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ПРИГЛАШАЕМ В МИР ЭКОНОМИКИ

**УЧЕБНОЕ ПОСОБИЕ
ЧАСТЬ I**

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Учебное пособие "Приглашаем в мир экономики" предназначено для студентов II курса ИУФИС, обучающихся по специальности "Экономика и управление на предприятии" на продвинутом этапе. Его цель – дать определенный объем профессиональных знаний в сфере избранной специальности. Материал пособия сконцентрирован по принципу блоков. Это позволяет преподавателю вариативно подходить к изучению заданной тематики, комплексно обеспечивать формирование необходимых навыков. Каждый блок включает в себя: а) специальный неадаптированный текст, упражнения на снятие лексических трудностей и закрепление грамматического материала; б) диалог, близкий по тематике к тексту по специальности, показывает функционирование определенного слоя профессиональной лексики в диалогическом говорении; в) художественный текст расширяет представления об избранной специальности, и о способах передачи информации на иностранном языке, активизируя креативные способности студента. Работа с материалами пособия ведет к формированию коммуникативной компетенции во всех сферах профессионально-делового общения.

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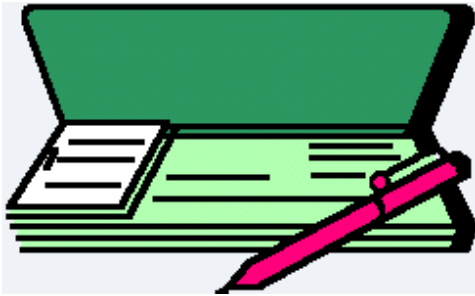
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UNIT ONE

STEP ONE

Read the text:

A DAY IN THE LIFE OF A BANK MANAGER



It is 7:15 a.m. in Hayward, California, and Marjorie Wong-Gillmore, a 32-year-old bank manager and mother of two, is driving down Highway 17 toward the Milpitas branch of Security Pacific National Bank, where she usually arrives by 8 a.m. To help her plan her typically hectic day, Wong-Gillmore already has a three-page list of things to do that she prepared the night before.

Deregulation of banks has increased the competitive pressures and made it much more necessary for bank managers to be proactive in attracting new business. As a result, Wong-Gillmore says that her number-one priority is customer service – keeping current customers satisfied and signing up new ones. In attempting to bring in new customers, she tries to make visits each day to potential business customers. Unless she finds the time to make such visits, she is unlikely to meet her goal of building her business customer base. In fact, she already has scheduled several appointments for the afternoon. One visit will be to a Chinese restaurant whose proprietor is installing a new credit card imprinter that will deposit the credit slips into a Security Pacific acceptance account. She needs to provide bank supplies for use with the imprinter and to make sure that the operation runs smoothly for the new customer.

Near the top of her list is a new-customer campaign that has most recently been aimed at certified public accountants. She has already sent letters to different district departments in the area attempting to interest them in a special type of account that lets the account holder write himself or herself a loan as needed. Now, as she fights the traffic moving toward the heart of the Silicon Valley, Wong-Gillmore is trying to figure out when she can allocate time for follow-up phone calls.

Wong-Gillmore also thinks about a personnel problem that weighs heavily. One of her assistant managers, Yvonne Frechette, has been recently promoted to a better job at a larger branch in nearby Sunnyvale.

While she is happy for Frechette, the promotion has made it difficult for Wong-Gillmore because her branch now has only one assistant manager instead of the usual two. The situation makes Wong-Gillmore's job much more difficult because she must absorb some of the extra work load. Hopefully, she will have a replacement soon.

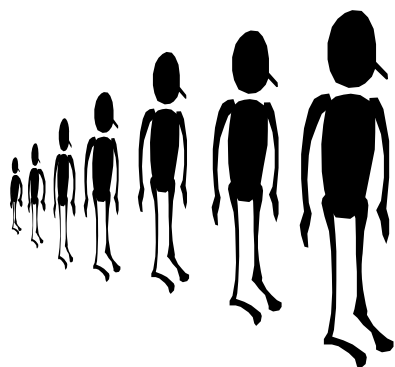
As Wong-Gillmore arrives at her office at 8 a.m., she is quickly immersed in a flurry of activities. First, she goes to her desk to take care of the most immediate task of the day, reviewing her circulation file. The file contains new procedures she is to initiate at the branch, as well as information about new special promotions (such as discounts on traveler's checks or incentives to open checking accounts) that must be implemented immediately.



Next, Wong-Gillmore reviews reports from the previous day's activities. One report shows rejected debits, indicating insufficient funds. On the basis of a customer's account history, Wong-Gillmore must decide whether to cover a check or let it bounce, a task that would usually be handled by an assistant manager if the branch were not shorthanded because of Frechette's promotion.

The remaining assistant manager is busy coordinating the counting of each cash deposit from the bank's night depository. Since this is a Monday, there are large numbers of deposits that were made by business owners over the weekend. The counting of the deposits involves several people since each locked canvas deposit bag must be opened and simultaneously counted by two people, a time consuming process called «dual control». As a result, Mondays are usually especially busy.

On other days, Wong-Gillmore holds various staff meetings at 9 a.m., often to go over the bank's various products. For example, there are at least seven different kinds of checking accounts. «It's gotten so diverse that you can get a customer in the door and spend 15 or 20 minutes just explaining all the options», she says. Wong-Gillmore has to expend considerable time and effort to ensure that the staff is well versed in the varied and constantly changing products of the bank.



At 10 a.m. the branch opens, and customers begin pouring in. During the peak time in the middle of the day, Wong-Gillmore becomes what

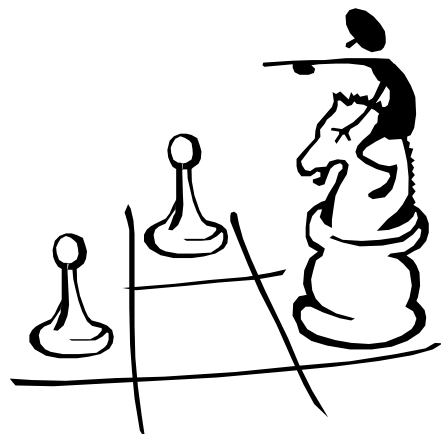
she calls a «utility player», pitching in wherever needed. She might review loan applications, talk with customers and deal with the constant problems that arise, such as a breakdown of an automated teller machine. Sometimes she works at a teller window if customer lines get particularly long. She also must sometimes deal with irate customers who get upset if lines are long or a mistake is made.

Still, as much as possible, she likes to leave the operations of the branch to her assistant managers. Otherwise, she might easily get completely caught up in the day-to-day problems and lose sight of the fact that her main task is getting more customers for the bank. Nevertheless, when things are not running smoothly at the branch, Wong-Gillmore must juggle her time schedule to help resolve major problems. As a result, Wong-Gillmore is under constant time pressure.

An added pressure is the fact that the letter lines close at 3 p.m. each day and all paper records of the day's transactions must be ready to be picked up by courier at 3:30 to be transferred to the bank's regional office. «From 3:00 to 3:30, it's basically a madhouse around here», Wong-Gillmore says. In addition to overseeing the transactions paperwork, Wong-Gillmore must have any of her own memos about interdepartmental dealings ready to go at 3:30 as well.

Often Wong-Gillmore is visiting customers in the afternoon, but if she happens to be in the bank instead, she might analyze customer credit requests, check current levels of suppliers, and try to catch up on the things that have fallen behind due to unforeseen interruptions and problems. Requests for credit from businesses often take a great deal of complex analysis in order to come up with the right solution to a business's credit needs, another time-consuming job in her already hectic day. Nevertheless, Wong-Gillmore enjoys the many contacts she makes in the business community, and she likes «dealing with different companies and learning how they operate».

Wong-Gillmore also likes working with her staff. She says that when people do well, as Frechette has done in getting promoted, «that's not only a reflection of their achievement, but a reflection of my achievement as well». Conversely, she states that when an employee does not do well, «you feel like you're failing, too. This year we've had to let go of two or three people. That's not easy, especially when you know they're good



people, and they were trying their best, but they just weren't careful enough». Generally, people are tired for having shortages in their cash drawer. Regardless of the reason for the shortages, she must lay off employees who have chronic shortages – a less than pleasant task. She also dislikes the paperwork and the constant changes in procedures. «We're constantly getting reviews of regulations, and we might get an indication of things that change one way, and then see them go the other way two months later».

FOR YOU TO BE DONE:

I. *Outline the usual working day of a bank manager and name his/her duties and responsibilities.*

II. *Choose three main features which are necessary for any manager:*

general education; flexibility; motivation to work; foreign languages; resistance to stress; communication skills; ability to make decisions; imagination; punctuality.

III. *Insert the missing words in the proper form and translate the following sentences into Russian:*

- | | |
|---|--------------------------|
| 1. Our bank has several ... in different towns of the country. | 1. услуги банка |
| 2. He didn't implement ... properly and was fired. | 2. ссуда |
| 3. The number of the ... is constantly increasing. | 3. филиал |
| 4. As I regularly save some money I decide to open ... and get dividends. | 4. нехватка |
| 5. This bank gives ... on high interest rates. | 5. счет (в банке) |
| 6. She always makes mistakes when counting the takes and that is why there are regular ... in the cash. | 6. обслуживание клиентов |

IV. *Find the synonyms to the following words in the text:*

to perform; staff; time-table; progress; lack; rules; to make every effort; bank's services; to fire; subsidiary; business circles; agenda; to attract; owner; to introduce; to pay a check; skilled; queue.

V. *Answer the following questions:*

1. What bank's products do you know?
2. What does customer service include?
3. Who is a bank's customer?
4. What staff is necessary to operate a bank?
5. How can money be safe in a bank?

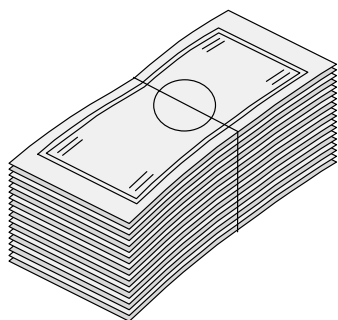
VI. *Study carefully the twenty ways of saving money without the bank services. Choose the ways that are suitable for you and explain your choice:*

1. Save money on holidays by exchanging homes with a foreign family.
2. Learn to do your own simple mending and electrical repairs.
3. Knit your own sweaters.
4. Drive smoothly without sudden stops and starts – it uses less petrol.
5. Don't drive when you can walk.
6. Telephone people at time when you know they are busy – your conversations will be shorter.
7. Put your telephone in an inconvenient noisy place.
8. Form a group with other people to share the shopping – you will save money by buying in bulk.
9. Invite people to tea or coffee instead of dinner.
10. Borrow books from the public library instead of buying them.
11. Buy fewer newspapers and magazines – you probably don't read them all away.
12. Don't use a dishwasher or washing machine without a full load.
13. Take showers instead of baths.
14. Buy cheap throwaway shoes for rough wear (expensive shoes need expensive mending).
15. Don't send sheets to the laundry – use non-iron sheets and wash them yourself.
16. Drink water instead of expensive soft drinks.
17. Be very careful about turning lights off when they are not needed.
18. If you have a garden, grow your own vegetables.
19. Make your own jam and marmalade.
20. Learn to do your own hair.

VII. *Translate into English:*

Банки – это особые экономические институты, осуществляющие аккумуляцию денежных средств и накоплений, предоставление кредитов, проведение денежных расчетов, эмиссию денег, ценных бумаг, осуществление посредничества во взаимных платежах и расчетах между государствами, предприятиями (фирмами), учреждениями и отдельными лицами. Банки возникают и развиваются в обществе на основе товарно-денежных отношений и, следовательно, функционируют в различных способах производства. Банки бывают центральными, инвестиционными, ипотечными, коммерческими и сберегательными.

Центральный (эмиссионный) банк в большинстве стран является государственным, даже если оно и не владеет его капиталом или владеет частично. Центральный банк руководит всей кредитной системой страны: выпускает в обращение банкноты, хранит золото-валютные резервы, хранит свободные средства и обязательные резервы коммерческих и других банков, предоставляет им в случае необходимости кредиты для поддержания их ликвидности, обеспечивает обслуживание бюджета государства.



