profits. Workers in these companies are considered to be at least as important as shareholders. The idea of a Japanese manager restructuring a company, laying off (*a concedia temporar*) a large number of workers, and getting a huge pay rise (as frequently happens in Britain and the US), is unthinkable. Lay-offs in Japan are instead a cause for shame for which managers are expected to apologize.

Summarizing

Complete the following sentences, which summarize the text above.

- 1 The fact that many large conglomerates' assets were worth more than their stock market valuation demonstrated that ...
- 2 Raiders bought conglomerates in order to ...
- 3 Raiders showed that the stock market did not ...
- 4 Raiders were particularly interested in ...
- 5 Investors were prepared to lend money to finance LBOs because ...
- 6 Raiders argue that the possibility of a buyout ...

Profits and social responsibility

In the 1920s, many large American corporations began, on a wide scale, to establish pension funds, employee stock ownership, life insurance schemes, unemployment compensation funds, limitations on working hours, and high wages. They built houses, churches, schools and libraries, provided medical and legal services, and gave money to charities (*acte filantropice*). Since this is fairly surprising behavior for business corporations, there must be a good explanation.

In the *Generous Corporations*, Neil J. Mitchell argues that the reason for many of these actions, most of which clearly did not bring immediate cash benefits, was that large corporations had a legitimacy problem. The existence of large corporations showed the classical economic theory of perfect competition to be inadequate. Consequently large corporations introduced 'welfare capitalism' (*capitalism social*) as a way of creating favorable public opinion. Rational capitalists starting with Henry Ford, also realized that a better paid work force would be more loyal, and would be able to buy more goods and services, and that a better educated work force would be a more efficient one.

Of course, pure free market theorists disapprove of welfare capitalism, and all actions inspired by 'social responsibility' rather than the attempt to maximize profits. Since the benefits of such initiatives are not confined to (*a se limita la*) those who bear the costs, Milton Friedman has criticized them for being unbusinesslike, and for threatening the survival not only of individual corporations but also the general vitality of capitalism. In a newspaper article titled 'The social responsibility of business is to increase its profits', he argued that:

In a free enterprise, private-property system, a corporate executive is an employee of the owners of the business. He has direct responsibility to his employers. That responsibility is to conduct the business in accordance with their desires, which generally will be to make as much money as possible, while of course confirming to the basic rules of the society, both those embodied in law and those embodied in ethical custom.

Thus executives should not make expenditures on reducing pollution beyond the amount that is required by law or that is the best interest of the firm. Nor should they deliberately hire less-qualified, long-term unemployed workers, or workers from ethnic minorities suffering from discrimination. To do so is to be guilty of spending the stockholders' (or the customers' or the employees') money. Friedman does not consider the possibility that stockholders might prefer to receive lower dividends but live in a society with less pollution or less unemployment and fewer social problems.

An alternative view to the stockholder model exemplified by Friedman's article is the *stakeholder (cei care dețin un interes)* model, outlined, for example, in John Kenneth Galbraith's book, *The New Industrial State*. According to his approach, business managers have responsibilities to all the

groups of people with a stake in or an interest in or a claim on the firm. These will include suppliers, customers, employees, and the local community, as well as the stockholders. A firm which is managed for the benefit of all its stakeholders, will not, for example, pollute the area around its factories, or close down a factory employing several hundred people in a small town with no other significant employers, and relocate production elsewhere in order to make small financial savings. Proponents of the stakeholder approach suggest that suppliers, customers, employees, and members of the local community should be strongly represented on a company's board of directors.

Vocabulary

Find words or expressions in the text which mean the following.

- 1 institutions or organizations that provide help for people in need
- 2 acceptability, according to law or public opinion
- 3 the situation when there are a large number of sellers and buyers, freedom to enter and leave markets, a complete flow of information, and so on
- 4 a condition of general well-being (and government spending designed to achieve this)
- 5 menacing, endangering
- 6 liveliness, health, energy, strength
- 7 an economic system in which anyone can attempt to raise capital, form a business, and offer goods or services
- 8 complying with or following (rules, etc.)
- 9 expressed, given a material form
- 10 supporters, people who argue in favour of something

11. Marketing, Advertising, Promotion.

The centrality of marketing

Look quickly through the following text and decide which paragraphs are about these subjects:

- company-to-company marketing
- identifying market opportunities
- the marketing mix
- the selling and marketing concepts
- the importance of market research

Most management and marketing writers now distinguish between selling and marketing. The 'selling concept' assumes that resisting consumers have to be persuaded by vigorous hard-selling techniques to buy non-essential goods or services. Products are sold rather than bought. The 'marketing concept', on the contrary, assumes that the producer's task is to find wants and fill them. In other words, you don't sell what you make, you make what will be bought. As well as satisfying existing needs, marketers can also anticipate and create new ones. The markets for the Walkman, video games, personal computers, and genetic engineering, to choose some recent examples, were largely created rather than identified.

Marketers are consequently always looking for market opportunities – profitable possibilities of filling unsatisfied needs or creating new ones in areas in which the company is likely to enjoy a differential advantage, due to its distinctive competencies (the things it does particularly well). Market opportunities are generally isolated by market segmentation. Once a target market has been identified, a company has to decide what goods or service to offer. This means that much of the work of marketing has been done before the final product or service comes into existence. It also means that the marketing concept has to be understood throughout the company, e.g. in the production department of a manufacturing company as much as in the marketing department itself. The company must also take account of the existence of competitors, who always have to be identified, monitored and defeated in the search for loyal customers.

Rather than risk launching a product or service solely on the basis of intuition or guesswork, most companies undertake market research (GB) or marketing research (US). They collect and analyze information about the size of a potential market, about consumers' reactions to particular product or service features, and so on. Sales representatives, who also talk to customers, are another important source of information.

Once the basic offer, e.g. a product concept, has been established, the company has to think about the marketing mix, i.e. all the various elements of a marketing program, their integration, and the amount of effort that a company can expend on

them in order to influence the target market. The best-known classification of these elements is the ‘4Ps’: product, place, promotion and price. Aspects to be considered in marketing products include quality, features (standard and optional), style, brand name, size, packaging, services and guarantee.

Place in a marketing mix includes such factors as distribution channels, locations of points of sale, transport, inventory size, etc. Promotion groups together advertising, publicity, sales promotion, and personal selling, while price includes the basic list price, discounts, the length of the payment period, possible credit terms, and so on. It is the job of a product manager or a brand manager to look for ways to increase sales by changing the marketing mix.

It must be remembered that quite apart from consumer markets (in which people buy products for direct consumption) there exists an enormous producer or industrial or business market, consisting of all the individuals and organizations that acquire goods and services that are used in the production of other goods, or in the supply of services to others. Few consumers realize that the producer market is actually larger than the consumer market, since it contains all the raw materials, manufactured parts and components that go into consumer goods, plus capital equipment such as building and machines, supplies such as energy and pens and paper, and services ranging from cleaning to management consulting, all of which have to be marketed. There is consequently more industrial than consumer marketing, even though ordinary consumers are seldom exposed to it.

Comprehension

Look at the following diagrams from *Marketing Management* by Philip Kotler.

1 The first diagram contrasts the selling and the marketing concepts. Fill in the four spaces with the following words or expressions:

- Coordinated marketing
- Customer needs
- Market
- Profits through customer satisfaction

<i>Starting point</i>	<i>Focus</i>	<i>Means</i>	<i>Ends</i>
Factory	Products	Selling & promoting	Profits through sales volume

- a. The selling concept
 (1) (2) (3) (4)
- b. The marketing concept

How companies advertise

Advertising informs consumers about the existence and benefits of products and services, and attempts to persuade them to buy them. The best form of advertising is probably word-of-mouth advertising, which occurs when people tell their friends about the benefits of products or services that they have purchased. Yet, virtually no providers of goods or services rely on this alone, but use paid advertising instead. Indeed, many organizations also use institutional or prestige advertising, which is designed to build up their reputation rather than to sell particular products.

Although large companies could easily set up their own advertising departments, write their own advertisements, and buy media space themselves, they tend to use the services of large advertising agencies. These are likely to have more resources, and more knowledge about all aspects of advertising and advertising media than a single company. The most talented advertising people generally prefer to work for agencies rather than individual companies as this gives them the chance to work on a variety of *advertising accounts* (contracts to advertise products or services). It is also easier for a dissatisfied company to give its account to another agency than it would be to fire its own advertising staff.

