MINISTRY OF EDUCATION AND SCIENCE OF UKRAINE

SIMON KUZNETS KHARKIV NATIONAL UNIVERSITY OF ECONOMICS

ENGLISH (FOR SPECIFIC PURPOSES)

Guidelines to practical tasks and independent work

of Bachelor's (first) degree students
of speciality 072 "Finance, Banking and Insurance"
of the educational programme "Finance and Credit"

Kharkiv
S. Kuznets KhNUE
2023

UDC 811.111(072.034)
E56

Compiled by I. Reshetniak

Затверджено на засіданні кафедри педагогіки, іноземної філології та перекладу.
Протокол № 2 від 10.09.2022 р.

Самостійне електронне текстове мережеве видання

English (for Specific Purposes) [Electronic resource] : guidelines
E56 to practical tasks and independent work of Bachelor's (first) degree students of speciality 072 "Finance, Banking and Insurance" of the educational programme "Finance and Credit" / compiled by I. Reshetniak. – Kharkiv : S. Kuznets KhNUE, 2023. – 37 p. (English)

Texts and tasks are presented to give an opportunity to improve the level of the English language proficiency and gain additional knowledge on the topics "Banking" and "Company Finance".

For Bachelor's (first) degree students of speciality 072 "Finance, Banking and Insurance" of the educational programme "Finance and Credit".

UDC 811.111(072.034)

Introduction

Teaching English in S. Kuznets Kharkiv National University of Economics is both communicatively and professionally oriented. Its tasks are determined by the communicative and cognitive needs of specialists of the relevant profile, and it aims to provide an opportunity to acquire communicative competence, the level of which at certain stages of language training allows the use of English practically both in professional activities and for the purpose of self-education. The work includes two important topics of modern business: Banking and Company Finance. Each topic is presented with the help of authentic texts from original English-language sources, accompanied by a large number of various vocabulary and grammar exercises and questions for discussions. The main purpose of this work is to provide students of speciality 072 "Finance, Banking and Insurance" with the materials for classroom and independent work.

Speech samples and exercises given in this work will contribute to the oral consolidation of key vocabulary on the topics and develop students' communicative competences.

This work can also be used by the 1st – 3rd-year students of all specialities of the Bachelor's (first) degree.

Banking

Warm-up

1. What is a bank? What is it for? What types of banks do you know?
2. What are the usual services that banks provide?
3. Are you a bank user? What is your favourite bank and why?
4. Which do you prefer: on-line or off-line use of banking services? Why?
5. Do you think banks are still necessary or we can do without them?

Banking in Ukraine: the beginning

An independent Ukrainian banking system began to form naturally during 1991 as the disintegration of the Soviet state gathered momentum. In March 1991, the republic adopted a law "Banks and Banking" which provided for the establishment of the National Bank of Ukraine from the Ukrainian Republican division of the State Bank of the USSR. By the summer of 1991, the instructions of the Soviet State Bank were no longer binding on Ukraine.

In December, 1991 the USSR State Bank was formally liquidated and the National Bank of Ukraine was unequivocally the effective central banking authority. A two-tiered banking system was envisaged under law, wherein the National Bank would act as a central bank and all other banks would be responsible for commercial banking transactions. However, the peripheral administrative and legislative base of the nation had not been developed in a manner that would properly support a market-oriented banking system. The early years of Ukrainian independence constantly reflected the underdeveloped nature of the National Bank and the underdeveloped nature of newly formed commercial and legal structures in the country.

In theory, the National Bank of Ukraine was to divest itself of all commercial banking aspects in which the State Bank in the former USSR had been involved. The National Bank's role was to be the bank of the government responsible for monetary policy, the printing (emission) of money, the foreign exchange authority, and the organizer and administrator of inter-bank settlements. It was also to provide for the registration, licensing and supervision of commercial banks in the country. In mid-1991, the National Bank of Ukraine issued a number of regulations that established its authority over commercial banks. In August 1991, it required newly created commercial banks to maintain minimum statutory funds in an amount of 5 million rubles (approximately 500,000 USD) and cooperative banks 500 thousand rubles (approximately 50,000 USD).