Инвестиционные банки по поручению государства и предприятий определяют размеры, условия, сроки выпуска ценных бумаг и выбор их типа, организуют их размещение и вторичное обращение, гарантируют покупку выпущенных ценных бумаг, предоставляют покупателям акций и облигаций ссуды.

Ипотечные банки представляют собой учреждения, специализирующиеся на выдаче долгосрочного кредита под залог недвижимости. Ссуды, как правило, выдаются на жилищное и производственное строительство под достаточно высокий процент.

Коммерческие банки являются основным звеном кредитной системы. Это наиболее универсальный тип банков, выполняющий практически все виды банковских операций: прием вкладов на текущие счета, краткосрочное кредитование предприятий, расчеты между ними. За последнее время коммерческие банки значительно увеличили прием срочных и сберегательных вкладов, средне- и долгосрочное кредитование, потребительский кредит населения. Банки осуществляют инвестиционные операции, связанные с куплей-продажей ценных бумаг правительства и местных органов власти, а также занимаются факторингом и лизингом.

Сберегательные банки чаще всего являются небольшими кредитными учреждениями местного значения. Они привлекают сбережения широких слоев населения. Банки объединяются в национальные ассоциации и, как правило, контролируются государством или принадлежат ему. Банки выполняют прием вкладов населения на текущие и другие счета, предоставляют потребительский и ипотечный кредиты, ссуды, производят куплю частных и государственных ценных бумаг, выпускают кредитные карточки.

VIII. *Find it in the text and translate the sentences into Russian.*

IX. *Translate the sentences into Russian. Pay attention to the possible ways of translation of it:*

1. It is with the expansion of trade and commerce during the period followed the
2. Industrial Revolution that training in Latin and Greek came to be considered as insufficient for the future businessman and industrialist. The demand was now for modern foreign languages. And it is perhaps because they have had to compete with Latin and Greek that modern languages have so long been taught as if they were dead ones.
3. To understand, to know reality, it is necessary to have a theory of knowledge corresponding to truth.
4. A bill of exchange or, as it is sometimes called, a draft, is defined as an unconditional order in writing, addressed by one person to another, signed by the person giving it, requiring the person to whom it is addressed to pay on demand or at a fixed time a certain sum of money or to the order of a specified person, or to bearer.
5. The thing made by a commodity producer ceases to obey its owner once it has reached the market and entered into relation with other commodities; it begins to live an independent life, and a very capricious life at that.
6. Today one receives \$20 for a pair of shoes, tomorrow only \$15; the day after tomorrow it turns out that nothing at all can be got in exchange for the shoes.
7. The part of capital which is embodied in the equipment does not change during the process of production; it is only transferred to the newly produced commodity to the extent that the equipment become used up or worn out.

8. It was Marx who first divided capital into its constant and variable parts and thus disclosed the secret of capital showing that only variable capital produces surplus value.
9. It is the pursuit of surplus value which leads to accumulation of riches and luxury.
10. The producer's commodity no longer finding a market, the producer is compelled to curtail production or stop it altogether and to take up the manufacture of some other commodity.

X. *Translate the sentences into Russian. Pay attention to Participles and Participial Construction:*

1. Despised, Las Vegas nonetheless flourishes, because it is a part of the fabric of life.
2. Properly lead and organized any company can make profits.
3. The trade figures themselves are distorted.
4. These papers will be kept in the office until applied for.
5. They ordered raw materials; these being supplied, they launched a new product.
6. Having finished the talks, they signed an agreement.
7. The reconstruction being accomplished, they opened the new outlet and waited for customers.
8. His price policy was resulting in continuously rising prices, the reduction in the food supplies at the store having caused a sharp rise in the price of food.
9. Scientific investigation is not usually undertaken with personal profit in view, the market research, on the contrary, is intended for personal profit.
10. She did not throw her information at me, it was rather I, curiosity piqued, who led her on to disclose it.
11. With her income so much reduced and so many dividends not being paid, that proposition was indeed worth taking into consideration.
12. What freedom to negotiate can there be when all houses of the same type are having their rents increased?
13. A few weeks later his father managed to get him engaged as a clerk in another lawyer's office at ten shillings a week.
14. The European markets were alternatively opened and closed to British goods according to the vagaries of diplomacy and war.
15. Having been discussed, the price list for the new commodities was sent to regular customers.

16. With a budget nearly as large as that of the Foreign Ministry, the Information Department bought advertising space in foreign newspapers.
 17. The Finance Minister would calmly leave the whole thing to the working of the market, with current prices raising supply and cutting demand but not prices artificially raised.
 18. With higher oil bills to pay, Bonn finds that its dollar reserves may come in handy.
 19. The Treasury announced that in August the sterling area had a gold and dollar deficit of 44 million dollars, bringing the gold and dollar reserves down to the lowest level this year.
 20. The circulation of commodities is directly connected with the circulation of money, a commodity passing from the seller to the buyer, money passing from the buyer to the seller.
- XI. *Imagine that you are a journalist. Your task is to interview a bank manager about his/her daily routine and techniques of management. Use the material given in the text.*

STEP TWO

Read the dialogue:

TALKING ABOUT BANKS

- Mr. Carter, we've seen quite a few changes in the Bank Rate in recent years. How do you account for this?
- That's a very wide question. Inflation has clearly played its part, but one must also take into consideration the shift in the structure of overseas investment, and the chronic deficit of payments balance that has constantly worried our ministers of finance for many years.
- What do you think, can a rise in the Bank Rate have the affect of attracting foreign capital into the country?



- Oh, yes. When the Bank Rate rises, the general level of interest rates goes up too, and investors and speculators abroad who want the highest possible yield on their money may find the pound sterling more attractive than formerly.
- What other effects can a rise in the level of interest rates have?
- Well, if you happen to be paying off a mortgage on a house, you're not going to welcome it, are you? Raised interest rates should encourage saving, of course, but investment involving borrowing will on the other hand tend to slow down.
- To come close to the commercial bank's day-to-day activities, what securities apart from cash does a modern bank rely on?
- It's often said that the bill of exchange is the banker's first line of defence. Then, the most liquid of the bank's investments are their holdings of gift-edged securities.

What about loans and overdrafts for industrial and commercial concerns?

- Since these are less liquid, banks prefer their advances to be on a short term or medium term basis, with a definite agreement regarding dates of repayment.
- Could you say a few words about overseas payments? What is the form of settlement?
- There is a number of facilities offered by banks. There is the banker's draft, and the rather safer transfers – the mail transfer, the cable transfer and the telex transfer. These have to a larger extent superseded the bill of exchange.
- And how does a British exporter receive payment for the goods he delivers abroad?
- Well, let's start with the open account method, which is often used in the USA and South America. Then there are the documents for collection system – this gives the exporter a much greater degree of security. The arrangement here may be documents against acceptance. Another one used to a considerable extent is called cash against documents. The other important method I should like to mention is the system of credits.
- Thank you, Mr. Carter. Your explanations about money matters have been very informative.

FOR YOU TO BE DONE:

I. *Use the following words and word combinations in the sentences of your own:*

shift (in)	– изменение
overseas investment	– зарубежное капиталовложение
deficit of payments balance	– дефицит платежного баланса
Bank Rate	– учетная ставка банка (the Bank of England is meant)
interest rate	– процентная ставка
yield on the money	– доход от денег
a mortgage (on)	– закладная
securities	– ценные бумаги
cash	– наличные деньги
bill of exchange	– переводной вексель
liquid	– ликвидный
gift-edged securities	– гарантированные ценные бумаги
overdraft	– превышение кредита
draft	– тратта
open account	– открытый счет
to bank (on)	– зависеть от; рассчитывать на

II. *Find the equivalents of the following words and word combinations in the dialogue:*

в последние годы; изменения; учетная ставка; объяснять; инфляция; принимать во внимание; структура зарубежных капиталовложений; дефицит платежного баланса; министр финансов; привлекать капитал; общий уровень процентных ставок; повышаться; подниматься; вкладчики и биржевики; максимальный доход от денег; последствия; выплачивать закладную; стимулировать накопление; тенденция к снижению; повседневная деятельность банка; ценные бумаги; наличные деньги; переводной вексель; ликвидные банковские ценные бумаги; гарантированные ценные бумаги; ссуда; превышение кредита; ликвидный; авансирование на короткий или средний срок; твердое соглашение о сроках выплаты; тратта; перевод денег; получать платеж за товар; открытый счет; инкассо; соглашение; акцепт; наличные против документов; система кредитов; финансовые проблемы.

III. *Replace the italicized parts of the sentences with the equivalents from the dialogue:*

1. We have seen *some* changes in the Bank Rate.
2. How do you *explain* this?
3. Inflation has *definitely* played its role.
4. But one must *take into account* some more problems.
5. In that case the general level of interest rates *is increased*.

IV. *Fill in the blanks with prepositions:*

1. They had some changes ... the Bank Rate in recent years.
2. How do you account ... this?
3. One must take ... consideration the shift ... structure ... overseas investments.
4. Can a rise ... Bank Rate have the effect ... attracting foreign capital ... the country?
5. What other effects can a rise ... the level ... interest rates have?
6. The bill ... exchange is the banker's first line ... defence.
7. There is a number ... facilities offered ... banks.
8. Let's start ... the open account method.

V. *Answer the following questions:*

1. What is the headline of the text?
2. What does the text deal with?
3. What is Mr. Carter?

VI. *Ask your fellow students questions to the information of the dialogue missed in the previous task.*

STEP THREE

MY BANK ACCOUNT

by S. Leacock

I. *Practise the pronunciation of the following words and word combinations:*

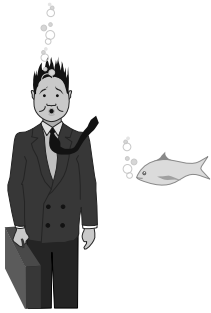
Rothschild [ˈrɒtʃɪld]

Montgomery [mɒŋtˈɡæməri]

Read the text:

When I get into a bank I get frightened. The clerks frighten me; the desks frighten me; everything frightens me.

The moment I pass through the doors of a bank and attempt to do business there, I become a fool.



I knew this before, but my salary had been raised to fifty dollars a month and I felt that the bank was the only place for it

So I walked in and looked round at the clerks with fear. I had an idea that a person who was about to¹ open an account must necessarily consult the manager.

I went up to a place marked «Accountant»². The accountant was a tall cool man. He frightened me.

«Can I see the manager?» I said, and added, «alone». I don't know why I said «alone».

«Certainly», said the accountant, and brought him.

The manager was a calm, serious man.

«Are you the manager?» I said. God knows I didn't doubt it.

«Yes», he said.

«Can I see you», I asked, «alone». I didn't want to say «alone» again, but without this word the question seemed useless.

The manager looked at me with some anxiety. He felt that I had a terrible secret to tell.

«Come in here», he said, and led the way to a private room. He turned the key in the lock.

«We can talk here», he said, «sit down».

We both sat down and looked at each other. I found no voice to speak.

«You are one of Pinkerton's detectives, I suppose», he said.

My mysterious manner had made him think that I was a detective. I knew what he thought, and it made me feel worse.

«No, not from Pinkerton's», I said, seeming to mean that I was from another agency.

«To tell the truth», I went on, «I am not a detective at all. I have come to open an account³. I'd like to keep all my money in this bank».

The manager looked relieved but still serious; he felt sure now that I was a very rich man, perhaps a son of a Baron Rothschild.

«A large account, I suppose», he said.

«Fairly large», I whispered. «I intend to place in this bank the sum of fifty-six dollars now and fifty dollars a month regularly».

The manager got up and opened the door. He called to the accountant.

«Mr. Montgomery», he said, unkindly loud, «this gentleman is opening an account. He will place fifty-six dollar in it. Good morning».

I stood up. A big iron door stood open at the side of the room.

«Good morning», I said and walked into the safe⁴.

«Come out», said the manager coldly, and showed me the other way.

I went up to the accountant's position and pushed the ball of money at him with a quick, sudden movement as if I were doing a sort of a trick. My face was terribly pale.

«Here», I said, «put it in my account».

He took the money and gave it to another clerk. He made me write the sum on a bit⁵ of paper and sign my name in a book. I no longer knew what I was doing. The bank seemed to swim before my eyes.

«Is it in the account?» I asked in a shaking voice.

«It is», said the accountant.

«Then I want to draw a cheque»⁶.