The client company generally gives the advertising agency an agreed budget; a statement of the objectives of the advertising campaign, known as a brief; and an overall advertising strategy concerning the message to be communicated to the target customers. The agency creates advertisements (the word is often abbreviated to adverts or ads), and develops a media plan specifying which media – newspapers, magazines, radio, television, cinema, posters, mail, etc. – will be used and in which proportions. (On television and radio, ads are often known as commercials.) Agencies often produce alternative ads or commercials that are pre-tested in newspapers, television stations, etc. in different parts of a country before a final choice is made prior to a national campaign.

The agency's media planners have to decide what percentage of the target market they want to reach (how many people will be exposed to the ads) and the number of times they are likely to see them. Advertising people talk about frequency or 'OTS' (opportunities to see) and the threshold effect (*efectul de pronire*) – the point at which advertising becomes effective. The choice of advertising media is generally strongly influenced by the comparative cost of reaching 1,000 members of the target audience, the cost per thousand (often abbreviated to CPM, using the Roman numeral for 1,000). The timing of advertising campaigns depends on factors such as purchasing frequency and buyer turnover (new buyers entering the market).

How much to spend on advertising is always problematic. Some companies use the comparative-parity method (*metoda comparativ-analogică*) – they simply match their competitors' spending, thereby avoiding advertising wars. Others set their ad budget at a certain percentage of current sales revenue. But both these methods disregard (*a nu ține seama, a neglija*) the fact that increased ad spending or counter-cyclical advertising (*reclamă anticiclică*) can increase current sales. On the other hand, excessive advertising is counter-productive (*antiprodutivă*) because after too many exposures people tend to stop noticing ads, or begin to find them irritating. And once the most promising prospective customers have been reached, there are diminishing returns, i.e. an ever-smaller increase in sales in relation to increased advertising spending.

Vocabulary

Find the terms in the text which mean the following.

1 free advertising, when satisfied customers recommend products to their friends.

2 advertising that mentions a company's name but not specific products

3 companies that handle advertising for clients

4 a contract with a company to produce its advertising

5 the amount of money a company plans to spend in developing its advertising and buying media time or space

6 the statement of objectives of an advertising campaign that a client works out with an advertising agency

7 the advertising of a particular product or service during a particular period of time

8 a defined set of customers whose needs a company plans to satisfy

9 the people who choose where to advertise, in order to reach the right customers

10 the fact that a certain amount of advertising is necessary to attract a prospective customer's attention

11 choosing to spend the same amount on advertising as one's competitors

12 advertising during periods or seasons when sales are normally relatively poor

Discussion

Which of the following claims do you agree with?

1. Advertising is essential for business, especially for launching new consumer products.

2. A large reduction of advertising would decrease sales.

3. Advertising often persuades people to buy things they don't need.

4. Advertising often persuades people to buy things they don't want.

5. Advertising lowers the public's taste.

6. Advertising raises prices.

7. Advertising does not present a true picture of products.

8. Advertising has a bad influence on children.

In a well-known survey, the *Harvard Business Review* asked 2,700 senior business managers whether they agree with these statements. The survey produced some unexpected results. Which of the following percentages do you think go with which of the statements above?

41% 49% 51% 57% 60% 72% 85% 90%

Vocabulary

There is a logical connection among three of the four words in each of the following groups. Which is the odd one out, and why?

- 1 advertising – competitors – publicity – sales promotion
- 2 advertising agency – advertising campaign – media plan – word-of-mouth - advertising
- 3 advertising manager – brand-switcher – marketing manager – sales rep
- 4 after-sales service – guarantee – optional features – points of sale
- 5 brand awareness – brand loyalty – brand name – brand preference
- 6 competitions – coupons – free samples – line-stretching
- 7 credit terms – discount – list price – packaging
- 8 decline – growth – introduction – product improvement
- 9 focus group interviews – internal research – media plan – questionnaire
- 10 packaging – place – product – promotion

13. Money and Finance

A history of money – what makes the world go round

Money – it *jingles* in your pocket, it *rustles* in your wallet and it *clinks* in your *piggy-bank*. *Money makes the world go round*, but what's it? It's a *store of value* or a *measure of wealth*. Money is anything that is generally accepted as *payment for goods and services*. This is a wide definition and, over the centuries, money has appeared in all shapes and sizes; *cowrie shells* in ancient China, *huge stone discs* on a South Pacific Island or *beads (Wampum)* for the North American Indians.

Jingle = a zornăi

Rustle = a foşni

Clink = a zăngăni

Piggy-bank = puşculiţă

Cowrie = scoică, ghioc

Beads = mărgel, mătăni

Wampum = colier de scoici

From Chickens to Plastic

At the end of the day, of course, it doesn't really matter what shape or size the money takes, as long as everyone *recognises* it and *accepts it in payment*. But, over the course of history, money has predominantly been associated with *metals*, in particular *gold, silver* and *copper*.

Bartering (troc)

Before metal money become the usual means of exchange, people would *swap* (*schimba*) goods and services in a process known as bartering – “I'll swap you ten chickens for your goat”. This kind of exchange does not really *encourage trade*, as all sorts of problems arise; are all the chickens of the same size? If I've only got five chickens, can I buy half a cow? Obviously, precious metals are a *practical alternative* to *payment in kind* (*în natură*).

Four Essential Qualities

For money to be practical and efficient it should possess these qualities:
Durability – in prison, cigarettes may become a medium of exchange – but they're easy to break and quickly dry up; in other words, they don't last.

Portability – in some parts of Africa your wealth is measured in cattle. This is fine if you're trading locally, but if money isn't easy to carry, how can trade develop?

Divisibility – *small units* make life much easier – imagine trying to buy a hot dog in New York if the \$100 bill was the lowest unit of currency!

Intrinsic value – money should have some worth in itself, otherwise it won't inspire confidence.

Coins

We first read of *coins* in the Kingdom of Lydia in the 7th century BC. Their coins were of *equal weight* and therefore of *equal value*, simplifying trade. *Stamping a design* onto the coins is called "*minting*"; *Alexander the Great* introduced the practice of stamping a picture of the *sovereign's head* on the coins, an idea that was soon copied.

Coins however, were not always as valuable as they seemed – they were often *clipped* or *shaved* by unscrupulous individuals or *debased* by the state. The Romans, with the economic pressure of the Punic wars, began a long process of *debasement*, mixing more and more copper in with the silver, so that the *intrinsic value* of the coin was far lower than the *marked face value*.

Mint = a bate monedă

Debase = a devaloriza

Debasement = devalorizare

Clipped = retezat, scurtat

Shaved = redus

Paper Money

Bank notes were first introduced by the Chinese in the 10th century. They were later used by governments in *dire financial straits* (*în dificultăți mari financiare*) – caused by things like having *to finance* a war, for example. The English colonies in North America made important strides in the use of bank notes. For various political and economic reasons, the Colonists often found themselves *short of coinage*. To get round this problem, they used first *wampum*, then *tobacco*, *rice* and *whisky* or *brandy* – not exactly the most

practical solution. The first *paper money issue* was by the Massachusetts Bay Colony in 1690. The practice was frowned upon and eventually banned by the mother country, but the inventive *money-making instincts* of the new United States of America meant that, during the 19th century, most of the money used was in the form of *paper dollars*. The first fully printed note in England was issued in 1855 – until that time the *cashier* had to write the name of the payee and sign each note individually.

At first, bank notes were *redeemable* for *gold* – on Bank of England notes you will see written “*I promise to pay the bearer on demand the sum of...*” If you took a ten-pound note to the Bank they used to have to give you ten pounds in gold coin. Britain left the gold standard in 1931 and thus the notes are no longer backed by gold.

Strides = progrese, pași

Short of coinage = lipsă de monezi

Ban = a interzice, a scoate în afara legii

Frown upon = a nu fi de acord cu ceva

Redeem = a compensa, răscumpăra

Plastic money

Nowadays many transactions are carried out with “*plastic money*” such as credit cards. The newest are called “*smart cards*” and carry small *silicon chips* that can record every transaction on the card. Research into the cards of the future continues, but the latest development is *e-cash*, cash to be used across the *Internet* – you’ll be able to spend money from the comfort of your armchair. If only earning the damn stuff was so easy!

