29 STOCKS AND SHARES 1, p.65

29.1 Match the words in the box with the definitions below.

bankrupt	**prospectus**
going public	**ordinary shares**
flotation	**preference shares**
investors	**stock exchange**
liquidation	**to underwrite**

1. _____: a document describing a company and offering stocks for sale
2. _____: a market on which companies' stocks are traded
3. _____: buyers of stocks
4. _____: changing from a private company to a public one, quoted on a stock exchange
5. _____: the first sale of a company's stocks to the public
6. _____: to guarantee to buy newly issued shares if no one else does
7. _____: shares that pay a guaranteed dividend
8. _____: the most common form of shares
9. _____: insolvent, unable to pay debts
10. _____: the sale of the assets of a failed company

29.2 Are the following statements TRUE or FALSE? Write ONLY ONE LETTER – T or F – in the gap on the left.

____ 1. New companies can apply to join a stock exchange.

____ 2. Investment banks sometimes have to buy some of the stock in an IPO.

____ 3. The due diligence report is produced by the company's own accountants.

____ 4. The dividend paid on preference shares is variable.

____ 5. If a company goes bankrupt, the first investors to get any money back are the holders of preference shares.

29.3 Make word combinations using a word or phrase from each box. Then use the correct forms of the word combinations to complete the sentences below.

offer	**an issue**
go	**a prospectus**
produce	**shares**
underwrite	**public**

After three very profitable years, the company is planning to (1) _____ (2) _____ and we're (3) _____ 100,000 (4) _____ for sale. We've (5) _____ a very attractive (6) _____, and although a leading investment bank is (7) _____ the (8) _____, we don't think they'll have to buy any of the shares.

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