Banking in Ukraine faced one of the harshest economic environments imaginable in a newly independent country simultaneously developing a market economy. Yet, sufficient elements of free enterprise and liberalization crept into the country to allow the primitive outlines of a functioning banking system to arise. Within a few years, the banking system in Ukraine had accumulated knowledge and developed banking practices that industrialized nations had taken centuries to develop. By 1994, the country had a banking system functioning along rudimentary market norms and a National Bank that the country and the world were beginning to take seriously.

Comprehension

1. What was the legitimate base for the creation of the NBU?

2. What sort of banking system was envisaged by law? What did it mean in practice?

3. What are the main functions of the central bank?

4. What were the cash requirements for commercial and cooperative banks?

5. What helped the Ukrainian banking system arise and survive?

Monobank

Monobank resulted from collaboration between Universal Bank JSC with the Fintech Band, an IT consulting firm providing consultancy and web-development services to retail banks, founded by former PrivatBank senior executives Dmytro Dubilet, Michael Rogalskiy and Oleg Gorokhovskyi. All of them left the largest bank in Ukraine Privatbank after its nationalization at the end of 2016. The founders had an idea of creating a product that would have the best impact on the people's spending capacity in order to develop small and medium-size businesses in Ukraine. Monobank started an invite-only beta testing in October 2017 and completed it in a month's time. It was also one of the first banks to launch Apple Pay in Ukraine. An estimated 2 ml USD have been invested in the development of the mobile app and around 6 ml USD of personal funds as well as funding from Universal Bank and iBox Bank have been invested in the entire project.

Since the bank has no branches, the service is provided through mobile apps. In order to use the service, you only need to download the app from Google Play or App Store (web version is not available), take a picture of your passport and personal tax reference number and pick up the card at an outlet or have it delivered. Monobank allows checking and deposit accounts in UAH, EUR and USD, however deposits and withdrawals of foreign currency can only be made in branches of Universal Bank, Tascombank and A-Bank. The Monobank mobile app offers a variety of banking services: from free money transfers and paying utility bills with no commission to credits and cash-backs. Cash back is a very attractive option as it allows customers to choose 2 categories of expenses and receive a cash back in the amount of 1 to 20 %. The customer support is provided through most popular messengers in Ukraine (Viber, Facebook Messenger, Telegram) and on the phone. Monobank uses neural networks for image recognition and gradient boosting that evaluates over 2000 parameters from customer's telephone number and IP address to the speed of filling out the application form for credit risk analysis.

At the moment, the Fintech Band is planning to scale to the UK market with a similar product and later to other global markets.

Comprehension

1. How did Monobank start?
2. How was the idea tested?
3. How much was invested in the whole project?
4. Does Monobank have branches throughout Ukraine?
5. What do you need to do to enjoy the services of Monobank? Are you a Monobank customer?
6. What kinds of accounts can you open with Monobank?
7. If you need to credit or debit your account in foreign currency, what should you do?
8. Which services does Monobank provide?

Banking in the UK

Banks in the UK; commercial bank facilities (current accounts, deposit accounts, credit cards, standing orders, loans and overdrafts); international banking; bills of exchange; documentary credits.

These can be divided into two groups: merchant banks and commercial banks.

Merchant banks tend to encourage larger organizations to use their services, and while the facilities they offer are similar to those of the commercial banks, the former specialize in areas of international trade and finance, discounting bills, confirming credit status of overseas customers through confirming houses, acting in the new issue market (placing shares), and in the bullion and Eurobond market. They are, in addition, involved in shipping, insurance, and foreign exchange markets. Brown Shipley, Hambros, Keyser Ullmann, Schroders, etc. are merchant banking houses.

Commercial banks offer similar services but are particularly interested in private customers' accounts, encouraging them to use their current account, deposit account, savings account, and credit facilities. They will lend money, against securities, in the forms of overdrafts and loans, pay accounts regularly by standing orders, and transfer credits through the bank Giro system. Essentially the difference between the merchant and commercial banks is the latter's availability to customers with their numerous branches throughout the UK, their low charges, and the laws which govern the way each organization handles its affairs. The 'big four' commercial banks are Barclays, Lloyds, Midland, and National Westminster.