My idea was to draw out of⁷ it six dollars for the present use. Someone gave me a cheque-book⁸ and someone else told me how to write it out. I wrote something on the cheque and pushed it toward the clerk. He looked at it.



«What! Are you drawing it all out again?» he asked in surprise. Then I realized that I had written fifty-six dollars instead of six. I had a feeling that it was impossible to explain the thing. All the clerks had stopped writing to look at me. Then I made a decision.

«Yes, the whole thing».

«You wish to draw your money out of the bank?»

«Every cent⁹ of it».

«Are you not going to put any more in the account?» said the clerk.

«Never».

The clerk prepared to pay the money.

«How will you have it?»

I answered without even trying to think, «In fifty-dollar notes».

He gave me a fifty-dollar note.

«And the six?» he asked coldly.

«In six-dollar notes», I said.

He gave me six dollars and I rushed out.

As the big door closed behind me I heard the sound of laughter that went up to the roof of the bank. Since then I use a bank no more. I keep my money and my savings¹⁰ in silver dollars in a sock.

NOTES :

1. to be about to do something – to be ready to do something.
2. accountant – a person skilled in book-keeping or a person who examines accounts of a business or a company.
3. to open an account – to begin (to start) saving money in a bank on a regular basis.
4. the safe – a container for valuables, fireproof and burglarproof;
here – a special room.
5. a bit of paper – a small sheet of paper to fill out.
6. a cheque – an order or a specially printed form to a bank to pay a stated sum to a named person.
7. to drew out of – to take money from a bank account.
8. a cheque-book – a special book where the deposits and all the money transaction are fixed.
9. cent – one hundredth of a dollar.
10. savings – money and valuables saved.

II. *Find in the text the equivalents of the following:*

быть испуганным; пугать; собираться, намереваться открыть счет в банке; бухгалтер сомневаться; бесполезный; загадочная манера поведения; агенство; по правде говоря; открыть счет; положить на счет; кусочек бумаги; снять со счета; понимать; вместо; оставлять на счете; сбережения.

III. *Find the meaning of the left word in the dictionary and try to guess the meaning of the right word in a pair. Try to name the parts of speech. Compose six sentences with new-formed words:*

to save	– the safe;	to sign	– signature;
to save	– savings;	to shake	– shaking;
to manage	– manager;	to surprise	– a surprise;
to count	– account;	possible	– impossible;
to count	– accountant;	to decide	– decision;
business	– busy;	kind	– unkind;
cold	– coldly;	unkind	– unkindly.

IV. *Find in the text the phrases with the same meaning instead of underlined:*

1. He had an attempt to open an account.
2. I want to ask you a piece of advice.
3. A bookkeeper was sitting at the desk.
4. He thought that I had an awful secret.
5. She showed me the way to a separate room.
6. I'd like to save my money in the bank.
7. Everybody was sure he was a prosperous man.
8. I want to borrow all my money from the bank.

V. *Find in the text the antonyms to the following attributes:*

a short man; an open-hearted person; a nervous woman; an absent-minded girl; useful; a clear manner of speaking; a poor person; a kind voice; a bright face; a possible thing.

VI. *Fill in the blanks with prepositions where necessary:*

1. I want to draw ... some money because I am ready to buy a new set of furniture.
2. He saw the sign marked «Manager» ... him.
3. Her salary was raised ... \$ 200 ... a month.
4. The accountant looked ... me ... a feeling of surprise.
5. «Sit ... », he said and showed me a chair.
6. I am going to place my savings ... that bank.
7. He got ..., opened the door and called ... the accountant.
8. He invited me ... the private safe.
9. He asked me ... what notes I wanted my money.

VII. *Agree or disagree. Give your reasons:*

1. The man who was about to open an account was in a bank for the first time.
2. He was the close friend of the manager.
3. The manager guessed at once that there was a poor person in front of him.
4. He was a detective.
5. He was going to place a large sum of money in the bank.
6. The manager was very kind to that person.
7. That boy wanted to draw every cent of money out of the bank.
8. He is a customer of the bank since then.

VIII. *Transform the dialogue with the manager into indirect speech. Don't use the verbs «ask», «answer», «say», «tell».*

IX. *Retell the text as if you were a) the manager; b) the accountant.*

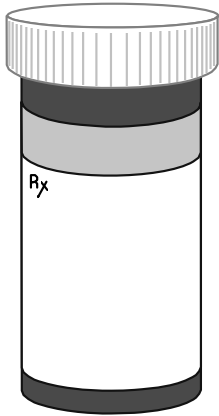
X. *What do you think about this story: is it serious or humorous?*

UNIT TWO

STEP ONE

Read the text:

JOHNSON & JOHNSON



In 1885, three brothers – Robert Wood, James Wood and Edward Mead Johnson – formed a company to make individually wrapped, antiseptic surgical dressings. Their dressings became widely used in hospitals throughout the country as they established their expertise by publishing a major text on the treatment of wounds. One of the brothers, Edward Mead, was more interested in drugs than in dressings, however. He left the organization in 1897 to form his own drug company, Mead Johnson. At that time, the company headed by Robert Wood and James Wood became Johnson & Johnson.

Over the years, Johnson & Johnson has taken risks and branched out into numerous areas. It has done so with two policies to guide it. One is to reward top executives well for their efforts, linking their compensation to the performance of their companies. The other is to decentralize the organization's structure and processes so that its subsidiary companies operate virtually autonomously. Johnson & Johnson sees its corporate culture of innovation and its organization design of decentralization as completely consistent with one another. Decentralization facilitates innovation and innovation involves risk taking. Risk taking is so much a part of Johnson & Johnson's culture that making a mistake has almost become a badge of honor; having made a mistake means that a person was innovative.

Those policies have enabled Johnson & Johnson to become a top producer of adhesive bandages, headache remedies, contraceptives, disposable diapers and shampoo. Indeed, the decentralization structure now consists of 166 individual companies, each contributing to the success of Johnson & Johnson in its own unique way. This design makes Johnson & Johnson the most broadly based company in the health-care field, with products ranging from Band-Aids to baby oil to Orthoclone OKT3, a monoclonal antibody used to keep a body from rejecting a kidney

transplant. However, although there may be 166 separate companies in the Johnson & Johnson organization, they fall basically into three types of products and are organized into divisions following those groupings: consumer goods, pharmaceuticals, and professional products. Thus, the 166 companies are not completely unrelated. Furthermore, the companies cooperate and share ideas and innovations. This enables them to perform better and to contribute to overall corporate success.

Johnson & Johnson, however, has had its failures. Perhaps, one of the most notable ones was in mouth-washes. Its Micrin brand rose to second place behind Warner-Lambert's Listerine only to be knocked completely out of the market by Procter & Gamble's Scope. Technicare, Johnson & Johnson's diagnostic imaging company, was another clear failure. Johnson & Johnson saw the purchase of Technicare as an easy way to enter a business in which it had no experience. That lack of experience may have been a critical factor, however. Despite the millions poured into it, Technicare was never very successful and Johnson & Johnson sold it in 1986 along with ultrasound diagnostic business.

The scare over cyanide-laced Tylenol, which hit the company in 1982 and was repeated in 1986, though not a failure, nonetheless slowed Johnson & Johnson's continued growth and performance



in the headache-remedy market. However, the forthright explanations of what had happened and the rapid recall of all Tylenol capsule products are still seen as a highly effective response to a crisis. Indeed, the management of that crisis is clearly responsible for Tylenol's continued success. Tylenol remains the best selling painkilling remedy on the market.

Nevertheless, product innovation has characterized Johnson & Johnson throughout its history. In the late 1980s, Johnson & Johnson had several highly innovative and promising products just coming on the market. Retin-A, or tretinoin, a vitamin A derivative, had been developed by Johnson & Johnson during the 1960s as an acne medicine. In the late 1980s, Retin-A moved from being just an acne medication to become a drug that promises to be able to rejuvenate wrinkled, sun-aged skin. The Food and Drug Administration approval for marketing Retin-A as a product for aged skin is still pending, but sales continue strong despite studies showing that it can produce a rash on some users.



Johnson & Johnson companies are also involved in biotechnology. Ethicon Inc., which makes sutures, is working with an independent California company, Chiron Corporation, to develop sutures that will actually speed the healing process. Johnson & Johnson also developed erythropoietin (EPO) in a partnership with Amgen Inc. EPO is a hormone that stimulates the production of red blood cells. EPO could thus be useful for patients on kidney-dialysis machines or in treating the anemia of patients undergoing chemotherapy.

Johnson & Johnson expects to achieve expansion not only from domestic operations but also from overseas. Overseas markets are growth areas for existing products and outlets for new products. In the consumer product area, Johnson & Johnson was experiencing almost two per cent year growth in its overseas operations during the late 1980s. In some cases, the overseas market provides Johnson & Johnson a chance to correct mistakes made domestically. In Brazil, for instance, Johnson & Johnson is number one in disposable diapers, having benefited from being beaten out in that market domestically by Procter & Gamble and Kimberly Clark.

Despite a corporate culture promoting innovative risk taking and a highly decentralized structure, any company the size of Johnson & Johnson develops some parts that do not conform the norm. There are some operations that are being run by risk-averse managers who prefer to use tightly controlled procedures and careful accounting practices that punish rather than reward mistakes. Such managers prefer placid and predictable organizations rather than the unpredictability that goes along with creativity. The irony is that those managers can exist because the organization is decentralized and they can control their own units. This dilemma of decentralization was at least partly the reason for a recent bonus program designed to reward entrepreneurial achievements with direct cash payments. Nevertheless, the real answer to the dilemma has to lie in the people and the corporate culture; hiring and advancing people who believe in the culture will keep it alive and may be the biggest challenge that Johnson & Johnson will face.

FOR YOU TO BE DONE:

I. *State if the following took place:*

1. In 1985 three brothers formed a company to make wrapped, antiseptic surgical dressings.
2. Johnson & Johnson was formed in 1885.
3. Over the years Johnson & Johnson branched out into numerous areas.
4. Johnson & Johnson now consists of 166 individual companies.
5. Johnson & Johnson makes three types of products: consumer goods, clothes and food.
6. Johnson & Johnson companies are also involved in biotechnology.
7. Johnson & Johnson expects to expand not only from domestic operations but also from overseas.

II. *Complete the following sentences using the information from the text:*

1. In 1885, three brothers ...
2. Over the years Johnson & Johnson ...
3. The policy to guide the company is ...
4. It so happened that Johnson & Johnson became ...
5. Johnson & Johnson, however, has had ...
6. In the late 80s Johnson & Johnson ...
7. Johnson & Johnson companies are also ...
8. The structure of the company ...

III. *Use the derivatives from the underlined verbs in the following sentences:*

compete

- a) Johnson & Johnson makes ... products.
- b) The corporation meets keen ... at the world market.
- c) Procter & Gamble is our ... at the consumer goods market.

produce

- a) Johnson & Johnson began the mass ... of pharmaceuticals.
- b) Since we bought the computer, ... has increased by 15 %.
- c) Johnson & Johnson is the leading ... of professional

manage

- a) The branches of the company are run by experienced
- b) The ... of a corporation sometimes involves risk taking.
- c) He ran his company with high ... competence.

IV. *Say what you know about these famous corporations: Marlboro, Toyota, Hitachi, Sony, Citroen, Casio, IBM, Procter & Gamble, Levi's, Anne Burda Gmbh, Nike, Adidas, Dovgan. Use the words given below:*

to develop	разрабатывать, развивать
to offer	предлагать
to work on	работать над
to produce	производить
to improve	улучшать, совершенствовать
to sell	продавать
to export	экспортировать
to exhibit	выставлять, показывать
to put a product on the market	выпускать продукт на рынок
to do market research	проводить маркетинговые исследования
to capture the market	захватить рынок
to issue shares	выпускать акции
to be famous for	быть известным чем-либо
to beat competitors	победить (превзойти) конкурентов
to be in the same line of business	заниматься тем же бизнесом
to be in (great, small, no) demand	пользоваться (большим, малым, не пользоваться никаким) спросом
to flourish	процветать
to specialize in	специализироваться на
to take over	взять под свой контроль

V. *Translate into English:*

Розничная торговля – это продажа товаров и услуг конечному потребителю. Она выполняет много очень важных функций и представляет собой самое дорогое звено в цепи сбыта. Во-первых, эти функции создают удобные для покупателя торговые точки. Во-вторых, нередко дают гарантии и обслуживают товар. В-третьих, помогают продвинуть товар на рынок. В-четвертых, они могут частично финансировать покупателя через систему длительных кредитов и скидок. Являясь посредниками, они получают прибыль через систему наценок, составляющих 5 % и выше, которые могут в несколько раз превышать начальную стоимость товара. Существуют различные типы магазинов розничной торговли: универмаги, магазины уцененных товаров, кооперативы, торговцы, специализирующиеся на одном товаре. Однако современная тенденция состоит в укрупнении и слиянии мелких магазинов.