MONEY TALK – the language of cash

Money is so central to our lives that it has spawned (*a prolifera*) a wealth of specific terminology, idioms and sayings. Great thinkers in all ages have had something to say about it; governments are elected on the strength of how they plan to manage it, empires rise and fall because of it.

The Root of All Evil

Money is so important to us – people even say it *makes the world go round* – that it has acquired many nicknames, such as *bread, dough, dinero, mazuma, spondulicks, rhino, gravy, dosh, lucre* or simply the *necessary*. Small amounts of it are *chickenfeed* or *peanuts*. (*în slang: lovele, biștari, parale, bani, câștig*) So what are you thinking about now? *A penny for your thoughts!* Oh, I see, you like the look of that new jacket – *it'll cost you an arm and a leg*. I'm afraid, or, to put it another way, you'll have *to pay through the nose for it*.

You may like it so much you insist that *money's no object* – but don't forget: *money doesn't grow on trees, so don't live beyond your means!* If you do go ahead and buy that jacket, your friends will tell you that *you might as well flush it* (the money) *down the toilet*. So, if you *can't afford it*, buy the *cheapo* version: *you can bet your bottom dollar* that nobody will be able to tell the difference.

Of course your attitude to money depends, to a certain extent, on *how well off you are*. You may be experiencing a *liquidity problem* or a *cashflow problem* at the moment; in other words, you're *strapped for cash, broke*, or even *flat broke*. Perhaps *you don't have a dollar to your name, you don't have a red cent* and *you haven't got a bean*, in which case *you're as poor as a church mouse!*

If, on the other hand, you've got plenty of money then you're *filthy rich*, or *stinking rich* or *rolling in it* – perhaps you had some good business ideas and *put your money where your mouth is* or *cashed in on a golden business opportunity* and managed to *get rich quick*, so now you're *laughing all the way to the bank*.

You've got *money to burn*; you're earning *megabucks* and, now that you know its power, you believe what people say – *money talks!* In spite of this, you might be so careful with money that people think you're *mean* or *stingy* (*zgârcit*). Perhaps they'll call you a *miser* behind your back; in the US you'd be called a *tightwad* (*calic, avar*).

You might reply that money doesn't grow on trees – but then others might say that *you can't take it with you* (when you die) and so they *spend money as if it were going out of fashion*. In this case, *money burns a hole in their pocket*, and you would be the first to remind them that *a fool and his money are soon parted*. If, on the other hand, you *look after the pennies, then the pounds will look after themselves*.

The profits of labor

Roman soldiers were given part of *their pay* in salt, as it was so valuable – at least that’s the excuse the Senate gave!

At the time it was called their *salario*, and it is for this reason that we still use the word *salary* to describe the **regular monthly payment** made to **employees** – especially **white-collars workers**. If you receive your pay **every week**, then you receive **wages** on **payday**, in the form of a **paycheck** in the US, or a **paypacket** in the UK.

You may find that some of your money is taken from you before you even see it, that is it is **deducted at source**; in the US these deductions are known as **deducks** or **ducks**. They may be for **tax** and also, in the UK, **National Insurance**, which means that your **takehome pay** may be a lot less than you expected!

Those who are unlucky enough not to have a job will be **on the dole** – receiving **unemployment benefit** in the UK or **on welfare** in the US. If you pay money for your **retirement** then your company **runs a pension scheme**. If you work more than your normal hours, then you’re paid **overtime**. If your company has been doing well, you may get a **bonus**.

If you’re one of the bosses of a newly-privatised monopoly, your employees may call you a **fat cat**, and part of your pay may take the form of **share options**; when you started to work for the company you were given **a golden hello** and, regardless of the company’s performance, you will be given **a golden handshake** when you leave. Perhaps you’re the kind of boss that never stops complaining about your employees; if so remember: **if you pay peanuts you get monkeys!**

You and your fellow top-managers are likely to enjoy a range of **fringe benefits** or **perks** – like a free car, house and even private education for your children. This is **in lieu of money**, and means that you have a high **standard of living** without having to **declare** hundreds of thousands of pounds at the end of the **tax year**. All the **expenses** the company **incurs** on your behalf are also **tax deductible** for the company, so it doesn’t **lose out** either.

When the time comes to retire, sooner rather than later, for the lucky few who can choose **early retirement**, you may decide to take your company pension in a **lump sum** – and finally you can go on that world cruise!

White-collars workers = funcționari
 On the dole = ajutor de șomaj, subvenție de la stat
 On welfare = ajutor social
 Share options =

Fringe benefit / perks = beneficiu suplimentar
 In lieu of money = în loc de bani
 Incur = a face, a crea
 Lump sum = sumă globală / unică, plată unică

Borrowing

Many of us go to the bank at some point to ask for *a loan* – it is often said that *a bank manager* is someone who lends you an umbrella when the sun is shining and who asks for it back when it starts to rain.

The simplest way to borrow is with an *overdraft*, or by using the *facilities* offered by *a credit card*; but to borrow *large sums* you'll probably *negotiate a loan* with your bank; you can either borrow a *fixed amount* or agree *a credit limit*.

If you're buying a house, then you'll want a *mortgage*. If the bank refuses to lend you money, you might resort to borrowing from a *finance company* or even the local *loan shark* to pay off your *IOUs (I Owe You)*. For any loan, you should look at the *Annual Percentage Rate* which takes into account the various *charges* which will be included in your *repayments*.

Borrowing from a *loan shark* can involve exorbitant *interest rates*. If you're being *gouged* in this way, then you may end up being unable to make the repayments. Your *debt* may be sold to a *debt collector* or you may receive a visit from the *bailiffs* in the UK. If you've been buying something *in instalments* or *on a hire purchase (HP)* scheme, *defaulting on the repayments* will probably lead to a visit from the dreaded *repo* (repossession) *man*.

Gouged = escrocat, tras pe sfoară

Dreaded = de temut

Bailiff = inspector

Forgery

With the invention of money came *forgery*. Modern *counterfeit notes* can be extremely difficult *to spot* and new developments in the production of notes are soon *copied* by the *forgers*. Here's a quick guide to recognizing a *counterfeit Bank of England note*:

The feel of the paper: it should be *crisp* and slightly *rough* in the *heavily printed areas*.

The watermark: you shouldn't be able to notice it until you *hold the note up to the light*; then you can see a picture of the Queen.

The thread: all genuine notes have a thread *embedded* in the paper. Recent notes have a "*windowed*" *thread* which does not appear as a continuous line until the note is held up to the light.

Quality of printing: *pure, clear colours* and *sharp, well-defined lines*.

Spot = a identifica, a distinge

Crisp = fragil

Counterfeit notes = bancnote contrafăcute

Embedded = introdus

Forgers = falsificatori

IDIOMS

Hard Times

If you've *fallen on hard times*, you might tell people that you *need to watch your spending*, your *money* or your *pennies*. In the States, you might say that *you have to watch every dime*. Perhaps your bank account is *in the red*, so you decide to *control your spending* and *keep track of your expenses more closely*. This will certainly involve *cutting down on expenses* in general, *budgeting your money*, *tightening your belt* and *saving your pennies*.

Almost certainly you will have to *cut the frills* (unnecessary *expenditure*), *trim (reduce) the budget* and *go back to basics*. If *an unexpected expense* comes up that you have *to meet*, you might decide to *dip into your savings*, or *scrounge* the money somehow.

If, on the other hand, you *splash out* on something *extravagant*, you might *justify the expense* by telling people that *you've got enough saved up*, that you've *been saving for a rainy day* or that you're lucky enough to have *a nest egg* that you've finally decided to use.