Commercial bank facilities in the UK

Current accounts.

Current accounts can be used by anyone in the UK provided they can supply a reference or references. The advantages of this account include cheque payments, if there are funds in the account. As a matter of extra security, the customer, when paying by cheque, is required to provide a cheque card, which makes the bank responsible for the cheque passed, up to the limit stated on the card.

The card also acts as a cash card allowing money to be drawn from cash dispensers even when the bank is closed.

Although cheques can be drawn immediately, they will take three working days before the amount is debited or credited to an account.

When depositing cash or cheques, a paying-in slip is used to record the deposit, its counterfoil, with the bank's stamp and cashier's initials, being proof that the deposit was made.

It is possible to overdraw an account, i.e., take out more money than there is in credit, but this can only be done with the bank manager's agreement, otherwise the customer's cheque may not be honoured. However, many banks offer special current accounts where overdraft facilities are automatically included, for an extra charge.

As a rule, interest is not paid on current account credit balances and charges are made for transactions. However, there are special current accounts, which have certain requirements, e.g. a minimum balance, and minimum amount for cheques being passed, which offer interest.

Many firms have more than one current account, e.g. a No. 1 account for paying wages and overheads, and a No. 2 account for paying suppliers.

Deposit accounts.

Deposit accounts do pay interest to a maximum established by the bank, but the customer can be asked to give notice of withdrawal, and can only withdraw on a withdrawal slip handed in at the branch where the account is kept. No cheque book is supplied, and there are no overdraft facilities.

Banks offer various types of other accounts, e.g., a budget account, where the bank will pay a customer's bills spread over a twelve-month period. And there are numerous savings accounts on which interest is paid according to the credit balance in the account and the period it is left for. With some of these accounts there are penalties for withdrawing money before the agreed date.

Credit cards.

Credit cards offer credit facilities to customers making purchases in shops, and for a basic charge plus interest, calculated monthly, the customers can buy goods up to a limit on most cards, but with, say, a Barclay's Premier Card, the limit can be over £7,000. Access, Barclaycard, and Visa are internationally recognized. Some of these cards, such as Barclay's Connect act as a cheque and cash card, and can be used for automatic debiting when a customer pays for goods in a shop, this card is also internationally recognized.

Standing orders and direct debits.

Customers making regular payments, such as rent, or mortgage repayments, can ask the bank to transfer the money to the payee on a particular day every month. A standing order or direct debit is one method of doing this. In the latter case, however, once the instructions are given, for, say a period of a year, the order cannot be cancelled unless the payee agrees.

Loans and overdrafts.

Loans and overdrafts for large amounts are usually allowed on a formal agreement. A loan will usually be covered by a negotiable security, e.g. shares, with repayment specified on the agreement. Interest in the UK is not controlled by law, but market forces. The money for a loan is immediately deposited in the customer's account. With an overdraft, however, the customer is given permission to overdraw an account up to a certain limit.

Since the early 1980s, banks have had more freedom in lending and investing. Mortgages, for example, once the privilege of the Building Societies, who specialized in lending money to customers to buy houses, are now offered by banks, with the bank buying the property for the customer and the customer repaying over a twenty/twenty-five-year period. In addition, there is a wide range of other financial and investment services the banks offer. However, unlike most banks in the world, the UK banks do not generally act as brokers/dealers on the Stock Market for customers, but will use their own broker to buy securities on a customer's behalf.

The other services the banks offer include acting as trustees and executors, offering insurance, foreign exchange, and discounting services, and negotiating documents.

Banking in the US

Structure of the Federal Reserve System

It is important that we understand the nature and functions of the various segments which compose the banking system and the relationships which the parts bear to one another.

Board of Governors. The kingpin of the money and banking system is the Board of Governors of the Federal Reserve System ("the Fed"). The seven members of this Board are appointed by the President with the confirmation of the Senate. Terms are long – fourteen years – and staggered so that one member is replaced every two years. The Board of Governors has the responsibility of exercising general supervision and control over the operation of the money and banking system of the nation.