VI. *Describe the organizational design and structure of Johnson & Johnson:*

1. What are the major determinants of the organization design and culture of the company?
2. How is authority distributed and how are activities coordinated?
3. How and why is the structure of the company likely to change over the next ten years?
4. What problems might Johnson & Johnson encounter in staffing its organization?
5. What are the reasons for those problems?
6. How does Johnson & Johnson manage creativity and innovation?
7. What suggestions can you make for improving that management?

VII. *Find all the Infinitives in the text and translate the sentences into Russian.*

VIII. *Translate into Russian:*

1. To make the same mistake twice is unforgivable.
2. To know everything is to know nothing.
3. He failed to turn up in time.
4. It's time you stopped to think about it.

5. He is the first to be sent on that important mission.
6. Rather than buy a cheap product, I'd buy a good one.
7. I need another form to fill in.
8. She bought a brown bag and a pair of gloves to match.
9. They will come here later to get the necessary information.
10. It's very useful to read English books to master the language.
11. Don't you think it will be silly of her to keep her eyes shut to those facts?
12. He was the only one to accept that responsibility.
13. He was quick-witted, un pompous, the easiest man to do business with.
14. In America there is no boundary between business and speculation. Indeed, to buy at the lowest price and to sell at the highest price, legally when possible, or illegally when necessary, honestly when useful, but dishonestly and with a maximum of deceit when more profitable, is called not speculation but business.

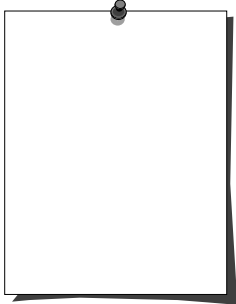
IX. *Find one in the text and translate the sentences into Russian.*

X. *Translate the sentences into Russian paying attention to one:*

1. It is such a thing that one cannot do oneself.
2. One needs as much information on market condition as possible.
3. I have no calculator. I want to buy one.
4. Thank you. One sheet of paper will do.
5. If one keeps in mind these figures it is easily understood why the corporation has become a top producer of synthetic detergents.
6. It takes one much time to make all the necessary calculations.
7. The figures presented involve one in the problems of modern statistics.
8. The computer allows one to make calculations in a short time.
9. This English book is too easy for me. I'd like to read a more difficult one.
10. I do not like these pictures. They are too dark. I saw better ones in a shop in our street.

STEP TWO

Read the dialogue:



DAILY ROUTINE

- Oh, I usually get up about five, go for a jog before breakfast. We usually have breakfast around 6.30. Then I have time to read the papers.
- Which paper do you take?
- Well, *The Financial Times*, *The Times* and *The Independent*. I don't exactly read them from cover to cover!
- No, of course, no!
- Well, after the papers, I leave for the office. I'm usually behind my desk by 7.30. The first job of the day is the post. My secretary sorts out those letters which need immediate attention. Then round about 9.00 I have a daily meeting with Pete Sykes, he's my deputy. We run through the agenda for the day.
- What's a typical day like?
- Well, there's no such thing as a typical day, but I have regular morning meetings with my Finance and Sales Directors. Of course I travel abroad a lot, then I keep up-to-date by telephone.
- What about lunch?
- Well, I try to have lunch in the company canteen as often as possible. But, of course, sometimes I have lunch out with customers or the bank manager! People like that.
- What about the afternoons?
- If I'm in the country, I often go down to our plant and see how things are going. We have weekly management committee meetings on Friday afternoon. Then of course there are monthly board meetings, usually the first Monday of the month.
- When do you finish work?
- Round about seven. Then, if there's nothing on in the evening, I'll go home. More often than not, there's a dinner engagement. My wife comes to quite a lot of these, so at least we see each other.

- When do you get to bed?
- Rarely before midnight. I always read a book for half an hour before going to sleep.
- Thank you, Mr. Johnson.

FOR YOU TO BE DONE:

I. *Read these notes to the dialogue. Use the following phrases or words in the sentences of your own:*

- interview – meeting to ask a person questions in order to collect information;
- journalist – a person who writes for a newspaper;
- a jog – not fast running;
- a cover – front and back pages of a newspaper;
- the post – mail, letters;
- to sort out – to put in order;
- attention – *here* action;
- deputy – a person who takes the place of another in case of his/her absence or illness;
- agenda – a list of things to be done during the day;
- up-to-date – 1) informed of the latest information; 2) modern;
- canteen – factory restaurant;
- plant – factory, enterprise;
- committee – official group of people who plan or organize for a larger group;
- the board meeting – a meeting of the directors of a company;
- engagement – appointment to do something.

II. *Complete the dialogue with an appropriate question. The first one has been done for you:*

- When do you get/wake up?
- Usually at six. At least my alarm clock goes off at six!
-?
- No, I don't have breakfast straight away; first I go for a run.
-?

- I sit down for breakfast about seven.
-
- After breakfast I read the papers.
-
- Oh, *The Guardian* and *The Independent*.
-
- I usually leave for the office about eight and I'm behind my desk by eight-thirty
-
- I sort through the mail first.
-
- No, I don't have a secretary. I wish I had!
-
- No, I usually go out. Sometimes I even travel abroad.
-
- Oh, about four times a year. Usually to America.

III. *Change the following sentences using adverbs of time of indefinite frequency as indicated by the number in brackets:*

- | | |
|------------------|-----------------------|
| 100% – always; | 40% – occasionally; |
| 90% – usually; | 25% – rarely/ seldom; |
| 75% – often; | 10% – hardly ever; |
| 50% – sometimes; | 0% – never. |

1. I sort through my mail (100%).
2. I travel abroad (40%).
3. I have meetings (75%).
4. I see the Managing Director (50%).
5. I see the Chairman (10%).
6. I catch the seven o'clock bus (100%).
7. I have lunch with the customers (25%).
8. After work I get home on foot (0%).

IV. *Interview your partner. Find out about his/her daily routines.*

STEP THREE

A FUTURE BUSINESSMAN

by T. Dreiser

I. *Practise the pronunciation of the following words:*

Buttonwood [ˈbʌtnwʊd]

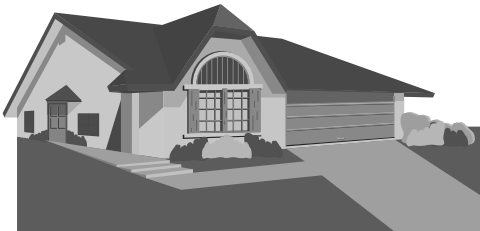
Philadelphia [ˌfɪlɪqˈdelfjə]

Cowperwood [ˈkɔwpə,wʊd]

Seneca Davis [ˈsenɪkəˈdeɪvɪs]

Cuba [ˈkjʌbʊ]

Read the text:



Buttonwood Street, Philadelphia, where Frank Cowperwood spent the first ten years of his life, was a lovely place for a boy to live in. There were mainly red brick houses there with small marble steps leading up to the front doors. There were trees in the street – a lot of them. Behind each house there was a garden with trees and grass and sometimes flowers.

The Cowperwoods, father and mother, were happy with their children. Henry Cowperwood, the father of the family, started life as a bank clerk¹, but when Frank, his elder son, was ten, Henry Cowperwood became a teller² at the bank. As his position grew more responsible, his business connections increased. He already knew a number of rich businessmen who dealt with the bank where he worked. The brokers³ knew him as representing a well-known firm and considered him to be a most reliable person.

Young Cowperwood took an interest in his father's progress. He was quite often allowed to come to the bank on Saturdays, when he would watch with great interest the quick exchange of bills. He wanted to know where all the different kinds of money came from, and what the men did with all the money they received. His father, pleased at his interest, was glad to explain, so that even at this early age – from ten to fifteen – the boy gained a wide knowledge of the condition of the country financially. He was also interested in stocks⁴ and bonds⁵, and he learned that some stocks and bonds were not even worth the paper they were written on, and others

were worth much more than their face value⁶ showed.

At home also he listened to considerable talk of business and financial adventure.

Frank realized that his father was too honest, too careful. He often told himself that when he grew up, he was going to be a broker or a financier, or a banker, and do some of the risky things he so often used to hear about.

Just at this time there came to the Cowperwoods an uncle, Seneca Davis, who had not appeared in the life of the family before.

Henry Cowperwood was pleased at the arrival of this rather rich relative, for before that Seneca Davis had not taken much notice of Henry Cowperwood and his family. This time, however, he showed much more interest in the Cowperwoods, particularly in Frank.

«How would you like to come down to Cuba and be a planter, my boy?» he asked him once.

«I am not so sure that I'd like to», replied the boy.

«Well, that's frank enough. What have you against it?»

«Nothing, except that I don't know anything about it».

«What do you know?»

The boy smiled, «Not very much, I guess».

«Well, what are you interested in?»

«Money».

He looked at Frank carefully now. There was something in the boy ... no doubt of it.

«A smart boy!» he said to Henry, his brother-in-law. «You have a good family».

Uncle Seneca became a frequent visitor to the house and took an increasing interest in Frank.

«Keep in touch with me», he said to his sister one day. «When that boy gets old enough to find out what he wants to do, I think I'll help him to do it». She told him she was very grateful.

He talked to Frank about his studies, and found that the boy took little interest in books or most of the subjects he had to take at school.

«I like book-keeping⁷ and mathematics», he said. «I want to get out and get to work, though. That's what I want to do».

«You're very young, my son», his uncle said. «You're only how old now? Fourteen?»



«Thirteen».

«Well, you can't leave school much before sixteen. You'll do better if you stay until seventeen or eighteen. It can't do you any harm. You won't be a boy again».

«I don't want to be a boy. I want to get to work».

«Don't go too fast, son. You'll be a man soon enough. You want to be a banker, don't you?»

«Yes, sir».

«Well, when the time comes, if everything is all right and you've behaved well and you still want to, I'll help you get a start in business. If you are going to be a banker, you must work with some good company a year or so. You'll get a good training there. And, meantime, keep your health and learn all you can».

And with these words he gave the boy a ten-dollar gold piece with which to start a bank-account⁸.

NOTES :

1. a clerk – a person employed to deal with business papers, letters, orders, bills and to keep account.
2. a teller – an employee of a bank whose work is to receive and pay out money. *Syn.* bank clerk, cashier.
3. a broker – a particular class of agent who is employed by his principal to buy or sell the principal's goods or services in return for a payment of a brokerage or commission calculated as a percentage of the amount of business done.
4. stock – capital stock that is to receive a dividend out of the profits of the company after the fixed dividends has been paid.
5. bond – a formal document promising to pay a sum of money (called a common money bond) or to prove the existence of a debt.
6. face-value – the value on a bank note or stamped on a coin.
7. book-keeping – the keeping of business accounts.
8. bank-account – an arrangement between a bank and a customer under which the customer pays in or deposits with the bank a sum of money which may be added to from time to time and has the right to cash cheques and to draw cheques on his account in favour of other parties.

II. *Complete the following sentences from the text:*

1. Buttonwood Street was a lovely place
2. The Cowperwoods, father and mother
3. He was quite often allowed to come to the bank on Saturdays when... .
4. He was going to do some of the risky things
5. ... he showed much more interest in the Cowperwoods
6. Uncle Seneca became a frequent visitor to the house
7. If you are going to be a banker, you
8. And meantime,

III. *Substitute words and word combinations from the text for the italicized parts:*

1. *With time the position that Henry Cowperwood held* grew more responsible and his business *contacts became more numerous*. He already knew several rich businessmen who came to do business with the bank where he worked.
2. *The brokers knew him because he held a responsible position* at a well-known firm, and *looked upon him as a person who could be relied on*.
3. *On Saturdays young Cowperwood would watch people get money at the bank in exchange for documents*.
4. Uncle Seneca *began to visit the house very often* and grew more and more interested in Frank.
5. «*Let me know what happens*», he said to his sister.
6. *They'll teach you the right things* there.