Frills = fasoane, lucruri care nu sunt necesare

Scrounge = a șaprlî, a șterpeli
Splash out = a se arunca

MONEY VOCABULARY

- account** n. a record of money a person deposits into a bank
- ATM** n. Automatic Teller Machine aka Hole in the wall.
- balance** n. the difference between credits and debits in an account
- bank** n. a building in which commercial banking is transacted.
- bank charges** n. money paid to a bank for the bank's services etc
- banker's draft** n. a cheque drawn on the bank (or building society) itself against either a cash deposit or funds taken directly from your own bank account.
- barter** v. to trade without using money.
- borrow** v. to ask for the temporary use of money on the condition of repayment and at a set rate of interest.
- Branch** n. local office or bureau of a bank
- building society** n. A building society is like a bank, but it is owned by its members - savers and borrowers - and not by shareholders. Its traditional purpose was to lend money to individuals to purchase or remortgage their homes. This money used to come exclusively from individual saving members who are paid interest on their deposits. Now, an increasing proportion, but still a minority of the funds are raised on the commercial money markets.
- cashflow** n. cash earnings minus cash outflows for fixed- and working-capital investment.
- cashier** n. an employee of a bank or building society who receives and pays out money.
- chequebook** n. book containing detachable cheques
- cheque** n. written order to a bank to pay the stated sum from one's account
- counterfeit** n. fake money made in order to deceive - also v.
- credit** n. money in a bank a/c; sum added to a bank a/c; money lent by a bank - also v.
- credit card** n. (plastic) card from a bank authorising the purchasing of goods on credit
- currency** n. money that is used by a country such as the United Kingdom.
- current account** n. bank a/c from which money may be drawn at any time; checking account
US
- debit** n. a sum deducted from a bank account, as for a cheque - also v.
- debit card** n. you use a debit card in much the same way as a credit card but instead of receiving credit after making your purchase, the funds are automatically (within a few days usually) withdrawn from your bank account.
- debt** n. the state of owing something (especially money).

- denomination** n. a number that expresses the value of a coin or bill. A five pound note and a ten pound note represent two denominations.
- deposit** n. an amount of money placed with a bank
- deposit account** n. bank a/c on which interest is paid; savings account US.
- fill in** v. to add written information to a document to make it complete.
- foreign exchange** n. Used to describe the currency of other countries and the system for dealing in such currency (often shortened to Forex).
- interest** n. money paid for borrowing money, or money that a bank or building society pays a customer for putting money into their bank.
- interest rate** n. the percentage of an amount of money which is paid for the use of that money over a period of time.
- lend** v. to give the temporary use of money on the condition of repayment and at a set rate of interest.
- loan** n. money lent by a bank etc and that must be repaid with interest - also v.
- mortgage** n. most of us do not buy our homes outright for cash - instead we borrow money to do so.
- overdraft** n. deficit in a bank account caused by withdrawing more money than is paid in
- pay** v. To give (someone) money that is due for work done, goods received, or a debt incurred.
- pay** n. Money paid to someone for regular work. Also see salary.
- pay in** v. to deposit or put money in to a bank account
- payee** n. person to whom money is paid
- paying-in slip** n. small document recording money that you pay in to a bank account
- pence** n. more than one penny.
- pension** n. A regular payment made during a person's retirement (when they become too old to work) from an investment fund to which that person or their employer has contributed.
- salary** n. A fixed regular payment, typically paid on a monthly or biweekly basis made by an employer to an employee.
- standing order** n. an instruction to a bank to make regular payments
- statement** n. a record of transactions in a bank account
- withdraw** v. to take money out of a bank account
- withdrawal** n. the act of taking out money.

Vocabulary

There are ten gaps in the two statements which follow. According to the information in the previous text, decide where the following headings should appear:

Called-up share capital, cash in hand and at bank, corporation tax, debtors, depreciation, turnover, freehold properties, historical cost, net assets, overheads

The Arsenal Football Club PLC Profit and Loss Account for the Year Ended 31st May 1994

	1994	1993
	£	£
[1] (income from football and related activities: gate receipts, broadcasting, ground advertisements, prize money)	21,471,680	15,341,689
Costs and [2], less other income (costs include salaries, [3], auditors' remuneration, and lease payments; other income includes Interest Receivable)	(14,951,737)	(12,804,538)
Profit on Ordinary Activities before Transfer Fees	6,519,943	2,537,151
Transfer fees payable	(889,588)	(54,259)
Profit on Ordinary Activities before Taxation	5,630,355	2,482,892
Taxation	(1,596,226)	(750,000)
Profit after Taxation Retained for The Financial Year	4,034,129	1,732,892

Arsenal Football Club PLC – Balance Sheet 31st May 1994

	1994	1993
	£	£
Fixed Assets	28,478,922	18,982,931
(including [4], leasehold properties, plant and equipment, and motor vehicles; all recorded at [5] minus depreciation)		
Current Assets	9,607,592	7,991,088
Stocks; (including [6], Instalments on executive boxes); and [7]		
Creditors	(9,863,457)	(8,755,491)
Amounts falling due within one year (including [8] and social security)		
Total Assets less Current Liabilities	28,223,057	18,218,528
Long Term Liabilities		
Amounts falling due after more than One year (including debenture Subscriptions)	(17,893,500)	(11,923,100)
[9]	10,329,557	6,295,428
Capital and Reserves		
[10]	56,000	56,000
Share premium account	237,201	237,201
Building reserve	846,000	846,000
Profit and loss account (year's profit added to previous balance)	9,190,356	5,156,227
Shareholders' Funds	10,329,557	6,295,428

Banking and taxation - Vocabulary

Match up these terms with the definitions below.

Cash card, cash dispenser, credit card, home banking, loan, mortgage, overdraft, standing order, current account (GB) or checking account (US), deposit account (GB) or time or notice account (US)

1 an arrangement by which a customer can withdraw more from a bank account than has been deposited in it, up to an agreed limit; interest on the debt is calculated daily

2 a card which guarantees payment for goods and services purchased by the cardholder, who pays back the bank or finance company at a later date

3 a computerized machine that allows bank customers to withdraw money, check their balance, and so on

4 a fixed sum of money on which interest is paid, lent for a fixed period, and usually for a specific purpose

5 an instruction to a bank to pay fixed sums of money to certain people or organizations at stated times

6 a loan, usually to buy property, which serves as a security for the loan

7 a plastic card issued to bank customers for use in cash dispensers

8 doing banking transactions by telephone or from one's own personal computer, linked to the bank via a network

9 one that generally pays little or no interest, but allows the holder to withdraw his or her cash without any restrictions

10 one that pays interest, but usually cannot be used for paying cheques (GB) or checks (US), and on which notice is often required to withdraw money

Types of banks

Read the text below and write short headings (one or two words) for each paragraph

1

Commercial or retail banks are businesses that trade in money. They receive and hold deposits, pay money according to customers' instructions, lend money, offer investment advice, exchange foreign currencies, and so on. They make a profit from the difference (known as a spread or a margin) between the interest rates they pay to lenders or depositors and those they charge to borrowers. Banks also create credit, because the money they lend, from their

deposits, is generally spent (either on goods or services, or to settle debts), and in this way transferred to another bank account – often by way of a bank transfer or a cheque (check) rather than the use of notes or coins – from where it can be lent to another borrower, and so on. When lending money, bankers have to find a balance between yield and risk, and between liquidity and different maturities.

2

Merchant bank in Britain raise funds for industry on the various financial markets, finance international trade, issue and underwrite securities, deal with takeovers and mergers, and issue government bonds. They also generally offer stockbroking and portfolio management services to rich corporate and individual clients. Investment banks in the USA are similar, but they can only act as intermediaries offering advisory services, and do not offer loans themselves. Investment banks make their profits from the fees and commissions they charge for their services.

3

In the USA, the Glass-Steagall Act of 1934 enforced a strict separation between commercial banks and investment banks or stockbroking firms. Yet, the distinction between commercial and investment banking has become less clear in recent years. Deregulation in the USA and Britain is leading to the creation of ‘financial supermarkets’: conglomerates combining the services previously offered by banks, stockbrokers, insurance companies, and so on. In some European countries (notably Germany, Austria and Switzerland) there have always been universal banks combining deposit and loan banking with share and bond dealing and investment services.

4.....

A country’s minimum interest rate is usually fixed by the central bank. This is the discount rate, at which the central bank makes secured loans to commercial banks. Banks lend to blue chip borrowers (very safe large companies) at the base rate or the prime rate; all other borrowers pay more, depending on their credit standing (or credit rating, or creditworthiness): the lender’s estimation of their present and future solvency. Borrowers can usually get a lower interest rate if the loan is secured or guaranteed by some kind of asset, known as collateral.