Two important bodies assist the Board of Governors in determining basic banking policy. On the one hand, the Federal Open Market Committee (FOMC), made up of the seven members of the Board plus five of the presidents of the Federal Reserve Banks, sets the System's policy with respect to the purchase and sale of government bonds in the open market. On the other hand, the Federal Advisory Council is composed of twelve prominent commercial bankers, one selected annually by each of the twelve Federal Reserve Banks. The Council is purely advisory; it has no policy-making powers.

The twelve Federal Reserve Banks. The twelve Federal Reserve Banks have three major characteristics. They are (1) central banks, (2) quasi-public banks, and (3) bankers' banks.

1. *Central Banks.* Most nations have one central bank, for example, Britain's Bank of England or West Germany's Bundesbank. The United States has twelve! Through these central banks the basic policy directives of the Board of Governors are made effective.

2. *Quasi-Public Banks.* The twelve Federal Reserve Banks are quasi-governmental banks. They reflect an interesting blend of private ownership and public control.

3. *Bankers' Banks.* The Federal Reserve Banks are frequently called "bankers' banks". This is a shorthand way of saying that the Federal Reserve Banks perform essentially the same functions for depository institutions as depository institutions perform for the public.

The commercial banks. The workhorses of the American financial system are its 13,753 commercial banks. Roughly two-thirds of these are state banks, that is, private banks operating under state charters. The remaining one-third received their charters from the Federal government, that is, they are national banks.

The Federal Reserve System of the United States performs many of the functions of the Central Bank of other countries. The territory of the United States is divided into twelve Federal reserve Districts, each one of which has a Federal Reserve Bank in a major city. Policies of these twelve banks are uniform, however, because they are set by the Board of Governors of the FRS.

It is precisely the FRB that carries out operations similar to those that are the responsibility of Central Banks in Europe, Latin America and elsewhere. For instance, member banks are told by the FRB what current reserve requirements are, that is the mandatory cash ratio of holdings to liabilities, FRBs may extend credit to member banks through advances or rediscounts. The rediscounting rate is set by each of the Individual member bank. The Board is also empowered to conduct certain open-market operations, that can affect the money supply of the United States. For instance, the Board can buy United States Government securities, thus increasing or decreasing the amount of money in circulation. Other open-market interventions of the FRBs include the purchase and sale of investments such as bankers' acceptances and bills of exchange.

The FR Board can also influence the volume of activity on the Stock Exchange by setting margin requirements for the purchase of securities. In other words, the FR Board can set the percentage of the market price of securities that a buyer must pay when buying stocks or bonds with a loan.

Margin requirements thus limit the amount of credit that purchasers of securities may be given to finance their investment activity. By raising or lowering margin requirements, the FR Board may limit or expand the volume of stock purchases.

Swiss banking secrecy

Since the early 1930s, Swiss banks had prided themselves on their system of banking secrecy and numbered accounts. Over the years, they had successfully withstood every challenge to this system by their own government who, in turn, had been frequently urged by foreign governments to reveal information about the financial affairs of certain account holders. The result of this policy of secrecy was that a kind of mystique had grown up around Swiss banking. There was a widely-held belief that Switzerland was irresistible to wealthy foreigners, mainly because of its numbered accounts and bankers' reluctance to ask awkward questions of depositors. Contributing to the mystique was the view, carefully propagated by the banks themselves, that if this secrecy was ever given up, foreigners would fall over themselves in the rush to withdraw money, and the Swiss banking system would virtually collapse overnight.

To many, therefore, it came like a bolt out of the blue, when, in the summer of 1977, the Swiss banks announced they had signed a five-year pact with the Swiss National Bank (the Central Bank). The aim of this agreement was to prevent the improper use of the country's bank secrecy laws, and its effect was to curb severely the system of secrecy. A headline in a British newspaper at that time aptly summed up the general view: Numbered accounts' days are numbered.

The new code which the banks had agreed to observe made the opening of numbered accounts subject to much closer scrutiny than before. The banks would be required, if necessary, to identify the origin of foreign funds going into numbered and other accounts. The idea was to stop such accounts being used for dubious purposes. Also, the banks agreed not to facilitate in any way capital transfers from countries which had introduced laws to restrict the transfer of capital abroad. Finally, they agreed not knowingly to accept funds resulting from tax evasion or from crime.