IV. *Find English equivalents for the following in the text:*

Генри Каупервуд начал работать в банке мелким служащим; откуда берутся все эти деньги?; с радостью объяснял; как раз в это время; на этот раз; не хочешь ли ты поехать на Кубу?; я не уверен, что хочу этого; что ты имеешь против этого?; несомненно, в мальчишке что-то было; большинство предметов, которые ему приходилось изучать в школе; вот что я хочу сделать; ты большего достигнешь, если ... ; не торопись, сынок; я помогу тебе начать; поработать в хорошей фирме год-другой; береги здоровье.

V. *Make up your own situations using the following words and word combinations:*

1. as a boy, to be fond of, to take an interest in history, a frequent visitor to museums, as, to grow up, to gain more knowledge, to get interested in, in fact;
2. to deal with, to exchange opinions, to be frank with, to rely upon, nearly, to deceive, to feel hurt;
3. a representative, to deal with, to cancel, two weeks' notice, to take steps, in connection with, to improve the position;
4. to remember meeting, shy, awkward, to take no notice of, to get to know, to turn out, honest, to be ashamed of one's attitude.

VI. *Answer the following questions using the active vocabulary of the text:*

1. Why do you think the author calls Buttonwood Street a lovely place?
2. Why did Henry Cowperwood's business connections increase?
3. What kind of firm did Henry Cowperwood represent?
4. Why did he get to know a number of rich businessmen?
5. What kind of person was he considered to be?
6. Why was young Cowperwood allowed to come to the bank where his father worked? What did he like to watch there?
7. How did the boy gain a wide knowledge of the condition of the country financially? What was he interested in?
8. What did Frank think of his father's business activities?
9. What were the boy's plans for the future? Were they associated with banking?
10. Why had Uncle Seneca taken no notice of the family before? Why did he get particularly interested in the boy?
11. Was the boy frank with his uncle or did he try to deceive him?
12. Why did Uncle Seneca become a frequent visitor to the house?
13. Why did Uncle Seneca want his sister to keep in touch with him?
14. Why did Uncle Seneca object to Frank leaving school at thirteen?
15. What did Uncle Seneca promise he would do if the boy behaved well?
16. What was Uncle Seneca's idea of a good training for the boy?

VII. *Discuss the following questions:*

1. What kind of family is described in the text?
2. What was Frank Cowperwood interested in? Do you consider these interests normal for a boy of his age? How did his father look upon the boy's interests? Was his attitude right or wrong (give your reasons)?
3. How was it that Frank came to be interested in nothing but money? How did the talk he used to listen to at home impress him?
4. What was it that Uncle Seneca liked so much in Frank? What did he say Frank's future depended on?
5. What do you think of Uncle Seneca's present to Frank?

VIII. *Dramatize the conversations between Frank and his uncle.*

IX. *Characterize Henry Cowperwood, Frank Cowperwood and Seneca Davis using the words below:*

good-natured; experienced (inexperienced); sensible; cheerful; powerful; reliable; smart; honest (dishonest); to behave; to be trained; to wear; to consider; to be responsible; to keep away from; to be easy (difficult, impossible, etc.); to deal with; to bring up; to grow up; (not) to get into trouble; the result was

X. *Describe: a) Henry Cowperwood's day; b) Uncle Seneca's life in Cuba; c) Frank Cowperwood's school day.*

XI. *Retell the text: a) as it is; b) as Henry Cowperwood (Frank Cowperwood, his schoolmate, Seneca Davis); c) without details (in 2-3 minutes).*

UNIT THREE

STEP ONE

Read the text:

BRAND MANAGEMENT AT PROCTER & GAMBLE



Since Procter & Gamble (P&G) first used the concept of brand management way back in 1927 to manage Camay soap, brand management has been almost synonymous with the Cincinnati-based company. Because of its great success, P&G has been viewed almost as a textbook case on how to run a consumer-oriented company so much so that major competitors, such as General Mills, began to adopt the brand management approach, often hiring talent from P&G. By the early 1980s, however, P&G's market share in a number of important markets had begun to slip as a result of competition and mature markets, causing P&G to be called a «wounded lion». The company announced its first drop in annual operating earnings in 33 years.

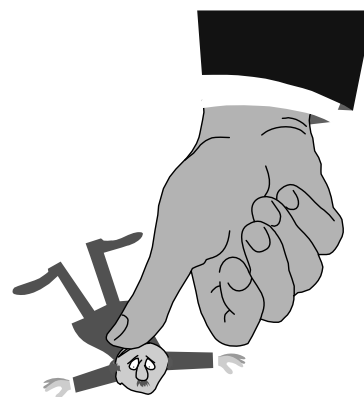
Despite its emphasis on brand management, P&G still had maintained a fairly centralized approach to decision making. In the beginning, the approach worked well; but over the years, excessive centralization began to bog down the company. Gradually, almost every decision was pushed to the top. A former P&G brand manager laughingly relates that the decision about whether the company's new decaffeinated instant Folgers coffee should have a green or a gold cap was elevated all the way to the CEO¹ (he chose gold).

The chief medium in the decision-making process, and the symbol of the growing centralization, became the one-page memo. Managers had to carefully summarize any proposal into a single page, which was rewritten almost endless times as it made its way up the hierarchy.

Brand managers were particularly frustrated by their lack of authority and the fact that they had to answer to layers of management and staff areas such as the legal department. One of many jokes circulating in the company went as follows: «How many brand managers does it take to screw in a light bulb?» The answer: «None. They have to call legal». This lack of authority, together with the tendency of the vertical hierarchy to make most of the significant decisions, effectively canceled the horizontal

coordination that the brand managers could provide.

Spurred by the company's difficulties, P&G executives have been taking steps to dismantle the overly bureaucratic practices that have become an anchor on the product management structure. For one thing, the introduction of the «talk sheet» has been welcomed by managers as a significant improvement over strict adherence to the one-page memo. The talk sheet is an informal outline that allows managers on several levels to develop and refine a proposal through discussions, rather than through paper only.



Management also is beginning to decentralize decision making. One method of achieving this objective is the increased use of business teams and task forces that can make decisions in such areas as product development and cost cutting, as well as encourage greater cooperation among functional divisions. In the past, a brand manager might have put together a proposal that would have been passed up the hierarchy for approval by the heads of the various functional units that were affected, as well as by top management. Now, teams are often put together that include representatives from functional areas who help to develop the proposal itself. As a result, brand management is becoming more team-oriented, with greater coordination across functions. The process has speeded product introductions, helping Ivory shampoo get to market in four months instead of the usual eighteen.

NOTES:

1. CEO – Chief Executive Officer – the chief manager of a company.

FOR YOU TO BE DONE:

- I. *Give the Russian equivalents of the following words and word combinations:*

brand management; consumer-oriented company; major competitors; to adopt; approach; to hire; market share; mature markets; a drop; annual operating earnings; excessive centralization; to bog down; one-page memo; lack of authority; layers of management; staff areas; legal department; to dismantle; «talk sheet»; to develop and refine a proposal through discussion; objective; a business team; cost cutting; functional

divisions (units); top management; team-oriented; product introduction.

II. *Form the derivatives of the following verbs with the help of suffixes and prefixes:*

to manage; to improve; to decline; to increase; to estimate; to develop; to write; to circulate; to decide; to divide; to provide; to produce; to operate; to depend; to direct; to compare; to arrange.

III. *Insert the missing words in the proper form and translate the sentences into Russian:*

- | | |
|---|---|
| 1. A manager that is fully responsible for advertising strategy and marketing of a particular product line is called | 1. сеть магазинов |
| 2. ... is pricing based on competitors' prices rather than the company's own costs. | 2. потребитель |
| 3. Does the value of commodities ... supply and demand? | 3. приобретать |
| 4. For money any merchandise can be | 4. управляющий по торговой марке |
| 5. They ... various ... and created the products for their own | 5. установление цены на основе уровня текущих цен |
| 6. A hard-core loyal is ... who buys one brand all the time. | 6. получать; сырье; потребление. |
| 7. Manufacturers, wholesalers and retailers complement each other's needs and their ... normally produces greater profits than each participant could have obtained individually. | 7. зависеть |
| 8. The company has that are commonly owned and controlled, sell similar lines of merchandise, have central buying and merchandising and may have a similar architectural design. | 8. сотрудничество. |

IV. *Choose the verbs with the meaning а) сокращать(ся), понижать(ся), уменьшать(ся); в) поднимать(ся), увеличивать(ся), расширять(ся):*

to cut, to raise, to speed up, to decline, to lessen, to widen, to fall, to

shrink, to expand, to diminish, to advance, to rise, to drop, to decrease, to grow, to extend, to slow-down, to increase, to spread.

Derive nouns from these verbs. Insert the verbs and nouns in the following sentences:

1. The connection between the volume of output and the capacity of the market is that (рост) of output does to some extent (расширять) the capacity of the market, and the limited capacity of the market sets certain limits on (рост) of output. An absolute (увеличение) of market capacity can go hand in hand with a relative (сокращение) of the market in comparison with (возрастание) of productive capacities, i.e. it may become more difficult to sell goods in spite of (возросшая) market capacity.

2. In pursuit of profits manufacturers (расширять) the productive apparatus and, under the pressure of competition, try to (снизить) the cost of merchandise. There are many methods for (сокращение) costs – better utilization of raw materials and fuel, the replacement of expensive raw materials by less expensive ones, and in particular by direct wages (понижение). But all these methods can result in overproduction.

3. The long-term tendency towards (сокращение) in the (рост) of production is now clearly observed in some advanced countries. The (возрастание) of production in those countries was approximately two per cent a year. Since the annual population (увеличение) in those countries was approximately one and a half per cent, there was practically no (повышение) in per capita income at all.

V. Translate into English:

Товарный знак – обозначение, отличающее товары разных изготовителей. Товарные знаки могут быть словесными (сочетание отдельных букв, цифр или фамилия), изобразительными (рисунки, графические символы, сочетания цветов), объемными (форма изделий или упаковки) и т.д. Товарный знак – важный объект промышленной собственности. Он выполняет функции гарантии качества товара и его рекламы. Товарный знак используется как во внутренней, так и в международной торговле. Право на товарный знак, как правило, приобретается путем регистрации лицензий в государственных органах. Товарный знак в практике многих стран стал товаром. Например, товарный знак «Кока-Кола» оценен в 3 млрд. долларов. Корпорация



«Нестле» купила фирму «Роунтри» за 2,5 млрд. долларов. Стоимость товарного знака водки «Столичная» оценивается на внешнем рынке в 400 млн. долларов. Это равняется десятилетнему объему продажи водки, реализуемой за рубежом с этим товарным знаком. За лицензию на модели одежды В.М. Зайцева американская фирма «Интерторг» заплатила 2,01 млн. долларов. При оценке стоимости приватизируемых государственных предприятий также необходимо учитывать рыночную стоимость товарного знака.

VI. *Prepare the answers for the following questions:*

1. What is matrix organization?
2. What are the functions of brand managers?
3. What does P&G produce?
4. What new products does P&G launch in this country?
5. Does P&G use direct investment abroad? Give some examples.
6. What can you say about the advertising methods used by P&G?
7. What is the buyers' market of P&G?
8. Does the company possess chain stores?
9. What is the trademark of P&G?
10. What kind of a company is P&G? Is it a multinational company?
11. What is the price policy at P&G? Does P&G use seasonal discount? Does the company use zone pricing, promotional pricing, going rate pricing, odd (off-even) pricing?

VII. *State the function of that and translate the sentences into Russian:*

1. He was the only man there that I knew.
2. It was you that said so!
3. A group of products that are closely related are sold to the same customer groups or fall within a given price range.
4. The set of all product lines and items is that a particular seller offers for sale to buyers. It is called product mix.
5. Supplies and services are items that do not enter the finishing product at all.
6. A discount store is a retail institution that sells standard merchandise at lower prices and by a higher volume.
7. That part of a brand which can be recognized but is not uttered, such as a symbol, design or distinctive colouring or lettering is called brand mark.
8. That foreign companies occupy the sellers' market in this country is a

well known fact.