5

In most financial centres, there are also branches of lots of foreign banks, largely doing Eurocurrency business. A Eurocurrency is any currency held outside its country of origin. The first significant Eurocurrency market was for US dollars in Europe, but the name is now used for foreign currencies held anywhere in the world (e.g. yen in the US, DM in Japan). Since the US\$ is the world's most important trading currency – and because the US has for many years had a huge trade deficit – there is a market of many billions of Eurodollars, including the oil-exporting countries' 'petrodollars'. Although a central bank can determine the minimum lending rate for its national currency it has no control over foreign currencies. Furthermore, banks are not obliged to deposit any of their Eurocurrency assets at 0% interest with the central bank, which means that they can usually offer better rates to borrowers and depositors than in the home country.

Commercial / retail bank – bancă comercială / bancă de depozit

Merchant bank / Investment bank – bancă comercială / de investiții

Vocabulary

a. Find the words or expressions in the text which mean the following.

- 1 to place money in a bank; or money placed in a bank
- 2 the money used in countries other than one's own
- 3 how much money a loan pays, expressed as percentage
- 4 available cash, and how easily other assets can be turned into cash
- 5 the date when a loan becomes repayable
- 6 to guarantee to buy all the new shares that a company issues, if they cannot be sold to the public
- 7 when a company buys or acquires another one
- 8 when a company combines with another one
- 9 buying and selling stocks or shares for clients
- 10 taking care of all a client's investments
- 11 the ending or relaxing of legal restrictions
- 12 a group of companies, operating in different fields, that have joined together
- 13 a company considered to be without risk
- 14 ability to pay liabilities when they become due
- 15 anything that acts as a security or a guarantee for a loan

b. The text contains a number of common verb-noun partnerships (e.g. to lend money, to finance international trade). Match up the verbs and nouns below to make common collocations.

Charge	device	Offer	funds
Do	bonds	Pay	interest
Exchange	business	Raise	loans
Issue	currencies	Receive	profits
Make	deposits	Underwrite	security issues

Opening an account and means of payment

At the Bank – Opening an account

Mr. X – I would like to open an account with you.

Bank Clerk – Very well, sir. Here is a form you'll have to fill in.

Mr. X – There may be a problem. You see, I'm a foreign resident.

Bank Clerk – This is quite all right, sir. Quite a large number of our clients are foreigners. Do you want to open a current account or a deposit account?

Mr. X – Well, I'm going to stay and work here for a while, and I'd like my salary to be paid into my account. But I don't want to have to give notice before I can withdraw money.

Bank Clerk – It's obviously a current account you need.

Mr. X – How long will take to open an account?

Bank Clerk – Doesn't take long, sir. Let me see... Today is Thursday, if you can complete this form today, your cheque-book will be ready for you on Tuesday.

Mr. X – Fine. So, my salary could be paid in at the end of the month.

Bank Clerk – No doubt, sir.

Mr. X – There are two questions I'd like to ask. Will this be the only place where I can cash a cheque?

Bank Clerk – Oh, no, sir. You can have them cashed at any of our branches.

Mr. X – Good. And what about statements of account? How frequently does one get them?

Bank Clerk – Normally, once a month. But we shall send one out after each transaction if you want us to.

General Information:

When do/are you open?

How late do you stay open?/ When do you close?

What are your opening hours?

In the US: Does this bank have an ATM (Automatic Teller Machine –*bancomat*)

In the UK: Do you have a cash point/dispenser?

The ATM ate/kept my card.

The cash dispenser won't give me my card back.

If you want to use bank services you may have to queue (UK) or stand in line (US) and wait for the next available teller (US) – or clerk (UK): When their desk is free, a light will come on:

Next, please./ Please step down (US)./ I'm open over/down here.

Queue / stand in line = a sta la coadă

Teller / clerk = funcționar la ghișeu

You can then tell him or her what you want:

I want/need/would like to cash a check.

I'd like to cash these travelers checks, please.

Can you change a ten-pound note, please?

I'd like ten dollars' worth of quarters, please.

I need a roll of quarters.

If you have an account there:/ I'd like to make a deposit.

I'd like to withdraw some money from my account./ I'd like to make a withdrawal.

If you want to withdraw some money from abroad:

I'd like to transfer some money from an overseas bank account.

Before the clerk gives you any money, she/he will ask:

How would you like that?

Any preference?

Large or small bills (US) notes (UK)?

Your reply:

It doesn't matter (which denomination)

All twenties, please.

Just tens and twenties, please.

Five, tens and three fives, please.

No small bills/notes, please.

If you want to transfer some money, the clerk will say:

Are you a customer here?

First of all, I need some ID, please.

May I see some identification?

Do you have a bank card with you?

I'd like the name and address of your bank, your account number and your sorting code, please.

Please fill in this form.

I'm afraid you'll have to go to the enquiries desk (*biroul de informații*).

Or, if you're cashing a check:

Could you endorse this (sign it on the back), please.

Perhaps you're withdrawing money with a credit card:

Enter your PIN number, please (PIN: Personal Identification Number).

If you have foreign currency:

Do you handle foreign exchange here?

Is there a foreign exchange desk?

I'd like to change/buy some foreign currency.

What's the current exchange rate, please?

How many marks to the dollar, please?

And the reply:

The exchange rate is 1,5 marks to the dollar.

I'm afraid the rate has gone up today.

You might want to know:

Do I have to pay bank charges (*comision*) on top of that?

Is that inclusive of commission?

Are there any additional expenses?

What commission do you charge?

Maybe you're staying in an Anglophone country for more than a year and you want to open a bank account there:

I'd like to open a deposit/checking/ savings account, please.

I'd like to apply for a loan.

I'd like to get a safety deposit box (*safe de depuneri*).

What's the interest rate on this account?

Could you explain the service charges on this account?

Could I have a new checkbook, please?

I'd like to apply for a bank/cheque/credit/cash card, please.

Means of payment.

I'd just had a phone call from the bank. They couldn't cash in D's cheque. They were told there were insufficient funds on his account.

I'm surprised. That would be the first time. Can you remind me of the amount?

It's not a large sum: only 135 pounds.

This is all the more surprising. He is not the kind of person to overdraw his account. What sort of a cheque did he make out?

I'm looking into his file... Now... It was a giro cheque. Usually he pays us by bank cheque for small amounts, and by draft for large sums.

It makes more sense. Just give him a ring, will you? I'm sure he'll settle immediately.

I'll do that. Something else. I've had very bad information about B, you know, the reseller (*vânzător*) who wanted immediate delivery.

I see who you mean. It's his first order with us?

That's it. He's already had a current account cancelled and has a reputation for being a slow payer.

If so, insist on payment with the order (*plata la comandă*). Delivery is out of the question until the sum has been paid into our account.

Well, I think that's all. Oh yes! One more thing, the drafts to be discounted...

Means of payment. Key sentences.

His account is overdrawn (in the red).

Cecul său este descoperit.

The settlement is long overdue.

Plata ar fi trebuit să fie făcută demult.

What's his current account number?

Care este numărul contului său curent?

Charge it to my account.

Scoateți suma din contul meu.

Settle the amount by money order if you find it more convenient.

Plățiți suma prin mandat poștal dacă considerați că este mai practic.

The cheque was made out to his order.

Cecul era făcut la ordinul său.

He intends to open a deposit account at one of our branches.

El are intenția să deschidă un cont pentru depuneri la una din sucursalele noastre.

I think I remember it was a bearer cheque.

Cred că îmi amintesc, era un cec la purtător.

Normally, that payment-in ought to have been recorded on my last statement of account.

Normal, acea plată (vărsământ) ar trebuie să figureze pe ultimul meu extras de cont.

For sight withdrawals, you simply have to go to counter no.3

Pentru retragerile la vedere, ajunge să mergeți la ghișeul nr.3

She will pay us by instalments over six months.

Ea ne va plăti în rate eşalonate pe șase luni.

I have kept the stub (counterfoil) of the cheque which I issued on March 6th.

Am păstrat talonul cecului pe care l-am emis pe 6 martie.

The holder of the credit card must inform our nearest office in case of loss or theft.

Titularul cărții de credit trebuie să informeze imediat biroul nostru cel mai apropiat în caz de pierdere sau de furt.

Thanks to your credit card, you may rent a car without leaving a deposit.

Datorită cărții dumneavoastră de credit veți putea închiria o mașină fără să lăsați o garanție.

How is it that this cheque has not been endorsed?

Cum se face că acest cec nu a fost andosat?

I suppose you'd rather be paid in cash?

Presupun că preferați să fiți plătiți cu bani gheață.

The draft will fall due at the end of the month.