The pact represented essentially a tightening up of banking rules. Although the banks agreed to end relations with clients whose identities were unclear or who were performing improper acts, they were still not obliged to inform on a client to anyone, including the Swiss government. To some extent, therefore, the principle of secrecy had been maintained.

What eventually persuaded the bank to allow restrictions to be placed on their cherished system of secrecy and numbered accounts?

To answer this question, we will take a historical perspective and look back at events leading up to this significant change in banking policy.

The solid foundation of the system was provided by the Swiss bank secrecy law of 1934. This made it a penal offence to provide information about a bank's clients without their explicit authorisation, unless a court ordered otherwise. At that time, the law was designed to protect Jewish and other account holders in Germany against informers. The Nazi authorities had imposed stiff penalties including capital punishment, for anyone transferring money abroad, and they were in the habit of sending agents into Switzerland to track down the assets of German Jews and others intending to flee the

Nazi regime. The Swiss Parliament placed banking secrecy under the protection of the law after a Gestapo agent seduced a young woman employee and obtained the identities of some depositors.

Unfortunately, some banks began to abuse the protection afforded by this law. Critics both inside and outside the country, frequently accused them of irregular practices. Some said the banks were havens for smuggled currency and that they provided a shield for tax evasion. A socialist Member of Parliament claimed that banking secrecy had helped Switzerland to become a nation of receivers of stolen goods. It was also believed that ransom money from a number of kidnappings in Italy was paid into Swiss banks in the southern Swiss canton of Ticino, located near the Swiss/Italian border.

About three years ago, the National Bank started talks with the Swiss Bankers' Association (85 % of the commercial banks belong to this) to persuade the banks to be less tight-lipped about their operations and more forthcoming with information. It had to give up the attempt because the Association carried out a vigorous publicity campaign, complaining that the mere rumour of less secrecy had already caused foreigners to withdraw funds.

What unquestionably pushed – some say stampeded – the Swiss banks into limiting secrecy was the huge financial scandal involving the Credit Suisse: one of Switzerland's "big three" banks. The notoriety of the affair badly tarnished the Swiss banks' image of stability and honesty.

The scandal came to light when the Credit Suisse bank revealed that the manager of one of its major branches in Chiasso, near the Italian border, had been involved in secret, unauthorized deals. These had resulted in gigantic losses to the bank. Some estimated the eventual figure might reach £300 million or more.

The manager of the bank, Ernest Kuhrmeier, and an assistant, were said to have channelled about two billion dollars (£500 million) illegally into a Liechtenstein company, Texon Finanzanstalt.

Comprehension

1. Why had the Swiss banks and the government frequently clashed over the years?

2. Numbered accounts' days are numbered. Explain the meaning of this headline published at the time of the pact.

3. Why could one say that the new code did not entirely destroy the banks' traditional system of secrecy?

4. Some people accused the banks of being 'havens for smuggled currency'. What exactly did they mean?

5. What protection did the 1934 Bank Secrecy Law give to customers of banks?

6. How did the manager of the Credit Suisse bank in Chiasso finance his Liechtenstein company?

The World Bank

The World Bank is one of the major channels through which development aid is passed from the industrial West to the poor and developing nations of the world. Its scale of operations is vast, which is why its lending programme exceeds $7 billion a year, and its workforce numbers about 18,946.

In the last decades, important changes have taken place in the size of the Bank's operations and in the emphasis of its lending policies. Few people would deny, furthermore, that the President of the Bank, Mr Robert McNamara, has played an important role in bringing about the changes.

What immediately strikes anyone looking at the lending figures over the last ten years is the tremendous expansion in the Bank's loan programme. This has increased from $1 billion to nearly $7 billion. The figure includes "hard loans" which are made at current rates of interest, and "soft loans" which are allocated to poor countries at concessionary rates, and usually channelled through the Bank's affiliate, the International Development Association (IDA).