9. Unsought goods are those the consumers do not know about or know about but do not actually think of buying.
10. During the necessary time the peasant created the product needed for his own existence and that of his family.
11. The first feature of economic laws is that they are of comparatively short duration and operate during a definite historical period.

STEP TWO

Read the dialogue:

TALKING ABOUT WHOLESALERS AND RETAILERS

– What do you think, would the manufacturer be better off without the middleman?

– Well, this is something every manufacturer has to think of some time, but I think he generally finds in the financial analysis he saves himself a whole lot of expense and trouble by getting someone else to look after his distribution problems. There are some heavy machinery and office equipment, for example.



– Will he really save himself expense?

– Not always – in the case of a big manufacturer operating a mail order business for instance, he may save by having his own mailing department. But in the case of goods sold in shops most firms have found it useful to get someone else to do the retailing.

– You haven't said anything about the wholesale trade.

– One big service it does give is in helping both manufacturer and retailer with store of information – knowledge of the trade, experience in forecasting market trends, changes in fashion and taste – things like that.

– I suppose the wholesaler's also useful to the retailer in finding sources of supply and to the manufacturer in finding new outlets for his products.

- I don't think we've mentioned that the wholesaler also bears a considerable risk when market prices change. Then we mustn't forget that wholesalers sometimes help the retailers with special credit terms.
- So far we've mostly heard about the advantages of dealing with a wholesaler. What about some reasons for eliminating the wholesaler?
- Manufacturers of some proprietary items prefer to deal direct with the retailer because they feel they get better publicity that way.
- If the retailer's willing and able to buy large quantities, he may be better off buying direct from the enterprise.
- Well, on the whole it looks as if the present set-up is likely to continue for some time at least.

FOR YOU TO BE DONE:

I. *Find the equivalents of the words and word combinations in the dialogue:*

изготовитель; продажа; выгодно; обходиться без посредника; финансовый анализ; экономить; значительные средства; заниматься проблемами сбыта; заказы, присылаемые по почте; розничная торговля; оптовая торговля; запас информации; предсказание тенденций развития рынка; источник поставок; пути сбыта продукции; изменение рыночных цен; особые условия кредита; преимущества; устранение; изготовители с преимущественным правом производства; реклама.

II. *Translate into English the following word combinations:*

credit – вексельный кредит; исчерпанный кредит; предоставленный кредит; резервный кредит; кредит в сумме; в счет кредита; использование (части) кредита; кредит с погашением в рассрочку; недостаток кредитов; обеспечение кредита; погашение кредита; предоставление кредита; условия предоставления кредита; получать кредит; превышать кредит.

market – внешний рынок; внутренний рынок; неустойчивый рынок; конъюнктура рынка; потребности рынка; состояние рынка; расширять рынок; конъюнктура рынка, выгодная для поку-

пателей/продавцов.

loan – беспроцентная ссуда; онкольная ссуда; срочная (предоставленная на определенный срок) ссуда; погашать ссуду; получать ссуду; предоставлять ссуду; нецелевая ссуда.

charges, costs, expenses, expenditure – административные расходы; дополнительные расходы; командировочные расходы; накладные расходы; непредвиденные расходы; нормативный расход; прочие расходы; сметные расходы; социально-культурные расходы; текущие расходы; возмещение расходов; за вычетом расходов; расходы на жилье/коммунальные услуги; смета расходов; статьи расходов; расходы, понесенные из-за ...; нести расходы; оплачивать расходы.

III. *Transform the sentences into Past and Future and use the appropriate forms of the modal verbs and their equivalents:*

1. Every manufacturer has to think about the advantages and disadvantages of his business.
2. He must make the financial analysis of his business enterprise.
3. He can save some packing expenses.
4. The retailer should forecast market trends.
5. We must not forget that wholesalers sometimes help the retailers with special credit terms.
6. If the retailer can buy large quantities of goods he may be better off buying direct from the enterprise.

IV. *Fill in the blanks with prepositions:*

1. You haven't said anything ... wholesale trade.
2. The wholesaler is useful ... the retailer ... finding sources ... supply and ... the manufacturer ... finding new outlets ... his products.
3. We have heard much ... the advantages ... dealing ... a wholesaler.

V. *Answer the questions:*

What kinds of trade do you know?

What is wholesaling?

What is retailing?

How are wholesalers and retailers connected?

How does a retailer serve a customer?

How does a customer serve a retailer?

What per cent of the price of the goods sold goes to the retailer?

What can you say about the role of a wholesaler in market operations?

VI. *Make a report about different forms of trade.*

STEP THREE

Read the text:

THE READING PUBLIC

by S. Leacock

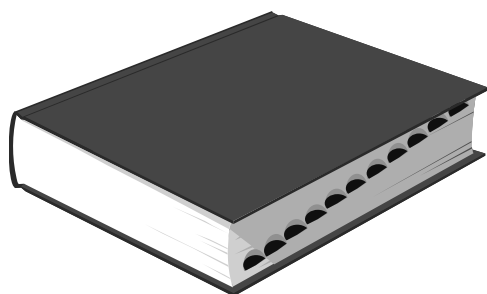
«Wish to look about the store¹? Oh, by all means, sir», said the manager of one of the biggest book stores in New York. He called to his assistant, «Just show this gentleman our ancient classics – the ten-cent series»². With this he dismissed me from his mind.

In other words he had guessed at a glance³ that I was a professor. The manager of the biggest book store cannot be deceived in a customer. He knew I would hang around for two hours, get in everybody's way, and finally buy the «Dialogues of Plato» for ten cents.

He despised me, but a professor standing in a corner buried in a book looks well in a store. It is a sort of advertisement.

So it was that standing in a far corner I had an opportunity⁴ of noticing something of these up-to-date manager's methods with his real customers.

«You are quite sure it's his *latest*?» a fashionably-dressed woman was saying to the manager.



«Oh, yes, madam, this is Mr. Slush's very latest book, I assure you. It's having a wonderful sale». As he spoke he pointed to a huge pile of books on the counter with the title in big letters – *Golden Dreams*.

«This book», said the lady idly turning over the pages, «is it good?»

«It's an extremely powerful thing», said the manager, «in fact it's a masterpiece. The critics are saying that without exaggeration⁵ it is the most *powerful* book of the season. It is bound to make a sensation».

«Oh, really!» said the lady. «Well, I think I'll take it then».

Another lady entered. A widow, judging by her black dress.

«Something new in fiction», repeated the manager, «yes, madam, here's a charming thing, *Golden Dreams*, – a very sweet story. In fact, the critics are saying it's the sweetest thing Mr. Slush has done».

«Is it good?» said the lady.

«It's a very charming love story. My wife was reading it aloud only last night. She could hardly read for tears».

«I suppose it's quite a safe book?» asked the widow anxiously. «I want it for my little daughter».

«I assure you it's perfectly safe. In fact, it is written quite in the old style, like the dear old books of the past; quite like ...» – here the manager paused with a slight doubt – «Dickens and ... er ... so on».

The widow bought the *Golden Dreams*, received it wrapped up, and passed out.

«Have you any good light reading?» called out the next customer in a loud cheerful voice – he had the air of a man starting on a holiday.

«Yes», said the manager, and his face almost broke into a laugh. «Here's an excellent thing, *Golden Dreams*; quite the most humorous book of the season. My wife was reading it last night. She could hardly read for laughing».

After that the customers came and went in a string⁶. To one lady *Golden Dreams* was sold as exactly the reading for a holiday, to another as the very book to read after a holiday; another bought it as a book for a rainy day, and a fourth, as the right sort of reading for a fine day.

After a busy two hours I drew near and from a curiosity⁷ that I couldn't resist said, «That book, *Golden Dreams*, you seem to think it's a very wonderful book?»

The manager knew that I had no intention of buying the book, so he shook his head. «Frankly speaking, I imagine it's perfectly rotten»⁸.

«Haven't you read it?» I asked in amazement.

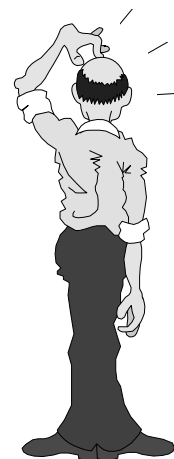
«Dear me, no!» said the manager. His air was that of a milkman who is offered a glass of his own milk. «A pretty time I'd have if I tried to read all the new books. It's quite enough to keep track of them without that».

«But those people», I went on, deeply puzzled, «won't they be disappointed?»

«By no means!» he said. «They won't read it. They never do».

«But at any rate your wife thought it a fine story», I insisted.

The manager smiled widely. «I am not married, sir».



NOTES:

1. to look about the store – *здесь*: просмотреть книги, которые продаются в магазине.
2. the ten-cent series – a series of books each of which costs ten cents.
3. at a glance – at once.
4. I had an opportunity – I could; I had a chance to notice something.
5. without exaggeration [lg,zxɔdʒe'relʃqŋ] – без преувеличения.
6. The customers came and went in a string. – The customers kept coming and going one after another.
7. curiosity [ˌkjʊrɪ'ɒsɪtɪ] – любопытство.
8. rotten – (slang) bad.

I. In the right column find the definition to the words in the left column:

- | | |
|-----------------|--|
| 1. a manager | 1. a person who buys regularly from a particular store or firm |
| 2. an assistant | 2. the female partner in a marriage |
| 3. a professor | 3. a professional reviewer of literature, art, music |
| 4. a customer | 4. someone who manages a company, department, institution |
| 5. a critic | 5. a person holding a subordinate position |
| 6. a wife | 6. a woman who has not married again after her husband's death |
| 7. a widow | 7. a university teacher of the highest rank. |

II. Use the words from the text instead of underlined:

1. The performance is brilliant. It is certain to be a success.
2. His manner is that of a professor.
3. It is very important for a manager to follow the events.
4. I am going to buy that book.
5. I am sure, my dear, in a couple of years you'll stop thinking about him.
6. To draw attention to your goods you are to arrange public notice of them.
7. It's the best thing written by him.
8. The story was so sad that I couldn't stop crying.
9. I'd like to read a conservative love story.
10. He smiled broadly.

11. The texts were to be published one after another.
12. Some people look down upon a person only because of his skin colour.
13. In one of the corners we saw a number of old books lying one upon another.
14. That newspaper gives the most recent news.

III. *Form the nouns from the words given. Use them in your own sentences:*

exaggerate; sense; anxious; humorous; receive; deceive; assist; resist.

IV. *Answer the questions:*

1. Why did the manager offer the professor the ten-cent series?
2. Why did the manager lose all the interest in the professor and dismiss him from his mind?
3. Why did the fashionably dressed lady insist on having the latest book? Was she really interested in the most recent literature?
4. The professor stood buried in a book; the lady was idly turning over the pages – what do these sentences tell you of these two customers?
5. Whom did the manager consider his real customers?
6. Why did the manager say quite different things about the same book to different customers?
7. Did the manager have a high opinion of all his customers? Find the place in the story to illustrate this.
8. What was his only aim?

V. *Think about answers to the following questions:*

1. What kind of people do you admire? What kind of people do you despise?
2. A shop without shop assistants is called a self-service shop. How do customers buy things in a self-service shop?
3. What are goods advertised for?
4. What distinguished Soviet poet of the 20s wrote well-known advertisements?
5. What place in a shop is called «a counter»?
6. What kind of books do you like best: fiction, scientific literature, detectives, love, historical stories or stories of travels and discoveries?

VI. *Do you know the difference between «to do» and «to make»? Use the verbs in correct forms in the following sentences:*

to do – делать, выполнять работу;

to make – делать (руками), производить, создавать, готовить;
заставлять

1. I have ... my duty.
2. Drink this, it won't ... you any harm.
3. He ... a few slight mistakes.
4. Why can't you ... him ... his work properly?
5. I have ... my best.
6. You'll have to ... without my help.
7. George hoped to ... a fortune in New York.
8. Haven't you ... up your mind yet?
9. He ... an immense effort.
10. It ... no difference whether you go or stay.
11. You should have ... inquires.
12. He ... a brilliant speech.
13. What has this matter to ... with me?
14. This is all we have, will that ...?

