

A Financial terms

Example	Meaning
<i>We need to raise capital for the new musical.</i>	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>I would like to invest more money in wind energy.</i>	invest give money to a business or bank in order to get more money back
<i>The company has an annual turnover of \$20m.</i>	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
<i>Inflation is now 3%.</i>	inflation a general rise in the price of services and goods in a particular country
<i>We paid £1m in tax last year.</i>	tax money you have to pay to the government
<i>The company made a pre-tax profit of £2m.</i>	profit the money you make in a business after paying costs OPP loss: make a profit/loss pre-tax before paying tax
<i>We pay a lot of interest on our loan. The interest rate is 5%.</i>	interest extra money you pay when you borrow money. The interest rate is the percentage at which your interest is calculated.
<i>We trade in foreign currencies.</i>	currency [C] [U] the system or type of money that a country uses, e.g. <i>dollars, yen</i>
<i>Production needs to increase to make a profit.</i>	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. **B**
- 1 Pre-tax profit is down.
- 2 You can buy foreign currency online.
- 3 They want to invest in our business.

- 4 Inflation is up.
- 5 Turnover is up.
- 6 We're paying more interest.
- 7 Tax is lower.

2 Cover the glossary and write the answers.

- the money you make in a business after paying tax = **profit**
- 1 turnover every year = turnover
- 2 pre-tax profit = profit paying tax
- 3 money you need to start a business =

- 4 the money you have to pay when you borrow money =
- 5 a general rise in the price of services and goods =
- 6 the action of making or growing something =

3 Complete the sentences.

- We can't start the business until we **raise** more finance.
- 1 The current interest is 5%.
- 2 It has been a good year and the company should make a
- 3 The company has had problems and they need people to more money in the business.

- 4 It's been a bad year; we've made a pre- of \$3.5m.
- 5 If sales continue to rise, the annual could reach £5m.
- 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
a <b>slight</b> rise in costs	very small OPP <b>sharp</b>	Costs rose <b>slightly</b> . (OPP <b>sharply</b> )
a <b>steady</b> increase in the interest rate	slow but regular and continuing	The interest rate has increased <b>steadily</b> .
a <b>significant</b> fall in profits	clear to see and important	Profits fell <b>significantly</b> .

### 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.

► There was a significant fall in sales. Sales have **fallen sharply**.  
 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.

► There was a ↗ **slight** ↘ **fall** ..... in 2013.  
 1 Sales ↗ ..... in 2014.  
 2 There was a ↗ ..... in 2015.  
 3 Sales → ..... in 2016.  
 4 In 2017, sales ↘ .....  
 5 In 2018, sales ↘ .....



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