Money & finance

1 Use a dictionary to find the differences between the words and phrases in bold in the following groups.

1. make **a profit a loss**
2. ***extravagant*** & ***frugal / economical***
3. a **current accountdeposit account**
4. a ***loan*** & a **mortgage**
5. to ***deposit*** money & to ***withdraw money***
6. a ***wage*** & a ***salary***
7. ***broke & bankrupt***
8. ***shares, stocks, & dividends***
9. ***income tax & excise duty***
10. to ***credit*** & to ***debit***
11. **a bankbuilding society**
12. a ***discount*** & a ***refund***
13. something which was a ***bargain***, something which was ***overpriced*** and something which was ***exorbitant***
14. ***worthless & priceless***
15. ***save money & invest money***
16. ***inflation & deflation***
17. ***income & expenditure***
18. to ***lend*** & to ***borrow***

2 Match the sentences in column A with the sentences in column B. Use the words and phrases in bold to help you.

Column A	Column B
1. The managing director believes the company should start	A. I'm really looking forward to spending my ***pension.***

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producing pocket computers.

2. I always put my money in a building society and not in a bank.	B. The ***cost of living*** seems to go up every day.
3. I can't afford to buy a new car right now. I don't have enough money.	C. Of course, it's always so difficult to ***economise.***
4. I always spend a lot of money when I go on holiday.	D. Shops all over the country are making huge ***reductions*** on just about everything.
5. I came into a lot of money recently when my uncle died.	E. Then I get home to find out I've **run up** a huge **overdraft** at the bank.
6. Look at this cheque that came in the post this morning from Revenue and Customs.	F. Of course, the potential global ***market*** for them is enormous.
7. I've been spending too much recently.	G. Fortunately I receive ***unemployment benefit.***
8. In my country, there are a lot of very poor people and only a few rich ones.	H. There is a very uneven ***distribution of wealth.***
9. I lost my job last month.	I. The ***interest*** they pay me is much higher.
10. I retire next month.	J. It's the first time I've ***inherited*** something.
11. Prices are rising quickly everywhere.	K. It seems to be some kind of tax ***rebate.***
12. The January sales start tomorrow.	L. Maybe I should consider getting one ***on credit.***

3 Now read this passage and complete the gaps with one of the words or phrases from Exercises 1 and 2. You may need to change the form of some of the words.

Financial advice from a father to a son.

In the play *Hamlet* by William Shakespeare, a father gives his son some financial advice. 'Neither a borrower nor a lender be', he says. He is trying to tell his son that he should never 1..... money from anyone because it will make it difficult for him to manage his finances. Likewise he should never give a financial 2..... to a friend because he will probably never see the money again, and will probably lose his friend as well.

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The play was written over 400 years ago, but today many parents would give similar advice to their children. Imagine the conversation they would have now:

Son: Right, Dad, I'm off to university now.

Father: All right, son, but let me give you some sound financial advice before you go.

Son: Oh come on, Dad.....

Father: Now listen, this is important. The first thing you should do is to make sure you balance your 3..... – the money you receive from me – and your 4..... – the money you spend. If you spend too much, you will end up with an 5..... at the bank. Don't expect me to pay it for you.

Son: But it's so difficult. Things are so expensive, and the 6..... goes up all the time. 7..... is running at about 10 per cent.

Father: I know, but you should try to 8..... Avoid expensive shops and restaurants. Also, put your money in a good 9..... They offer a much higher rate of 10..... than banks. Also, avoid buying things 11.....

Son: Why?

Father: Because shops charge you an 12..... amount of money to buy things over a period of time. It's much better to 13..... a little bit of money each week so that when you see something you want, you can buy it outright. Try to wait for the sales, when shops offer huge 14..... and you can pick up a

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15..... And try to get a
16.....

Son: How do I do that?

Father: Easy. When you buy something, ask the shop if they'll lower the price by, say, 10 per cent. Next, when you eventually get a job and are earning a good salary, try to 17..... the money in a good company. Buy 18..... in government organisations or 19..... in private companies.

Son: OK, Dad, I've heard enough.

Father: One final piece of advice, son.

Son: What's that, Dad?

Father: To thine own self be true.

Son: You what?

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