



UNIT 3

FURTHER PRACTICE



3.3.1. Match these terms related to shares (1-8) with their definitions (a-h)

A

1. Authorized share capital
2. Dividend
3. Issued share capital
4. Ordinary share
5. Pre-emption rights
6. Preference share
7. Rights issue
8. Subscriber

B

- a. someone who agree to buy shares or other securities
- b. offer of additional shares to existing shareholders, in proportion to their holdings, to raise money for the company
- c. type of share in a company that entitles the shareholder to voting rights and dividends
- d. entitlement entailing that, when new shares are issued, these must first be offered to existing shareholders in proportion to their existing holdings.
- e. maximum number of shares that a company can issue, as specified in the firm's memorandum of association
- f. proportion of authorized capital which has been issued to shareholders in the form of shares
- g. type of share that gives rights of priority as to dividends, as well as priority over other shareholders in a company's winding-up
- h. part of a company's profits paid to shareholders

3.3.2. Underline the words (1-5) in the text. Then match them with their synonyms (a-e)

1. term _____
2. to entail _____
3. to waive _____
4. to typify _____
5. to recover _____

- a. to be an example of
- b. to give up
- c. name
- d. to regain
- e. to involve



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3.3.3. Place a tick (✓) in the correct column. The first one is done for you.

	Ordinary shares	Preference shares
1. bear the highest risks	✓	
2. shareholders are repaid the par value of shares ahead of ordinary shareholders if the company wound up		
3. usually no voting rights		
4. standard shares with voting rights		
5. potential to give the highest financial gains		
6. have a fixed dividend		
7. shareholders have no rights to receive an increased dividend based on increased business profits		
8. shareholders are the last to be paid if the company is wound up.		

THE END!