

UNIT 3 ➤ Finance

Lesson 3.1 Recessions and depressions

VIDEO A 3.1.1 Watch the video again and decide if these sentences are *true* (T) or *false* (F). Correct the incorrect sentences.



- 1 There were at least ten years of economic depression following the Crash of 1987.
- 2 The Great Depression of 1929 was the most severe financial crisis of modern times.
- 3 During the depression, manufacturing slowed down, factories closed, and people lost their jobs.
- 4 There have been two major global depressions since 1929.
- 5 Fifty million dollars were lost in one day on Black Monday in 1987.
- 6 According to the report, the economic crisis of 2008 was caused mostly by banks lending money to people to buy houses that they couldn't afford.
- 7 The financial crisis that started in 2008 was known as the 'credit crunch' because companies and individuals were unable to borrow more money.
- 8 Following the 2008 'credit crunch', economic growth slowed down or stopped, many people lost their jobs and businesses went bankrupt.
- 9 There have been more economic depressions than crashes or financial crises in history.
- 10 It is unlikely we will experience a crash at any point in our lives.

B Watch the video again from 2:08 to 2:42 and complete what the presenter says.

In contrast, in 2008 a different type of ¹ _____ occurred – a banking crisis that went on to affect ² _____ and the global economy. For a number of years ³ _____ and elsewhere had been giving loans to ⁴ _____ to people with poor ⁵ _____.

When high numbers of people were ⁶ _____ their mortgages, banks and their ⁷ _____ losses, and ordinary people lost their ⁸ _____. This meant banks ⁹ _____ lending more money. It became known as the 'credit crunch' and its effect was ¹⁰ _____.

Vocabulary C Match the sentence halves.

- | | |
|---|--|
| 1 In a recession, the economy declines or slows down, there are job | a market yesterday following the election results. |
| 2 Prior to 2008, banks had been giving | b wouldn't charge such high interest rates for loans. |
| 3 Following the 2008 economic crisis, many governments had to bail | c slows and conditions become worse; also known as a recession. |
| 4 If there wasn't a credit crunch, banks | d recession, construction stopped completely in some countries. |
| 5 Shares dropped sharply on the London stock | e losses and many businesses go bankrupt. |
| 6 Many students have to take out a student | f the economy recovered quite rapidly. |
| 7 In the last economic | g loan and often have huge debts by the end of the course. |
| 8 When the depression finally came to an end, | h mortgages to people with poor credit ratings. |
| 9 A downturn is a period in which business activity | i a good long-term investment. |
| 10 Buying property is usually considered to be | j out banks and financial institutions that were considered 'too big to fail'. |

**UNIT 3 > Finance****Lesson 3.2 Catching up with rivals****Reading A** Complete the text using the words in the box.

boost considerably expand net profit profit targets regain rise sharply

The new CEO has promised to ¹_____ profitability by at least ten percent over the next financial year. Although our company is still doing ²_____ better than our competitors, the last six months have seen a five percent drop in our ³_____. The CEO believes that if we ⁴_____ our delivery service to more countries, this will push online sales up ⁵_____. This should result in putting the company back on track to achieve its ⁶_____ which will result in a ⁷_____ in the company's shares. This, in turn, will ⁸_____ the confidence of our shareholders.

UNIT 3 ➤ Finance

Lesson 3.2 Catching up with rivals

Grammar B Match the sentences halves. Then decide if each sentence is *certain, planned, probable or improbable*.

- | | |
|--|---|
| 1 They probably won't | a reach our sales targets this year. |
| 2 It is very likely that we will | b when the CEO returns from China. |
| 3 We are certain to continue offering | c because of the costly marketing campaign. |
| 4 It is unlikely this sales strategy will boost profits considerably | d when we launch our new online campaign. |
| 5 Digital sales are likely to rise next quarter | e increase profits this year by more than 5%. |
| 6 The meeting is due to take place | f and management are interviewing external candidates. |
| 7 We will probably raise prices of our best-selling products | g special offers and promotions to our loyal customers. |
| 8 Sadly, our sales director is due to retire soon, | h even further in order to increase profitability. |

C Rewrite the sentences changing the underlined expression and using the words in bold.

