40 Business and finance

A Rise and fall

These verbs describe **trends** [movements] in **sales** [how much you sell], prices, etc.

When sales or prices **rise / go up / increase**, they can do it in different ways:

They can rise **slightly** [a bit]. →

They can rise **gradually** [slowly over a long period]. ↗

They can rise **sharply** [quickly and by a large amount]. ↑

The opposite can also happen. Prices or sales can **fall / go down / decrease** slightly, gradually or sharply. If prices don't rise *or* fall, they **stay the same**. →

We use certain prepositions to say by how much something rises or falls.
The price has risen **by** 10 pence. Sales fell **from** 8,000 units **to** 6,500 units.

Rise/increase and **fall/decrease** can also be used as nouns, with certain prepositions.
There's been a **gradual rise in** prices. We've seen a **slight increase in profit**.
There's been a **sharp fall in sales**. Profits were £5 million, which is a **decrease of** 10%.

Language help

Profit is the money you receive from your business after you have paid all your costs (*opp* **loss**).
Last year the company ***made a profit of*** *€2 million but this year they could* ***make a loss****.*

B Financial language

With the **economy**[1] now improving, banks are reporting positive **signs**[2] that the number of **loans**[3] is increasing.

With **inflation**[4] expected to rise, there are **growing fears**[5] that **interest rates**[6] could go up by as much as **2%**[7] next year.

EUROPE



Figures[8] published yesterday show that **trade**[9] between the two countries has now risen for the fifth year **in a row**[10].

CURRENCY

Although the **value**[11] **of** the pound fell slightly against the dollar yesterday, the news that sales rose in the last **quarter**[12] has **raised**[13] hopes that we may be coming out of **recession**[14].

Read full story

[1] the system by which a country's trade, industry and money are organised
[2] something which shows something is happening
[3] money that you borrow
[4] the rate at which prices increase
[5] increasing worries
[6] (see language help below)
[7] this is spoken as *two per cent*
[8] an amount shown in numbers, e.g. 500
[9] buying and selling between countries
[10] one after another with no break
[11] the money that something can be sold for
[12] (in business) a period of three months
[13] increased; you can also **raise prices**
[14] a time when the economy is not successful

Language help

Interest is what the bank **charges** you [asks you to pay] when you borrow money from them, and the **interest rate** is how much you must pay as a **percentage**, e.g. **5**%, **8**%, etc. So, if you borrow £100 for a year and the interest rate is 15% a year, you'll have to **pay back** £115.

LIVEWORKSHEETS

Exercises

40.1 **Choose the correct word to complete the sentences.**

1 We made a profit *of / for* six million euros.
2 Sales rose *to / by* 10% last year.
3 The value of the shares fell *from / for* 240 pence to 225 pence.
4 There was a fall *of / from* 5% in the value of the shares.
5 There has been a gradual rise *with / in* profits.
6 The company made a loss two years *on / in* a row.
7 What's the current value *of / in* the euro?

40.2 **Which words or phrases are being defined?**

1 The amount of money that something can be sold for. *value*
2 Money you borrow from a bank for your business. .....
3 What the bank charges you when you borrow money. .....
4 The rate at which prices increase. .....
5 The money that a company receives for its goods after paying all the costs. .....
6 Buying and selling goods and services between countries. .....
7 A movement in sales, prices, etc. over a period of time. .....

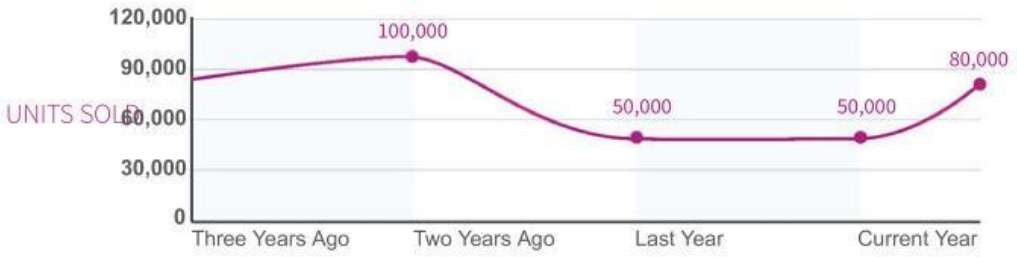
40.3 **Complete the two short texts, then answer each of the two questions.**

1 If you get a bank ..... of €500 for one year and the bank ..... you 20% ....., how much will you have to ..... to the bank at the end of the year? .....

2 If you take out a similar amount from another bank, and the interest ..... is 15 ....., how much will you ..... at the end of the year? .....

40.4 **Look at the graph and complete the text.**

The [1] *graph* ..... shows sales [2] ..... for the last three and a half years. Three years ago sales [3] ..... slightly and reached 100,000 units by the end of the year. The company [4] ..... a profit of almost £500,000 and decided to [5] ..... the price from £8.95 to £10.25. It had an immediate effect: there was a [6] ..... [7] ..... in sales over the year. It was bad news, and the company made a [8] ..... . And in the next year sales [9] ..... the same. However, in the first two [10] ..... of this year, they have [11] ..... [12] ..... for the first time in many years.



40.5 **Over to you**

Can you answer these questions about your own country?

1 What is the inflation rate at the moment?

2 If you borrow money from the bank, what is the approximate interest rate you will be charged?

3 Do you think the economy is doing well or badly?

4 When was the last time your country was in recession?

5 What is the value of your currency against the dollar?

LIVEWORKSHEETS