

## VOCABULARY

## Financial terms

## A Match the words in the box to the definitions 1 to 6 below.

equity	stake	recession	shares	debt	stock market	forecast
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- equal parts into which the capital or ownership of a company is divided
- a period of time when business activity decreases because the economy is doing badly
- money risked when a business owns part of another company
- a place where company shares are bought and sold
- a description of what is likely to happen in the future
- money owed by one person or organisation to another person or organisation

## B Match the sentence halves.

- Profit margin** is *a* a part of a company's profits paid to the owners of shares.
- Investment** is *b* the difference between the price of a product or service and the cost of producing it.
- Bankruptcy** is *c* money which people or organisations put into a business to make a profit.
- A dividend** is *d* the amount of money which a business obtains (in a year) from customers by selling goods or services.
- Pre-tax profits** are *e* when a person or organisation is unable to pay their debts.
- Annual turnover** is *f* the money a business makes before payment to the government.

## C Complete this news report with the terms from Exercises A and B.

And now the business news ...

There was a further downturn in the economy this month as the .....<sup>1</sup> in the United States and Asia-Pacific region continues. Yesterday was another day of heavy trading on the .....<sup>2</sup>, with big losses in share values. The .....<sup>3</sup> for the near future is not good, as market confidence remains low.

Paradise Lane, the struggling luxury hotel group, is seeking new .....<sup>4</sup> to try and avoid .....<sup>5</sup>, following the announcement of disastrous interim results. It currently has a .....<sup>6</sup> of nearly \$5 billion. There are rumours of rivals GHN taking a large .....<sup>7</sup> in the troubled hotel group.

Phoenix Media announced a 15% increase in .....<sup>8</sup> on an .....<sup>9</sup> of \$4.5 million. Added to the strong performance in the last quarter, this is likely to result in an increased .....<sup>10</sup> of over 14 cents per share, well up on last year, which will certainly please shareholders\*. Following a rise in sales in the emerging markets of ...

\* the people who own shares in a business

D  CD 1.36 Listen and check your answers.

## E What word partnerships can you identify from the text in Exercise C?

EXAMPLE: *heavy trading*

## F Discuss with your colleagues.

- What is the economic situation in your country at the moment?
- Which parts of the economy are doing well or badly?
- What is your forecast?
- Which types of business are making profits or losses?
- What sort of businesses are a good investment?
- Can you think of any businesses which have gone bankrupt recently?
- Which company shares are going up or down at the moment?

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