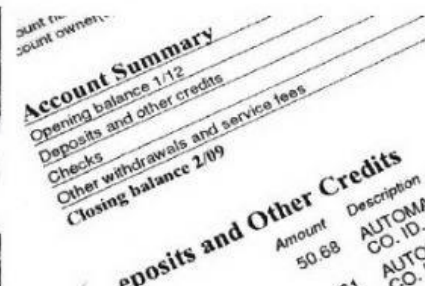


7 Business management

AIMS: Vocabulary related to money • Understanding the function of paragraphs • Matching information

Part 1: Vocabulary



1 Match the words to their definitions.

- | | |
|-------------------|--|
| 1 withdrawal | a if you have this, you have spent more money than you have in your bank account, and so you owe the bank money |
| 2 pension | b an amount of money that you take from your bank account |
| 3 pay slip | c a sum of money that you pay to be allowed to do something |
| 4 overdraft | d a small piece of paper that shows how much an employer has paid you |
| 5 mortgage | e a regular sum of money received after retiring (= stopping work completely), given by an employer or by the state |
| 6 current account | f a punishment in which a person is ordered to pay a sum of money because they have done something illegal or broken a rule |
| 7 cheque | g a printed form on which you write an amount of money and who it is to be paid to. Your bank then pays the money to that person from your account |
| 8 fee | h a personal bank account which you can take money out of at any time using your cheque book or cash card |
| 9 fine | i a loan of money which you get from a bank or building society in order to buy a house |

2a Copy and complete the table on the next page by writing in the words that relate to the categories. Some relate to more than one category.

ATM	withdrawal	cash point	salary	rent	purchase	pay slip	overdraft
loan	investment	hole in the wall	fees	debit card	savings account	finances	
	mortgage	credit card	cheque	automatic teller machine	owe		

Saving
moneyBorrowing money
from the bankGetting your own
money from the bank

Earning money

Paying money

2b Now underline four phrases in the 'getting your own money' category that have the same meaning.

2c Complete these sentences using words from exercise 2a.

- 1 I have to go to the before we go to the restaurant.
- 2 If you want to avoid paying a, you need to pay your taxes in time.
- 3 If your children attend private school, you need to pay school
- 4 The bank has given me an : if I owe them less than £100 they won't charge me interest.
- 5 When I moved, I took out a over 25 years, but I hope to pay it back early.

Watch Out!

Although *few* and *a few* both mean 'not many', they are used quite differently:

few has a negative meaning. It emphasizes what is missing.

*There are **few** copies of this book.* = Not many copies exist, so you may not get one.

a few means, 'a small number'. It emphasizes what is (still) there.

*There are **a few** copies of this book.* = There aren't many copies but there are some, so you can still have one.

Note that *few* is normally used in a formal context.

3 Match the sentences 1–2 with their meaning a–b.

- | | |
|--|---|
| <p>1 It should be noted that there are <u>a few</u> theorists who believe that this is the right way to do business.</p> | <p>a There are some theorists who believe that.</p> |
| <p>2 It should be noted that there are <u>few</u> theorists who believe that this is the right way to do business.</p> | <p>b It is difficult to find a theorist who believes that.</p> |

Exam information | Matching information

In the exam, you may be asked to match specific information, for example, a reason, a description or an explanation, to the section of a text where it can be found – A, B, C, etc.

Exam tip

Read the questions first, then skim-read the text to get an idea of its structure, and scan for the specific information. Every paragraph usually has a sentence that summarizes the main idea(s) in the paragraph (the topic sentence). This sentence may help you.

1 Match the underlined parts in the text opposite to the type of specific information.

explanation reason (x3) example comparison condition

explanation: the companies that are quoted in the leading share price indices

2a What are the following paragraphs about? Choose a, b or c.

i paragraph A

a the media

b large companies

c smaller businesses

ii paragraph D

a the reasons why small companies are better than larger ones

b the reasons why the government wants more small businesses

c a list of good points about small companies

iii paragraph E

a the role of policy makers

b the importance of business planning

c tips on improving your business

2b Now decide which sentence in each of the paragraphs A, D and E is the topic sentence.

3 Underline the key words in these questions and then look for the answers in the text.

- 1 Which paragraph mentions statistics?
- 2 In paragraph A, which word indicates that the text will not be about large businesses?
- 3 In paragraph C, which sentence explains why new and developing small businesses are crucial to the success of the economy?
- 4 Which paragraph builds on the same idea as the one in A and C (mentioned in question 5)?

- (A) The business sections of the media tend to focus on large, traditional companies. By definition, these are high-profile businesses – the companies that are quoted in the leading share price indices. However, most economists agree that smaller businesses, particularly new and developing small businesses, are central to the long-term success of any economy. They argue that the industries of the future will originate in the small business sector. That is why the United Nations Economic Commission for Europe describes SMEs (small and medium-sized enterprises, with less than 250 employees) as 'the engine of economic development'.
- (B) In the UK, the Department of Trade and Industry (DTI) reported that the total number of businesses, including small companies, partnerships and sole traders, rose by 260,000 in 2004 to 4.3 million (source: www.dti.gov.uk). This is up from the previous year and represents the best figures ever recorded.
- (C) This is success for government policy. Successive UK governments have sought to encourage small business start-ups. Behind the policy is a belief that small businesses contribute to a stronger economic base, and that they have the ability to thrive in a competitive global business environment.
- (D) The government also encourages small businesses because they are:
- a source of employment
 - flexible and innovative
 - responsive to gaps in the market
 - able to accommodate people with a passion for a product who might not thrive in a large corporation.