VII. *Retell the part of that story from «Another lady entered. A widow...» till «The widow bought the «Golden Dreams», ... and passed out», using the indirect speech.*

VIII. *Imagine that you are a manager of that shop. Explain your duties and objectives. How would you advertise your shop?*

IX. *You are an assistant: your duties and objectives.*

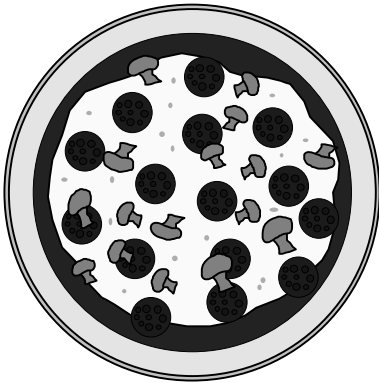
X. *Give your own title of the story.*

UNIT FOUR

STEP ONE

Read the text:

CONTROLLING SUCCESS AT McDONALD'S



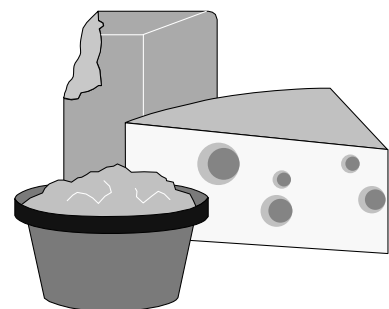
The original McDonald's drive-in restaurant in San Bernadino, California, was doing a brisk business in 1955 when the franchising rights¹ were sold to a milk-shake-mixer salesperson named Ray Kroc. Although Kroc, at the time, did not know the restaurant business and was not wealthy, he was going into competition against well-established fast-food chains, such as Kentucky

Fried Chicken, InstaBurger King (later shortened to Burger King), Dairy Queen and Big Boy.

Nevertheless, while selling milk-shake mixers, Kroc had witnessed many franchised outlets go out of business because of poor management, uneven quality and financial draining by parent companies. On the basis of his observations, Kroc believed that an organization could run a tremendously successful franchising operation if it could control the quality of both the food and the service offered at the franchised outlets. Offering franchisees good financial incentives for adhering to a fair, but closely controlled system would be another essential element for success.

To develop the kind of control needed, Kroc designed training programs that were unusual at the time and remain the best in the fast-food industry. He also put together a training manual that has grown to about 600 pages. The manual detailed operating procedures and standards for virtually every aspect of outlet management. Instructions ranged from the cooking time for French fries to expected standards of cleanliness for rest rooms. To help ensure that employees followed the provisions outlined in the manual, Kroc had field inspectors visit outlets and grade their operations against the standards set forth.

Kroc also demanded that suppliers conform to high standards. For example, potato distributors were shocked to learn that McDonald's



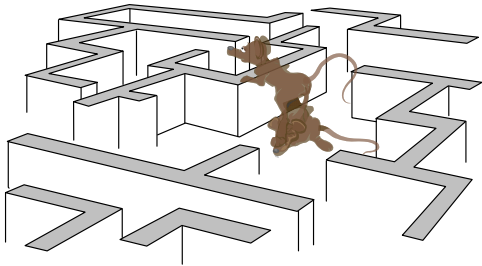
technicians measured the moisture levels in potatoes by using devices called hydrometers and rejected batches in which the solids content did not meet requirements. Because cheating on hamburger quality was a common practice in the meat industry at that time, McDonald's inspectors were known to use tactics such as showing up at a meatpacking plant at 3 a.m., ready to cancel contracts if they found anything amiss. McDonald's still keeps close tabs on suppliers, right down to conducting laboratory tests on the thickness of pickle slices.

Another unique aspect of the McDonald's operation was Kroc's approach to granting franchises. While the usual practice of other chains, such as Dairy Queen and Burger King, was to license whole territories in return for sizable front-end payments, Kroc sold franchises one outlet at a time. Only if an operator demonstrated a willingness and ability to live up to McDonald's standards that operator would be considered for additional outlets. Kroc also made sure that the franchisees would get to keep a good chunk of the fruits of their labours, giving them ample incentive to work hard. Franchises originally cost \$950 and a 1.9 per cent slice of gross revenues. Today an average-size McDonald's costs a franchisee more than \$375 000 and 12 per cent of gross sales for the duration of the franchise, which is normally 20 years.

When Kroc began his franchising operations, most organizations that franchised fast-food outlets had staffs of about 10 people whose primary job was selling more franchises and properly managing the income resulting from the sales. In contrast, McDonald's central staff was several times larger because of its broader mission, which included training franchisees and their managerial staffs and monitoring the way in which the stores were operated. This approach, coupled with the strategy of low franchise fees and low sales percentages from franchises, was costly at first. Although McDonald's outlets grossed \$75 million during the first 6 years of operations, headquarters made net profits of only \$159 000. Still, because he had the foresight to concentrate on the long run, Kroc began to achieve a vision that would ultimately prove difficult for the competition to duplicate: nationwide standardization. Gradually, customers started to notice that regardless of where they were, the local McDonald's restaurant could be counted on to offer reliable food, quick service and clean rest rooms. Yet there often have been innovations, such as the recent testing of new menu items (e.g. McRib sandwich, low-fat milk and sherbet) and the recent decision to begin gradually offering the new 14-inch McDonald's pizza at all U.S. outlets. The durable reputation of McDonald's was

recently confirmed in a survey in which Americans indicated that McDonald's was fifth among America's most powerful brands.

Today there are more than 10 875 McDonald's outlets located in the United States and in more than 42 other countries. For example, there are



approximately 675 outlets in Japan, 600 in Canada and 300 in Germany. Overseas franchisees often modify the menu and/or prices to be locally competitive. The company's gross sales of more than \$13 billion are increasing at a rate of more than

10% annually. A new McDonald's outlet opens every 15 hours someplace in the world. About 75% of the outlets in the United States are franchised operations. McDonald's typically owns or leases the property on which outlets are located, but the franchisee purchases the equipment and furnishings used. Overseas outlets are most often joint ventures in which both the company and local owners have 50% shares. Increasingly, the company is expanding internationally, an approach which presents even greater challenges to controlling food and service.

Although Kroc placed heavy emphasis on controlling the food and service offered, he still left room for considerable innovation among franchisees in addition to the innovating initiated by headquarters. For example, franchisees originated the ideas for Big Mac, the Egg McMuffin, the McDLT and now famous Ronald McDonald. They also have considerable influence over outlet design, which is one reason why design varies from one outlet to another. One of the busiest McDonald's in America, located north of Chicago's Loop, draws an estimated 320 000 visitors per month. The visitors step back into the 1950s and 1960s among such memorabilia as a telephone booth² from the 1950s television series «Superman», a Wurlitzer jukebox³, and old movies shown on elevated screens. Lunchtime customers at a McDonald's in Los Angeles enjoy violin serenades. McDonald's outlets also are popping up in some unique locations such as on a reproduction of a riverboat on the Mississippi River in St. Louis, at St. Joseph's hospital in Phoenix, on several university campuses⁴, and at the U.S. naval base in Cuba.

What explains McDonald's spectacular success? One major factor is the extent to which the company maintains strong control over most aspects of its operations. The control have helped McDonald's develop a competitive edge in the form of high product and service consistency. A Big Mac is likely to taste pretty much the same whether we are eating it in

Boston or Bangkok. As some experts reported recently in praising McDonald's, their Big Mac ordered at an outlet in Tokyo did not merely taste like an American Big Mac, they tasted «exactly the same». Still, the company has allowed room for innovation. How are successful companies such as McDonald's able to design and implement effective control?

NOTES :

1. the franchising rights – legal rights to allow other people to use the name and methods of a business for a fee.
2. a telephone booth – кабина.
3. jukebox – проигрыватель-автомат.
4. campus – (U.S.) кампус, территория университета или колледжа (двор, городок и т.д.).

FOR YOU TO BE DONE:

I. *Complete the following using some information from the text:*

1. I heard on TV that...
2. I told you at the beginning that...
3. If you want my advice...
4. From past experiences he knew that...
5. I'm waiting for you to tell me...
6. My advice to you is...
7. The reason I'm doing it is because...
8. As I have said...
9. All you need to do is...
10. For various reasons he was unable to...
11. She was pleasantly surprised that...
12. After more thought, he decided...
13. Since when have you been interested in...?
14. I must honestly add that...
15. It seemed a hopeless task to try to...

II. *Translate the following words into Russian:*

business; company; management; quality; control; revenue; consumption; income; profit; competition; service; tax; price; demand; staff; enterprise; training.

Choose the attributes to the above words and translate the words combinations into Russian:

годовой; валовой; частный; личный; финансовый; потенциальный; добавочный; умеренный; гарантийный; местный; жесткий; бесплатный; достаточный; подходящий; обслуживающий; квалифицированный; (не)удовлетворительный; дочерний.

III. *Prepare the answers for the following questions:*

1. What is franchising?
2. What is the strategy of the McDonald's organization?
3. How are the activities of the company coordinated?
4. How has McDonald's managed to control its outlets?
5. Does the management seem to be effective? Why or why not?
6. What changes can you suggest to improve the management?
7. How does the management process in a multinational organization such as McDonald's differ from the management process in a national organization?
8. Is McDonald's likely to be as effective in the future as it has been in the past?
9. Have you ever been to any McDonald's outlet? What were your impressions?
10. Is the expert right claiming the quality of McDonald's fast food and service to be of high quality?

IV. *Translate into English:*

Оптовая торговля является частью системы маркетинга. Она представляет собой систему сбыта для поставки товара на рынок. Обычно эта система непрямая (от производителя к оптовику, от розничного торговца к потребителю или через более сложные связи). Она включает в себя оптовых торговцев, оптовых посредников и комиссионеров. Около двух третей товара приобретается на правах собственности. Часто оптовая торговля является сферой деятельности малого бизнеса. Оптовики очень облегчают процесс торговли, так как, работая с постоянными оптовыми торговцами, владельцу магазина не обязательно содержать большие складские помещения с большим ассортиментом товара. Они действуют через свои конторы по оптовой продаже.

V. *Find the Gerund in the text and translate the sentences into Russian.*

VI. *Translate the sentences into Russian paying attention to Infinitive Constructions:*

1. I've looked after the investments of some of my clients for thirty years and they trust me.
2. To tell the truth, I'd rather lose my own money than see them lose theirs.
3. He is said to have impressed everybody during the talks.
4. In private the president was believed to have expressed his doubts about the State Secretary's chances of pulling off a deal.
5. They appeared to be wealthy people with a passion for everything connected with the stage.
6. We are working now and we'll be sure to pay you on Saturday.
7. The company was reported to be paying wages lower than its competitors.
8. The changes are likely to be announced in the April Budget.
9. He was known to have refused office in the interest of his profession.
10. Some member of the Board of Directors are believed to have resigned yesterday.
11. I still consider we were right to reject their offer.
12. Middle age and pressure of business forced him to give up hunting.
13. I cannot allow you to throw away an enormous property like this.
14. Maybe I could persuade him to pay her seventy-five a week.
15. I never saw a man pick up this work so fast.
16. I never heard him speak of those whose work had a certain analogy with his own.
17. Every enterprise would like fuel and raw materials to be cheap.

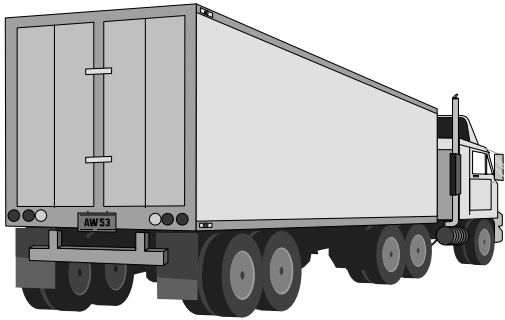
STEP TWO

Read the dialogue:

DISCUSSING THE CONDITIONS OF PURCHASE

- Well, Mr. Brown, I believe we may proceed with our yesterday's discussions.
- Yes, of course, Mr. Right.

- I'd like to have a look at your General Conditions of purchase. Have you got them with you?
- Yes, sure. Here they are. Are you interested in some definite clause?
- Yes. I'd like to clear up the clause concerning delay in delivery. I don't quite see when the sellers bear responsibility for this.



You see, Mr. Right, if the buyers fulfil their obligations completely, but for some reason the goods are not delivered at the fixed time, the sellers bear the expenses and must pay a penalty to the buyers.