0 **unlikely that**

I probably won't get a pair of expensive trainers for my birthday.

It is unlikely that I will get a pair of expensive trainers for my birthday.

1 **likely to**

We will probably sell off some businesses this year in order to consolidate profitability.

2 **unlikely to**

I don't think they will reach their sales target of €6 bn.

3 **unlikely that**

Analysts think the group probably won't boost sales to €5 bn this year.

4 **will probably**

Our volume and pricing is likely to continue to fall.

5 **probably won't**

Trends show that young adults are unlikely to buy expensive brands of trainers next season.

6 **due to**

They are introducing a brand new style of trainers next month.

7 **also**

In addition, analysts say the Adidas group is doing well because of the current retro sneaker trend, although fashion is an area where things change fast.

8 **also**

Furthermore, it is likely the higher revenue and earnings targets will help increase the group's shares by more than six percent.

UNIT 3 ➤ Finance

Lesson 3.3 Communication skills: Managing bad news

Functional language

A Look at the five pieces of bad news, which are followed by both a positive (confident and optimistic) and a more negative (realistic and cautious) response. Complete the responses using the phrases in the box.

I don't understand why we're getting this reaction
if we don't change something immediately
I'm very happy with the progress we've made
I think the schedule is totally unrealistic
I think we need to find a new approach
I think we should continue
this is extremely worrying
we'll catch up
we need to give things a little more time
we're still doing better

- 1 Sales have dropped by almost ten percent.
a To be fair, _____ than our competitors.
b _____ and something we need to address urgently.
- 2 The project is two weeks delayed already.
a I think this is quite normal and _____ in a month or so.
b To be frank, _____.
- 3 Customer feedback on the new website is a little mixed.
a _____. Not everyone is going to like the changes at first.
b _____. Didn't we do user testing before going live?
- 4 The new safety procedures have not reduced the number of accidents by as much as we would have liked.
a _____. We'll see results in the longer term.
b _____, we won't meet the targets we set.
- 5 There is a lot of resistance to the ongoing changes.
a _____. People need time to respond to change.
b _____. People are really very angry.

UNIT 3 ➤ Finance

Lesson 3.4 Business skills: Telephoning to clarify

Functional language

A Match the requests for clarification (1–8) with the responses (a–h).

- | | |
|--|---|
| 1 There are a couple of things I'd like you to go over. | a Sorry. What I was saying is that we need to increase our margins. |
| 2 If I remember rightly, you said we can launch the product in April. Is that right? | b No problem. I'll mail you after this call with a summary. |
| 3 Tell me, what exactly do the figures in the first paragraph refer to? | c They are the total amounts before taxes and other costs are taken away. |
| 4 I lost you for a second. Could you say that again, please? | d Sure. Which points would you like to talk about? |
| 5 I'm having a little difficulty following the process. | e Yes, I do. They're listed in column 13 of the file on your screen. |
| 6 The sound went for a moment. Would it be possible for you to send me an email? | f Would it help if I start again at the beginning and talk about each stage of the process? |
| 7 Sorry, I don't follow. What are gross figures? | g They're the monthly sales quantities for each product. |
| 8 Just to make it a bit clearer, do you have last month's figures as well? | h Yes, that's what I said. |

B In pairs, practise making the requests for clarification and responding.

**UNIT 3 > Finance****Lesson 3.5 Writing: Annual report summary****Functional language****A** Complete the sentences using words from the box. Some are not used.

achieve	caused	fell	gives	launching	looking	looks	make
paying	posted	raise	remained	saw			

- 1 We have had to _____ some rather difficult decisions.
- 2 Unfortunately, last year we _____ a large drop in sales in our Asia-Pacific markets.
- 3 Although we _____ sales of \$25 million, we had to pay out \$5 million in compensation to customers.
- 4 After a steady recovery in the third quarter, sales _____ in the last quarter.
- 5 Next year's sales forecast is _____ very promising.
- 6 We managed to _____ some good results despite poor sales in the first quarter.
- 7 Despite having problems this year, the forecast _____ more promising for next year.
- 8 We were able to _____ our annual dividend by over three percent.
- 9 This _____ us cause to be very optimistic about the future.
- 10 2020 was a year of huge challenges _____ by the weakening of the GB pound.