Trata ajunge la scadență la sfârșitul lunii.

Why haven't you presented this draft for acceptance yet?

De ce nu ați prezentat încă această trată la acceptare?

How long will it take to have the sum transferred to my account?

Cât durează să virați suma în contul meu?

It has been rejected for non-conformity of the signature (because the signature was not true).

El a fost refuzat din cauza nepotrivirii semnăturii (din cauză că semnătura nu era cea adevărată).

This is not the first time he has issued bad cheques (dud checks; cheques that bounce).

Nu este prima dată când el emite cecuri fără acoperire.

Banking – Key words and sentences

The banks have played a prominent role in the development of modern economy since the very beginning of commercial activities. Their branches have become a familiar sight on many city streets, but also in villages, as more and more people now “bank” with any one of the national or local banks.

Banks offer their services both to private individuals and to businesses. One can open a current account or a deposit account with them. The former will enable a person to use a cheque for payment instead of hard cash, whereas the latter will bring a small interest. People can ask their bank to pay recurring expenses for them, such as subscription, rents, telephone, gas or electrical bills. Valuables or deeds can be left in custody in a bank safe on payment of certain charge. The bank will obtain foreign currencies, issue traveller’s cheques and letter of credit payable at their branches or at correspondent banks.

Besides, banks will operate transactions on the stock exchange for you and give advice on investments. They also lend money, generally on a short term basis: thus they can allow overdraft facilities or personal loans; if your credit rating is good and if you can offer some sort of security, they may consider longer term credit. Most of this applies to business discounting of their bills – Bills of Exchange (drafts), or even Promissory Notes. In the field of foreign trade, the banks can help by financing or advising their clients. They can be referred to by either party for status enquiries in business transactions.

Recurring expenses = cheltuieli recurente

Valuables / deeds = acte, valori

Overdraft = cont debitor, descoperire de cont

Be referred to = a fi îndrumat

Definition

A cheque is signed by the payer and payable to the payee or to his order. **A draft (or bill of exchange)** is drawn by the creditor on the debtor and payable to the drawer or to a third party after acceptance by the drawee.

Un cec este semnat de plătitor și se plătește beneficiarului sau la ordinul său. O trată este trasă de creditor asupra debitorului și se plătește trăgătorului sau unei terțe părți după acceptare de către tras.

Bank. Key sentences.

1. An interest is charged on all banks services.

Se percepe dobândă pentru toate serviciile bancare.

2. You had better ask for an overdraft before your account is overdrawn (in red).

Ar fi bine să cereți un descoperit înainte de a vi se epuiza contul.

3. I always deposit my valuables and my wife's jewels in a bank safe before leaving for a long holiday.

Depun întotdeauna obiectele mele de valoare și bijuteriile soției la o bancă înainte de a pleca într-o vacanță de lungă durată.

4. Where can I cash this cheque (check – U.S.)?

Unde pot încasa acest cec?

5. Remember to record all withdrawals on counterfoils (U.S. – stubs) in your cheque-book.

Nu uitați să înregistrați toate retragerile pe talonul carnetului dumneavoastră de cecuri.

6. They offered me to refund a 2,000 personal loan over a 30-month period.

Ei mi-au propus să rambursez un împrumut personal de 2.000 de lire în treizeci de rate lunare.

7. When writing out or endorsing a cheque, one must be careful to avoid any erasure.

Când se redactează sau se andosează un cec, trebuie să se evite orice ștersătură.

8. She made out so many dud (bad) cheques that no bank will trust her with a cheque-book.

Ea a întocmit atâtea cecuri fără acoperire, încât nici o bancă nu-I va mai încredința un carnet de cecuri.

9. Don't forget to have these bills discounted by the end of this month.

Nu uitați să scontați aceste efecte la sfârșitul lunii.

10. Recently a trader sued his banker after he could no longer have his bills discounted.

Recent, un comerciant a intentat un proces băncii sale după ce nu mai avut posibilitatea să-și sconteze efectele de comerț.

11. The clearing-house will centralize all the operations dealing with the exchange of bills and cheques between banks.

Camera de decontări/oficiul de cliring va centraliza toate operațiunile care se referă la schimbul interbancar de efecte de comerț și cecuri.

12. The U.S. investment banks have just raised their prime rate by $\frac{1}{4}$ point to 6,75%.

Băncile de investiții americane tocmai au crescut rata de bază (a dobânzii) la 6,75% mărirind-o cu un sfert de punct.

13. The increase in the price of short-term money has been confirmed whereas longer term rates remain stable.

S-a confirmat creșterea prețului pentru împrumuturile pe termen scurt, în timp ce ratele (dobânzii) pe termen lung rămân stabile.

14. The Prime Rate (fine rate, blue-chip rate, [B.E.] base rate) is the rate granted by U.S. banks to their clients with the highest rating.

Rata de bază reprezintă rata acordată de băncile americane clienților care prezintă cel mai mic risc.

15. The spell of monetary stability has lasted since the beginning of the year.

Această perioadă de stabilitate monetară durează de la începutul anului.

16. The policy of expensive money is meant to fight inflation.

Politica dirijată împotriva creșterii prețurilor este destinată combaterii inflației.

17. ...but it has immediate repercussions on corporate income statements.

...dar acest lucru are repercursiuni imediate asupra conturilor de venit și pierderi ale întreprinderilor.

18. The Central Bank acts as banker to the government and to other banks, and as the central note-issuing authority.

Banca centrală funcționează în calitate de bancher pentru guvern și alte bănci și ca autoritate centrală de emisiune monetară.

Banking. Key sentences.

1. I'd like to change French francs into pounds.

Aș vrea să schimb franci francezi în lire.

2. Your account is in the red (overdrawn).

Contul Dumneavoastră este epuizat.

3. Should I (must I) endorse the cheque?

Trebuie să andosez cecul?

4. He has opened a giro account.

El a deschis un cont-cec poștal.

5. My salary is paid into my account every month.

Salariul meu este vărsat în contul meu în fiecare lună.

6. The holders of such deposit accounts must give seven day's notice before withdrawal.

Deținătorii de astfel de conturi de depuneri trebuie să înștiințeze (banca) cu șapte zile înainte pentru a-și retrage banii.

7. Savings accounts earn an interest.

Conturile de economii aduc o dobândă.

8. The last withdrawal dates back to the 27th of last month.

Ultima retragere este din 27 luna trecută.

9. He wanted me to make out a blank cheque.

El voia să facă un cec în alb.

10. I'm not sure I kept the stub.

Nu sunt sigur că am păstrat talonul.

11. Why not endorse the cheque to his (her) name?

De ce să nu andosez cecul pe numele lui (ei)?

12. My bank will lend me part of the sum.

Banca mea o să-mi dea cu împrumut o parte din sumă.

13. He will find it hard to repay his loan.

Îi va fi greu să ramburseze împrumutul.

14. Why has his (her) overdraft been discontinued ?

De ce nu i s-a mai dat descoperitul?

15. He should not have borrowed so much.

Nu ar fi trebuit ca el să împrumute atât.

16. This is the 5th bad cheque (dud cheque) we've had this month.

Este al cincilea cec fără acoperire care mi se dă luna aceasta.

17. Please go to counter 6.

Vă rog să mergeți la ghișeul 6.

18. Please give me the rest in 5-pounds notes.

Dați-mi restul în hârtii (bancnote) de 5 lire.

19. The statement has still not reached me.

Extrasul (de cont) nu a ajuns încă la mine. (nu mi-a parvenit încă)

20. I have to (I must) replenish my account.

Trebuie să-mi reprovizionez contul.

21. She hasn't drawn on her account for 3 weeks.

Ea nu a mai scos din contul său de trei săptămâni.