- What does it amount to?
- We usually demand a payment of 0.5% of the price of the undelivered goods for the first week of the delay.
- That's rather a lot.
- That is not all. Besides the buyers reserve a right to reject the goods if the delay is more than six weeks.
- In this case the sellers do not pay any penalty, do they?
- Yes, they do.
- Then we'd like to think it over first. We'll have to agree about the penalty clause before we sign the contract.
- That's right.

FOR YOU TO BE DONE:

I. *Find the Russian equivalents to the words and word combinations. Use the English words and word combinations in the sentences of your own:*

discussion; general conditions of purchase; definite clause; delay; delivery; to bear responsibility for; to fulfil obligations; fixed time; expenses; a penalty; to amount to; to demand; to reject the goods; to sign a contract.

II. *Replace the italicized parts of the sentences with the equivalents from the dialogue:*

1. I *think* we can continue our yesterday's discussion.

2. I'd like to clear up *the clause about the delay* in delivery.
3. I want to know when the sellers *have responsibility* for the terms of purchase.
4. The buyers *have the right* to reject the goods.

III. *Complete the sentences according to the information given in the dialogue:*

He is going to ...

They are not interested in ...

We are ready to clear up the clause concerning ...

The buyers do not always know when the sellers ...

He is sure the goods ...

IV. *Name all the problems discussed in the text. Define the general conditions of purchase.*

V. *Ask your fellow students questions to the information of the dialogue*

VI. *Reproduce the dialogue using the phrases:*

As far as I know...

The thing is ...

They say ...

To tell the truth ...

Unfortunately ...

STEP THREE

THE LITTLE FOXES

by L. Hellman

I. *Practise the pronunciation of the following names:*

Regina Giddens [rɪ'dʒaɪnə ˈɡɪdnz]

Leo [li:qu]

Horace [ˈhɔrəs]

Birdie [ˈbɜdi]

Oscar [ˈɒskə]

Marshall [ˈmɜʃəl]

Benjamin [ˈbendʒəmɪn]

Alexandra [ˌæləˈzɑndrə]

The play shows a typical American family. Regina Giddens, a beautiful woman of forty, hates her husband Horace; she and her two brothers, Oscar and Benjamin (Ben), fight each other for a larger part in a commercial enterprise organized by Marshall, a rich Chicago businessman.

Oscar, who is about fifty now, had married Birdie, a girl from a rich family. He did not love Birdie and married her only for her money. They have a son, Leo whom his mother does not love, because he is very much like his father. Leo works in the bank, headed by Horace Giddens. Horace has serious heart trouble. He had spent six months in the hospital and was brought home by his daughter Alexandra who is seventeen years old. While Horace was ill, Leo stole his bonds for a large sum of money from the bank and gave them to his father to use in the enterprise.

Read the text:

Scene: The living-room of the Giddens house in a small town in the South. A staircase leading to the second floor. Spring 1900. Horace is sitting near the window in a wheel-chair. On the table near him is some medicine. He is talking to his wife about the theft of the bonds.

Horace: Leo took the key and opened the box. You remember the day I came back from the hospital? Oscar went to Chicago the same day. Well, he went with my bonds that his son Leo had stolen for him. And for Ben, of course, too.

Regina: When did you find out the bonds were stolen?

Horace: Wednesday night.

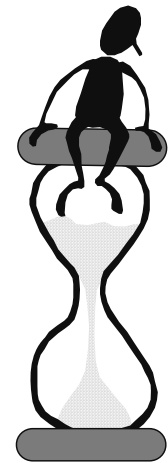
Regina: Why have you waited three days to do anything? This will make

a fine story. (*Suddenly laughs*) A fine story to hold over their heads². How could they be such fools?

Horace: But I'm not going to hold it over their heads.

Regina (stops laughing): What?

Horace (turns his chair to see her): I am going to let them keep the bonds – as a loan³ from you. An eighty-eight-thousand-dollar loan; they should be grateful to you. They will be, I think.



Regina (slowly, smiles): I see. You are punishing me. But I won't let you punish me. If you won't do anything, I will. Now. *(She goes to the door.)*

Horace: You won't do anything. Because you can't. *(Regina stops.)*

I shall say that I lent them the bonds.

Regina: You are going to lend⁴ them the bonds and let them keep all the profit⁵ they make on them, and there is nothing I can do about it, is that right?

Horace: Yes.

Regina: Why do you do it?

Horace: I was coming to that. I am going to make a new will⁶, Regina, leaving you those bonds. The rest will go to Alexandra. It's true that your brothers have borrowed those bonds for a short time. After my death I advise you to talk to Ben and Oscar. They won't admit anything. I will say nothing as long as I live. Is that clear to you?

Regina: Yes, you will not say anything as long as you live.

Horace: That's right. And after a time they will give you your bonds back and nobody except us will ever know what had happened. Your brothers will be soon here. They want to know what I am going to do. They will be happy to know I'll do nothing. And that will be the end of that. There is nothing you can do to them, nothing you can do to me.

Regina: You hate me very much.

Horace: No.

Regina: Oh, I think you do. Well, we haven't been very happy together. I don't hate you either. I have only contempt for you. I've always had.

Horace: From the very first?

Regina: I think so.

Horace: I loved you. But why did you marry me?

Regina: I wanted much from life. I wanted good things. Then, and then *(smiles)* Papa died and left the money to Ben and Oscar.

Horace: And you married me?

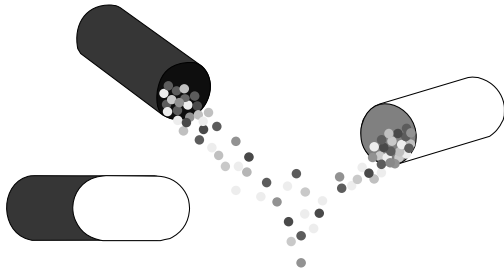
Regina: Yes, I thought – but I was wrong. You were a small-town clerk then. You haven't changed.

Horace (smiles): And that wasn't what you wanted.

Regina: No. No, it wasn't what I wanted. After some time I found out I had made a mistake.

Horace: Why didn't you leave me?

Regina: This wasn't what I wanted, but it was something. *(Horace puts his hand to his throat.)* You could die before I did. I couldn't know that you would get heart trouble so early and so bad. I'm lucky, Horace. I've always been lucky. *(Horace turns slowly to the medicine.)* I'll be lucky again. *(Horace looks at her. Then he puts his hand to his throat. He moves the chair to the table and takes the medicine bottle and the spoon. Suddenly he drops the medicine*



bottle and it breaks.)

Horace: Please, tell a servant to get the medicine in my room. *(Regina doesn't move. Horace looks at her and suddenly understands. He tries to call servants but his voice is too weak to be heard outside the room. He gets up from his chair and goes to the staircase. But he slips and falls on the steps. Regina waits a second, then goes to the staircase and speaks.)*

Regina: Horace, Horace. *(When there is no answer she calls.)* Come here, somebody! *(The servants come into the room and run to the staircase.)* He's had a bad attack. Take him to his room! *(The servants carry Horace to his room.)* *(Ben, Oscar and Leo come into the room. After a time Regina comes slowly into the room too.)*

Ben: What happened?

Regina: He's had a bad attack.

Oscar: Too bad. I'm sorry we were not here to help you.

Ben: How is he? Can we go to him?

Regina (shakes her head): He's not conscious.

Oscar (walking around the room): Is it so bad? We must call the doctor.

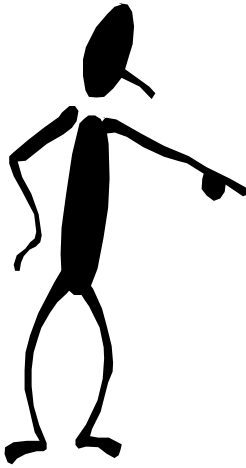
Regina: I don't think there is much for him to do.

Ben: Oh, don't say so. He has come through attacks before. He will now.

Regina: Well. We haven't seen each other since he came home. He told me about the bonds this afternoon. *(There is silence.)*

Leo: The bonds. What do you mean? What bonds?

Ben (looking at him angrily. Then to Regina): Horace's bonds?



Regina: Yes.

Oscar (steps to her): Well. Well, what about them? What – what could he say?

Regina: He said that Leo had stolen the bonds and given them to you. You are quite safe while Horace lives. But I don't think Horace will live. And if he doesn't live, I shall want seventy-five per cent of the profit.

Ben (steps back, laughs): Greedy! What a greedy girl you are. You want so much of everything.

Regina: Yes. And if I don't get what I want, I am going to put all three of you into prison.

Oscar: And on what evidence?

Regina: No evidence. I need no evidence. The bonds are stolen and they are with Marshall. That will be enough. If it isn't, I'll add what's necessary.

Ben: I am sure of that.

Regina (turns to Ben): You can be quite sure.

Oscar: You couldn't do anything like that. We're your own brothers. *(Points to Horace's room.)* How can you talk about such things when there not five minutes ago...

Regina (slowly): They will put you in prison. But I won't care much if they don't. Because by that time you'll be ruined. I shall also tell my story to Mr. Marshall, who likes me, I think, and who will not want to be involved in your scandal. A respectable firm like Marshall and Company. And you know it. Now I don't want to hear any more from any of you. I'll take my seventy-five per cent

and we'll forget the story. That is one way of doing it; and the way I prefer. You know me well enough. I will take the other way too, if I have to.

Ben (after a second, slowly): We haven't ever known you well enough, Regina.

Regina: You're getting old, Ben. *(There is no answer. She waits, then smiles.)* All right. I understand that it's settled and I get what I asked for.

NOTES :

1. an enterprise – an individual or commercial organization.
2. to hold (smth.) over heads – to make smb. get frightened, to threaten.
3. a loan – money lent on condition that it will be paid at an agreed time or in an agreed manner.
4. to lend (lent, lent) – to give a certain sum of money or something with expected interest or on another condition.
5. a profit – the amount by which the price received is greater than the cost; the difference between business income and expenses.
6. a will – a formal document in which a person states how and by whom he wishes his possession to be distributed after his death.

II. *Before reading the text try to find Russian equivalents to the following words and word combinations:*

to hate; to be very much like somebody; to steal; to be grateful; to admit; to make a new will; to have contempt for somebody; to be lucky; to be conscious; a greedy girl; evidence; a respectable firm; to be getting old; to settle.

III. *Find in the text the English equivalents to the following and use the words or phrases in your own sentences:*

ты в полной безопасности; семьдесят пять процентов прибыли; решено; ты стареешь; этого будет вполне достаточно; ну и жадная же ты!; и как они только могли быть такими дураками!; это заем, который дала ты; ты меня наказываешь; составить новое завещание; я всегда тебя презирала; ты не изменился; мне всегда везло; быть вовлеченным в скандал.

IV. *Translate the sentences and explain their grammar structure:*

1. They should be grateful to you. They will be, I think.
2. I won't let you punish me.
3. If he doesn't live, I shall want 75 per cent of the profit.
4. If I don't get what I want, I am going to put all three of you into prison.
5. If it isn't, I'll add what's necessary.
6. You couldn't do anything like that.
7. That is one way of doing it.
8. I will take the other way too, if I have to.

V. *Find and read aloud sentences describing:*

- 1) the theft of the bonds;
- 2) Horace's plan to make a new will;
- 3) Horace's illness and death;
- 4) Regina's offer to her brothers.

VI. *Find sentences in the text to prove that the following statements are true:*

1. Horace wanted to punish Regina by leaving her nothing in his will but the stolen bonds.
2. Regina wanted Horace to die before he made a new will.
3. Regina promised to ruin her brothers and send them to prison.

VII. *Find answers to the following questions:*

1. What kind of family did Regina, Ben and Oscar grow up in?
2. Whom did their father leave his money?
3. Why did Regina marry Horace if she didn't love him?
4. What do Regina and her brothers fight each other about?
5. Where does Leo work?

VIII. *How would you title that extract? Give your reasons.*

IX. *Retell the action in the form of an author's monologue.*

X. *Try to imagine the continuation of the story. What will be Regina's fate? Leo's future?*

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Багинская Ирина Николаевна, Григорьева Лидия Николаевна,
Москвина Раиса Михайловна, Шишкина Светлана Григорьевна

ПРИГЛАШАЕМ В МИР ЭКОНОМИКИ

УЧЕБНОЕ ПОСОБИЕ

Часть I

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