Business planning

- (E) Policy makers recognize that it is not sufficient to simply encourage an enterprise culture. If new entrepreneurs are to succeed, if new businesses are to thrive, then it is important that they appreciate the central role of planning. A business plan is the basis of new business development, and it encourages an entrepreneur to think ahead and plan, as far as possible, for the business to be successful.
- (F) Writing a business plan will not in itself ensure that a business survives. However, it is an invaluable exercise, forcing entrepreneurs to go through planning steps to make sure their business propositions are viable. A business plan draws on concepts, skills and knowledge, including:
- doing market research to make sure that planned products and services meet customer needs
 - understanding the market by analysing competitors' products, services and prices
 - setting clear business aims and objectives
 - finding sufficient capital to meet the business's short-term and long-term needs
 - deciding on the most suitable structure and form of ownership for the business

Glossary

share price indices: plural of 'share price index': a system by which (the speed of) changes in the value of share prices is recorded and measured • *sole trader*: a person who owns their own business and does not have a partner or any shareholders.

Part 3: Exam practice

Questions 1–6

The passage below has nine paragraphs A–I. Which paragraphs mention the following information? You may use any letter more than once.

- 1 physical and mental problems that a business owner can face
- 2 leadership and team improvement ideas
- 3 the advantage of not expanding in business
- 4 individuals and larger groups that are available to help people who are new to business
- 5 the reasons why the more basic jobs in a small company should not be carried out by employers
- 6 external reasons why companies should try to keep their employees' knowledge and expertise up-to-date

Setting up in business

- (A) It takes a considerable commitment to set up and run a small business. Owners must be able to do all the tasks necessary to run the business or have sufficient funds to buy in appropriate external help, and even then they must be able to check the quality of the service they are receiving.
- (B) Anyone planning to start a business must be realistic about what can be achieved, and in what time frame. Entrepreneurs often work extremely long hours, not just during 'trading' hours, but also after hours doing all the associated paperwork. If entrepreneurs overwork, they will find it difficult to make good decisions and will lack the energy to analyse and evaluate marketing and finance data. If an entrepreneur becomes over tired and over anxious, they can undermine their businesses by giving the impression that things are bad and the business is just about to close down.
- (C) Many organizations provide support networks for entrepreneurs running small businesses. These networks provide training and access to experienced business mentors for little or no charge. The Business Link network, funded by Department of Trade and Industry, is one source of this kind of support. If entrepreneurs are under 30 years of age, the Prince's Trust also provides training and mentoring for business start-ups. There are various other privately run business networking groups which can be both fun and mutually supportive.
- (D) Owners need to consider four key issues: training, leadership and team development, delegation and management systems.
- (E) Investment in training is necessary to ensure that staff have the skills to do their jobs efficiently and they can meet the requirements of current legislation such as health and safety. Staff may also need training to develop skills to meet internationally recognized quality standards for products and service delivery. Research shows that small and medium-sized firms often find it very difficult to organize effective training.



- (F) Ideally, workplace teams should be happy, creative working groups of individuals who support each other, work to each other's strengths and work towards the business's goals. This might require the owners to undertake self-assessment and target-setting reviews to ensure that the business is staying focused on its objectives. Team development can be fostered by organizing events such as team lunches and days out walking together.
- (G) Owners should delegate and employ appropriate people to do the tasks that they cannot do or do not have time to do. By freeing themselves from some of the easier day-to-day tasks of the business, owners can spend their time monitoring the overall business and thinking about where the business should be going. Certainly if the owners are passionate about the business, they need time to step back and focus on the long-term goals and vision of the organization. They also need time to network, to build up sales leads and to explore further investment opportunities for the business.
- (H) In time, owners need to be able to let go of control of some aspects of the business and to develop more formal management systems. This is probably the most difficult task for any entrepreneur. Many entrepreneurs find it very difficult to trust paid employees to run their businesses.
- (I) At this stage in their development, without outside help and guidance, many businesses simply reach their 'natural' capacity and they do not develop or grow any further. Entrepreneurs need to decide whether they want to keep their business small – so that they retain control of all decisions – or whether they want to go on growing their business and therefore accept that this will necessarily change their role in the business.

Glossary

Business Link: the UK government's online resource to provide support for businesses • *Prince's Trust*: a charity in the UK started by Prince Charles in 1976 to help young people

Progress check

How many boxes can you tick? You should work towards being able to tick them all.

Did you ...

remember to underline the key words in the questions?

look for synonyms of the key words?

look for topic sentences in the paragraphs?

realize there was a glossary you could use?

☐
☐
☐
☐