

A Financial terms

Example	Meaning
We need to raise capital for the new musical.	capital a large amount of money you need to start a business, etc. raise capital find the money you need to run a business or for a particular project
I would like to invest more money in wind energy.	invest give money to a business or bank in order to get more money back
The company has an annual turnover of \$20m.	turnover the total value of goods or services that a company sells in a particular period of time annual for the period of one year
Inflation is now 3%.	inflation a general rise in the price of services and goods in a particular country
We paid £1m in tax last year.	tax money you have to pay to the government
The company made a pre-tax profit of £2m.	profit the money you make in a business after paying costs OPP loss: make a profit/loss pre-tax before paying tax
We pay a lot of interest on our loan. The interest rate is 5%.	interest extra money you pay when you borrow money. The interest rate is the percentage at which your interest is calculated.
We trade in foreign currencies .	currency [C] [U] the system or type of money that a country uses, e.g. dollars, yen
Production needs to increase to make a profit.	production the action of making or growing sth. The company or country that does this is the producer .

SPOTLIGHT *finance*

Finance can be the money somebody borrows or receives to operate a business.

▪ They need to raise more **finance**.

It is also the activity of managing money in a company. **financial** *adj*

▪ He's the new **Director of Finance / Financial Director**.

1 Good news or bad news? Write G or B.

- | | |
|---|------------------------------------|
| ▶ We need to raise more capital. <u>B</u> | 4 Inflation is up. |
| 1 Pre-tax profit is down. | 5 Turnover is up. |
| 2 You can buy foreign currency online. | 6 We're paying more interest. |
| 3 They want to invest in our business. | 7 Tax is lower. |

2 Cover the glossary and write the answers.

- | | |
|---|---|
| ▶ the money you make in a business after paying tax = <u>profit</u> | 4 the money you have to pay when you borrow money = |
| 1 turnover every year = turnover | 5 a general rise in the price of services and goods = |
| 2 pre-tax profit = profit paying tax | 6 the action of making or growing something = |
| 3 money you need to start a business = | |

3 Complete the sentences.


- | | |
|--|--|
| ▶ We can't start the business until we <u>raise</u> more finance. | |
| 1 The current interest is 5%. | 4 It's been a bad year; we've made a pre-..... of \$3.5m. |
| 2 It has been a good year and the company should make a | 5 If sales continue to rise, the annual could reach £5m. |
| 3 The company has had problems and they need people to more money in the business. | 6 Brazil is one of the largest of coffee. |



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B Trends

A **trend** is the general direction in which a situation is changing.

Trend	Verbs	Nouns
	go up, rise, increase <i>Prices have risen this year.</i>	rise, increase, growth [U] <i>We saw some growth in imports last year.</i>
	go down, fall, drop <i>Sales of petrol cars went down last month.</i>	fall, drop <i>There has been a drop in sales.</i>
	remain stable SYN stay the same <i>Prices have remained stable.</i>	stability <i>There is stability in the cotton market.</i>
	reach the highest point <i>Sales reached their highest point in the second quarter (= April to June).</i>	peak <i>Sales reached a peak in 2007.</i>
	fluctuate <i>Mobile phone sales have fluctuated all year.</i>	fluctuation [U, C] <i>There's been a fluctuation in mobile phone sales.</i>

We use adjectives and adverbs to describe changes in more detail:

ADJECTIVE	Meaning	ADVERB
<i>a slight rise in costs</i>	very small OPP sharply	<i>Costs rose slightly. (OPP sharply)</i>
<i>a steady increase in the interest rate</i>	slow but regular and continuing	<i>The interest rate has increased steadily.</i>
<i>a significant fall in profits</i>	clear to see and important	<i>Profits fell significantly.</i>

SPOTLIGHT prepositions with *rise* and *fall*

Notice how these prepositions are used to describe movement.

- Sales fell **from** 100,000 **to** 75,000. Sales fell **by** 25,000.

4 Complete the sentences on the right. The meaning must stay the same.

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|--|---|
| ▶ There was a significant fall in sales. | Sales have <u>fallen sharply</u> . |
| 1 The price of oil went up from \$8 to \$10. | The price of oil went up by _____. |
| 2 There has been a significant rise in the price of oil. | The price of oil _____. |
| 3 There was a slight fall in profits. | Profits _____. |
| 4 There has been stability in production. | Production has remained _____. |
| 5 There has been a steady rise in sales. | Sales have _____. |
| 6 Sales reached their highest point in June. | Sales reached a _____ in June. |
| 7 Sales have gone up by 4% this year. | We have seen a 4% _____ in sales this year. |

5 Complete the text. Use a different word each time.

Last year started well. In the first ▶ quarter sales (1) _____ steadily. The second quarter was even better: sales increased (2) _____. They continued to (3) _____ steadily in the third quarter and reached a (4) _____ at 90,000. This meant that over the first nine months of the year, sales had (5) _____ up (6) _____ almost 50%. In the last quarter there was a slight (7) _____, but it was still a good year. This year has been very different. Sales (8) _____ in the first half of the year – up one month and down the next, but in the last three months they have remained (9) _____.

6 Look at the arrows and complete the sentences.

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|--|---------------------------|
| ▶ There was a ➡ <u>slight</u> <u>fall</u> in 2013. | 3 Sales ➡ _____ in 2016. |
| 1 Sales ↗ _____ in 2014. | 4 In 2017, sales ➡ _____. |
| 2 There was a ↗ _____ in 2015. | 5 In 2018, sales ↘ _____. |



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