In deciding the emphasis of its lending policy, the Bank has had to take into account the "population explosion" which is occurring in many poor countries of the world. It is a fact that the fertility rate of poor countries is often very high. This is one of the main reasons for these countries remaining poor. Unfortunately, wide-ranging contraception programmes do not usually reduce this rate because there is a strong and deeply-rooted tradition among people in these countries to have big families. The large family unit, it is believed, brings greater financial stability.

What the Bank discovered – this was a revolutionary idea – was that there was a link between economic and social development, on the one hand, and a reduction in fertility rate, on the other. Thus, by improving basic health services, by introducing better nutrition, by increasing literacy, and by promoting more even income distribution in a poor country, a lower and more acceptable fertility rate would be achieved. This "advance in thinking", to use Robert McNamara's words, persuaded the Bank to change its overall lending strategy. Where previously it had concentrated on the big infrastructure projects such as dams, roads and bridges, it began to switch to projects which directly improved the basic services of a country. There was a shift, if you like, from building dams to digging water holes to provide clean water.

A second reason for the change in approach was that the Bank had learned a bitter lesson from projects financed in the 1960s. Many of its major capital investments had scarcely touched the lives of the urban and rural poor, nor had they created much employment. The projects did not have the "trickle down" effect they have in industrialised countries. Instead, the huge dams, steel mills and so on were left as monuments to themselves.

This redirection of its lending has meant that the Bank has tended to support labour-intensive activities rather than capital-intensive ones, both in rural and urban areas. There is a better chance, in the first case, that its funds will benefit the bottom 40 % of a country's population. The bank is also looking at ways of stimulating the growth of small businesses in many developing countries, since this would create employment opportunities for people with low incomes.

The major thrust of the Bank's efforts is directed towards improving conditions in poor countries. The Bank sees it as a moral duty of developed countries to help those living in conditions of absolute poverty. Mr McNamara has publicly stated that he trusts "civilized people will never allow themselves to reach a stage where they will watch on their colour TV sets other less fortunate nations perish".

While retaining the priority of helping poor countries clearly in mind, the Bank also assists middle-income countries. What these need, above all, is a constant flow of investment capital, and they are quite prepared to pay market rates for it. This "investment flow" the Bank will provide. On such investments, the Bank earns an average return of 8 % annually. It must be remembered that, although many of its loans are on concessionary terms, the Bank is also a hard-headed agency, not a welfare institution. It tries to increase the productivity of these middle-income countries so that the loans "earn the amount required to service them".

Being such a big and obvious target, the Bank has often come under fire. For example, its officials have been taken to task for using the Concorde supersonic aircraft so frequently; about 500 times in one year. Also, the large growth in the organization's personnel has not pleased some US critics.

A more substantial criticism has concerned the President's policy of setting annual targets for lending to specified countries. This could lead to a deterioration in the quality of loans, some say. One former Bank official has said: "rather than encourage growth for its own sake, the Bank should begin to think of itself less as a foreign aid agency and more of a financial "deal maker" combining official with private resources for specific purposes".

Comprehension

1. What is a "soft loan"? Why do you suppose the World Bank makes this type of loan?

2. Why are birth control programmes not very effective in controlling population growth in poor countries?

3. How has the Bank modified its lending policy recently? Why has change in emphasis taken place?

4. "The huge dams, steel mills and so on were left as monuments to themselves". What does the writer mean by this statement?

5. In what way does the need for capital of a middle-income country differ from that of a poor country?

Exercises

Ex. 1. Complete the sentences. Use an appropriate form of each word in the box to complete the text below.

loan	owe	debt	borrow	repay	lend

Joe took out a (1) … so that he could buy a car. The car cost £10,000 and the bank agreed to (2) … him £8,000. About a year later, Joe lost his job and started to worry about his (3) … . How could he (4) … it with no salary coming in? Out of the £8,000 that he had originally (5) … , he still (6) … more than £5,000.

Ex. 2. Find a word or phrase in the box that has a similar meaning.

savings	term	withdrawal	afford	current rate	facility

1) ongoing opportunity to get extra credit without asking the lender;

2) period of time in which a loan must be repaid;

3) rate of interest which is set at the present time;

4) action of taking money from your bank account;

5) money which you deposit with a bank, which earns interest for you;

6) if you can do this, you are able to pay for something because you have enough money.