Taxation and how to avoid it - Vocabulary**Which terms do the following sentences define?**

1. The tax people pay on their wages and salaries is called

Capital transfer *tax income* *tax wealth tax*

2. A tax on wages and salaries or on company profits is a/an

Direct tax *indirect tax* *value-added tax*

3. A tax levied at a higher rate on higher incomes is called a

Progressive tax *regressive tax* *wealth tax*

4. A tax paid on property, sales transactions, imports, and so on is a/an

Direct tax *indirect tax* *value-added tax*

5. A tax collected at each stage of production, excluding the already taxed costs from previous stages, is called a/an

Added-value tax *sales tax* *value-added tax*

6. Profits made by selling assets are generally liable to a

Capital gains tax *capital transfer tax* *wealth tax*

7. Gifts and inheritances over a certain value are often liable to a

Capital gains tax *capital transfer tax* *wealth tax*

8. The annual tax imposed on people's fortunes (in some countries) is a/an

Added-value tax *capital gains tax* *wealth tax*

9. Making false declarations to the tax authorities is called

Fiscal policy *tax avoidance* *tax evasion*

10. Reducing the amount of tax you pay to a legal minimum is called

Creative accounting *tax avoidance* *tax evasion*

Income tax – impozit pe venit
Wealth tax – impozit pe avere
Direct tax – impozit direct
Indirect tax – impozit indirect
Progressive tax – impozit progresiv
Regressive tax – impozit regresiv
Value-added tax – TVA
Sales tax – impozit pe vânzări
Capital gains tax – impozit pe plusul de capital
Capital transfer tax – impozit pe transferul de capital
Fiscal policy – politică fiscală
Tax avoidance – evitare fiscală
Tax evasion – evaziune fiscală
Tax – taxă, impozit
Taxation – impozit, impozitare
Tax shelter – protecție fiscală
Tax haven – paradis fiscal
Tax-deductible – deductibil fiscal
Excise duties – accize, impozit de fabricare

Reading

Read the following text and decide which paragraphs could be given the following headings.

- Advantages and disadvantages of different tax systems
- Avoiding tax on profits
- Avoiding tax on salaries
- Tax evasion
- The functions of taxation

Taxation (and how to avoid it!)

The primary function of taxation is, of course, to raise revenue to finance government expenditure, but taxes can also have other purposes. Indirect excise duties, for example, can be designed to dissuade (*a preveni, a schimba părerea*) people from smoking, drinking alcohol, and so on. Governments can also encourage capital investment by permitting various methods of accelerated depreciation accounting that allow companies to deduct more of the cost of investments from their profits, and consequently reduce their tax bills.

There is always a lot of debate as to the fairness of tax systems. Business profits for example, are generally taxed twice: companies pay tax on their profits (corporation tax in Britain, income tax in the USA), and shareholders pay income tax on dividends. Income taxes in most countries are progressive, and are one of the ways in which governments can redistribute wealth. The problem with progressive taxes is that the marginal rate – the tax people pay on any additional income – is always high, which is generally a disincentive to both working and investing. On the other hand, most sales taxes are slightly regressive, because poorer people need to spend a larger proportion of their income on consumption than the rich.

The higher the tax rates, the more people are tempted to cheat but there is a substantial ‘black’ or ‘underground’ economy nearly everywhere. In Italy, for example, self-employed people – whose income is more difficult to control than that of company employees – account for more than half of national income. Lots of people also have undeclared, part-time evening jobs (some people call this ‘moonlighting’) with small and medium-sized family firms, on which no one pays any tax or national insurance. At the end of the 1986, the Director of the Italian National Institute of Statistics calculated the size of the underground economy, and added 16.7% to Italy’s gross national product (GNP) figure, and then claimed that Italy had overtaken Britain to become the world’s fifth largest economy.

To reduce income tax liability, some employers give highlypaid employees lots of ‘perks’ (short for perquisites) instead of taxable money, such as company cars, free health insurance, and subsidized lunches. Legal ways of avoiding tax, such as these, are known as loopholes in tax laws. Life insurance policies, pension plans and other investments by which individuals can postpone the payment of tax, are known as tax shelters. Donations to charities that can be subtracted from the income on which tax is calculated are described as taxdeductible.

Companies have a variety of ways of avoiding tax on profits. They can bring forward capital expenditure (on new factories, machines, and so on) so that at the end of the year all the profits have been used up; this is known as making a tax loss. Multinational companies often set up their head offices in countries such as Liechtenstein, Monaco, the Cayman Islands, and the Bahamas, where taxes are low; such countries are known as tax havens. Criminal organizations, meanwhile, tend to pass money through a series of companies in very complicated transactions in order to disguise its origin from tax inspectors – and the police; this is known as laundering money.

Comprehension

According to the text, are the following statements True or False?

- 1 Taxes can be designed both to discourage and to encourage spending.
- 2 The same amount of money can be taxed more than once.
- 3 Progressive taxes may discourage people from working extra hours.
- 4 Sales taxes are unfair because poor people spend more than the rich do.
- 5 The Italian government knows that about one seventh of national income escapes taxation.
6. 'Loopholes' are a common form of tax evasion.
7. If you pay a lot of your income into a pension fund or a life insurance policy you never have to pay tax on it.
- 8 A company that makes an unusually large profit during a tax year might quickly decide to spend it, for example, on a new factory or equipment.

Vocabulary

Find words in the text that mean the following.

- 1 reducing the value of a fixed asset, by charging it against profits
- 2 something which discourages an action
- 3 an adjective describing a tax that is proportionally higher for people with less money
- 4 spending money to buy things, rather than saving it
- 5 working for yourself, being your own boss
- 6 a tax on incomes that pays for sickness benefit, unemployment benefit, and old-age pensions
7. non-financial benefits or advantages of a job
- 8 a way to delay the payment of tax to a later time
- 9 an adjective describing expenditure that can be taken away from taxable income or profits
- 10 a country offering very low tax rates to foreign businesses

15 International trade

International trade is the exchange of capital, goods, and services across international borders or territories. In most countries, such trade represents a significant share of gross domestic product (GDP). While international trade has existed throughout history (for example Uttarapatha, Silk Road, Amber Road, scramble for Africa, Atlantic slave trade, salt roads), its economic, social, and political importance has been on the rise in recent centuries.

Trading globally gives consumers and countries the opportunity to be exposed to new markets and products. Almost every kind of product can be found in the international market: food, clothes, spare parts, oil, jewelry, wine, stocks, currencies, and water. Services are also traded: tourism, banking, consulting, and transportation. A product that is sold to the global market is an export, and a product that is bought from the global market is an import. Imports and exports are accounted for in a country's current account in the balance of payments

Industrialization, advanced technology, including transportation, globalization, multinational corporations, and outsourcing are all having a major impact on the international trade system. Increasing international trade is crucial to the continuance of globalization. Nations would be limited to the goods and services produced within their own borders without international trade. International trade is, in principle, not different from domestic trade as the motivation and the behavior of parties involved in a trade do not change fundamentally regardless of whether trade is across a border or not. The main difference is that international trade is typically more costly than domestic trade. This is due to the fact that a border typically imposes additional costs such as tariffs, time costs due to border delays, and costs associated with country differences such as language, the legal system, or culture.

Another difference between domestic and **international trade** is that factors of production such as capital and labor are typically more mobile within a country than across countries. Thus, international trade is mostly restricted to trade in goods and services, and only to a lesser extent to trade in capital, labour, or other factors of production. Trade in goods and services can serve as a substitute for trade in factors of production. Instead of importing a factor of production, a country can import goods that make intensive use of that factor of production and thus embody it. An example of this is the import of labor-intensive goods by the United States from China. Instead of importing Chinese labor, the United States imports goods that were produced with Chinese labor. One report in 2010 suggested that international trade was increased when a country hosted a network of immigrants, but the trade effect was weakened when the immigrants became assimilated into their new country.

The **history of international trade** chronicles notable events that have affected the trade between various countries.

In the era before the rise of the nation state, the term 'international' trade cannot be literally applied, but simply means trade over long distances; the sort of movement in goods which would represent international trade in the modern world.

In the 21st century, China, the European Union and the United States are the three largest trading markets in the world.

Ancient

- Records from the 19th century BCE attest to the existence of an Assyrian merchant colony at Kanesh in Cappadocia.
- The domestication of camel allows Arabian nomads to control long distance trade in spices and silk from the Far East.^[3]
- The Egyptians trade in the Red sea, importing spices from the "Land of Punt" and from Arabia
- Indian goods are brought in Arabian vessels to Aden.
- The "ships of Tarshish", a Tyrian fleet equipped at Ezion Geber, make several trading voyages to the East bringing back gold, silver, ivory and precious stones.
- Tiglath-Pileser III attacks Gaza in order to control trade along the Incense Route.
- The Greek Ptolemaic dynasty exploits trading opportunities with India prior to the Roman involvement.
- The cargo from the India and Egypt trade is shipped to Aden.

Roman trade with India according to the Periplus Maris Erythraei, 1st century CE.

- The Silk Road is established after the diplomatic travels of the Han Dynasty Chinese envoy Zhang Qian to Central Asia, with Chinese goods making their way to India, Persia, and the Roman Empire, and vice versa.
- With the establishment of Roman Egypt, the Romans initiate trade with India.
- The goods from the East African trade are landed at one of the three main Roman ports, Arsinoe, Berenice or Myos Hormos.
- Myos Hormos and Berenice (rose to prominence during the 1st century BCE) appear to have been important ancient trading ports.
- Gerrha controls the Incense trade routes across Arabia to the Mediterranean and exercises control over the trading of aromatics to Babylon in the 1st century BC. Additionally, it served as a port of entry for goods shipped from India to the East.
- Due to its prominent position in the incense trade, Yemen attracts settlers from the fertile crescent.

The economy of the Kingdom of Qataban (light blue) was based on the cultivation and trade of spices and aromatics including frankincense and myrrh. These were exported to the Mediterranean, India and Abyssinia where they were greatly prized by many cultures, using camels on routes through Arabia, and to India by sea.

- Pre-Islamic Meccans use the old Incense Route to benefit from the heavy Roman demand for luxury goods.
- In Java and Borneo, the introduction of Indian culture creates a demand for aromatics. These trading outposts later serve the Chinese and Arab markets.
- Following the demise of the incense trade Yemen takes to the export of coffee via the Red Sea port of *al-Mocha*.

Middle Ages

- The **Abbasids** use **Alexandria**, **Damietta**, **Aden** and **Siraf** as entry ports to India and China.
- At the eastern terminus of the **Silk Road**, the **Tang Dynasty** Chinese capital at **Chang'an** becomes a major metropolitan center for foreign trade, travel, and residence. This role would be assumed by **Kaifeng** and **Hangzhou** during the **Song Dynasty**.
- **Guangzhou** was China's greatest international seaport during the **Tang Dynasty** (618–907), but its importance was eclipsed by the international seaport of **Quanzhou** during the **Song Dynasty** (960–1279).
- Merchants arriving from India in the port city of Aden pay tribute in form of **musk**, **camphor**, **ambergris** and **sandalwood** to **Ibn Ziyad**, the **sultan** of Yemen.
- Indian exports of spices find mention in the works of **Ibn Khurdadbeh** (850), **al-Ghafiqi** (1150), **Ishak bin Imaran** (907) and **Al Kalkashandi** (14th century).
- The **Hanseatic League** secures trading privileges and market rights in England for goods from the League's trading cities in 1157.

Early modern

This figure illustrates the path of **Vasco da Gama** heading for the first time to India (black) as well as the trips of **Pêro da Covilhã**(orange) and **Afonso de Paiva**(blue). The path common to both is the green line.

- Due to the **Turkish** hold on the **Levant** during the second half of the 15th century the traditional **Spice Route** shifts from the **Persian Gulf** to the Red Sea.
- In 1492 a Spanish expedition commanded by **Christopher Columbus** arrive in America.
- Portuguese diplomat **Pero da Covilha** (1460 – after 1526) undertakes a mission to explore the trade routes of the Near East and the adjoining regions of Asia and Africa. The exploration commenced from **Santarém** (1487) to **Barcelona**, **Naples**, **Alexandria**, **Cairo** and ultimately to India.
- Portuguese explorer and adventurer **Vasco da Gama** is credited with establishing another sea route from Europe to India.
- In the 1530s, the Portuguese ship spices to **Hormuz**.
- Japan introduced a system of foreign trade licenses to prevent smuggling and **piracy** in 1592.
- The first Dutch expedition left from **Amsterdam** (April 1595) for **South East Asia**.
- A Dutch convoy sailed in 1598 and returned one year later with 600,000 pounds of spices and other **East Indian** products.
- The **Dutch East India Company** is formed in 1602.
- The first English outpost in the **East Indies** is established in Sumatra in 1685.
- Japan introduces the closed door policy regarding trade(Japan was sealed off to foreigners and only very selective trading to the Dutch and Chinese was allowed) 1639.

- The 17th century saw military disturbances around the **Ottawa** river trade route.^[19] During the late 18th century, the French built military forts at strategic locations along the main trade routes of Canada. These forts checked the British advances, served as trading posts which included the **Native Americans** in **fur** trade and acted as communications posts.

- In 1799, The Dutch East India company, formerly the world's largest company goes bankrupt, partly due to the rise of competitive **free trade**.

Later modern.

- Japan is served by the Portuguese from **Macao** and later by the Dutch.^[17]
- Despite the late entry of the **United States** into the spice trade, merchants from **Salem, Massachusetts** trade profitably with Sumatra during the early years of the 19th century.

- In 1815, the first commercial shipment of nutmegs from **Sumatra** arrived in Europe.

- **Grenada** becomes involved in the spice trade.

- The **Siamese-American Treaty of 1833** calls for free trade, except for export of rice and import of munitions of war.

- **Opium War** (1840) – Britain invades China to overturn the Chinese ban on opium imports.

- Britain unilaterally adopts a policy of free trade and abolishes the **Corn Laws** in 1846.

- The first international free trade agreement, the **Cobden-Chevalier Treaty**, is finalised in 1860 between the United Kingdom and France, prepared by **Richard Cobden** and **Michel Chevalier**; it sparks off successive agreements between other countries in Europe.

- The Japanese Meiji Restoration (1868) leads the way to Japan opening its borders and quickly industrialising through free trade. Under bilateral treaties restraint of trade imports to Japan were forbidden.

- In 1873, the Wiener Börse slump signals the start of the continental **Long Depression**, during which support for protectionism grows.

Post-World War II

- In 1946, the **Bretton Woods system** goes into effect; it had been planned since 1944 as an international economic structure to prevent further **depressions** and wars. It included institutions and rules intended to prevent national **trade barriers** being erected, as the lack of free trade was considered by many to have been a principal cause of war.

- In 1947, 23 countries agree to the **General Agreement on Tariffs and Trade** to rationalize trade among the nations.

- In Europe, six countries form the **European Coal and Steel Community (ECSC)** in 1951, the first international organisation to be based on the principles of **supranationalism**.

- The **European Economic Community (EEC)** is established by the **Inner Six** European countries with a **common commercial policy** in 1958.

- The **European Free Trade Association (EFTA)** is established in 1960 as a **trade bloc**-alternative by the **Outer Seven** European countries who did not join the EEC.
- Four important ISO (**International Organization for Standardization**) recommendations standardized containerization globally:
 - January 1968: **R-668** defined the terminology, dimensions and ratings
 - July 1968: **R-790** defined the identification markings
 - January 1970: **R-1161** made recommendations about corner fittings
 - October 1970: **R-1897** set out the minimum internal dimensions of general purpose freight containers
- The Zangger Committee is formed in 1971 to advise on the interpretation of nuclear goods in relation to international trade and the **Nuclear Non-Proliferation Treaty (NPT)**.
- 16 October 1973: **OPEC** raises the **Saudi** light crude export price, and mandate an export cut the next day, plus an **Embargo** on oil exports to nations allied with **Israel** in the course of the **Yom Kippur War**. (also see **Oil crisis**)
- The **Nuclear Suppliers Group (NSG)** was created in 1974 to moderate international trade in nuclear related goods, after the explosion of a nuclear device by a non-nuclear weapon State.
- The breakdown of the **Soviet Union** leads to a reclassification of within-country trade to international trade, which has a small effect on the rise of international trade.
- After expanding its membership to 12 countries, the European Economic Community becomes the **European Union (EU)** on 1 November 1993
- 1 January 1994: The **European Economic Area (EEA)** is formed to provide for the **free movement** of persons, goods, services and capital within the **internal market** of the European Union as well as three of the four member states of the European Free Trade Association.
- 1 January 1994: the **North American Free Trade Agreement (NAFTA)** takes effect.
- 1 January 1995: **World Trade Organization** is created to facilitate free trade, by mandating mutual **most favored nation** trading status between all signatories.
- 1 January 2002: Twelve countries of the European Union launch the **Euro zone** (euro in cash), which instantly becomes the second most used currency in the world.
- 2008-2009 : during the **Great Trade Collapse**, a drop of world GDP of 1% surprisingly caused a drop of international trade of 10%.