Ex. 3. Kevin is phoning his bank. Use expressions below to replace each of the items in italics.

interest rate;	an overdraft;	account balance;	interest;
transfer;	current account;	bank statement;	banking charge

1. I want to *swap* £500 from my savings account to my *ordinary account*, because I don't want to have *the situation where I've spent more than I've put in*.

2. How much is in my savings account? What's the *amount in there at the moment*?

3. On the savings account, what's the *percentage* you pay to savers every year?

4. How much *extra money have you added* to my savings account in the last three months?

5. On the last *list of the all the money going out of and coming into the account*, there's *an amount that you've taken off the account* that I don't understand.

Ex. 4. Match the sentence beginnings (1 – 3) with the correct endings (a – c).

1. Investment companies are reporting a sharp increase in the number of

2. Consumers are using their windfall gains from building society

3. Peter is 26 and is wondering whether to join his company pension scheme. He would contribute a small percentage of his salary and his employer would make an equivalent contribution

a) if he decides to stay for at least two years he should join. If not, he should take out a personal pension.

b) small investors who are investing in unit trusts.

c) demutualization to buy new furniture or a new car.

Ex. 5. A. Match these verbs and nouns.

1) pay off;	a) interest;
2) earn;	b) your finances;
3) set up;	c) a mortgage;
4) run.	d) a loan facility.

B. Use an appropriate phrase from section A to complete each of the sentences.

1. He … of 8 % on his account.
2. She wanted to start her own business, so she asked the bank to ...
3. She lost her job and with no regular income it was difficult to ...
4. He was an accountant, so it was not surprising that he was good at ...

Ex. 6. Match these terms with their definitions.

1) consolidation;	a) division of a bank that deals with share issues and share trading;
2) equity operations;	b) bank that acts as an intermediary between companies and the investing public;
3) unit cost;	c) bringing together two or more companies, as in a merger;
4) cost base;	d) provision of basic banking services to individuals and companies;
5) niche;	e) place in the market for a specialised product or service;
6) parent company;	f) company which owns more than 50 % of another company;
7) retail banking;	g) total cost divided by the number of items that are handled;
8) investment bank;	h) large size providing the means for costs to be minimised;
9) commercial bank.	i) bank involved in international trade and corporate banking.

Ex. 7. Complete these sentences about Central Banks using the words in the box.

Central Banks, such as the Bank of England, the Federal Reserve Board in the US, and the Bundesbank in Germany.

act	control	function	influence
fix	implement	issue	supervise

1. … as banks for the government and for other banks.
2. … monetary policy – either the government's, as in Britain, or their own, if they are independent, as in Germany and the USA.
3. … the money supply, measured by different aggregates such as M0, M1, M2, M3, etc.
4. … the minimum interest rate.
5. … as lender of last resort to commercial banks with liquidity problems.
6. … coins and bank notes.
7. … (floating) exchange rates by intervening in foreign exchange markets.
8. … the banking system.

Ex. 8. Complete the chart.

verb	adjective	noun
supervise	supervisory	1) … *supervision …*
advise	2) ……………	advice
participate	3) ……………	4) ……………
(de)stabilise	5) ……………	(de)stabilisation
influence	influential	6) ……………

Ex. 9. Complete this paragraph using these words.

assets	cash	interest	liquid	maturity	reserve

Because a commercial bank can lend most of the money deposited with it to other borrowers, who in turn may lend it to another borrower, each sum of money deposited in a bank is multiplied several times. To ensure the safety of the banking system, central banks impose (1) … requirements, obliging commercial banks to deposit a certain amount of money with the central bank at zero (2) … . Central banks in different countries also impose different "prudential ratios" on commercial banks. These are ratios between deposits and liquid (3) … that are considered sufficient to meet demands for (4) … . (A bank's assets are its loans which should, in theory, all be paid back one day, and its liabilities are the customers' deposits which can all be withdrawn one day.) For example, a bank's capital ratio is between its capital and reserves on the one hand, and its total assets on the other. The reserve asset ratio is between deposits with a (5) … of under two years, called "eligible liabilities," and reserve assets, which include cash and assets that are (6) … – i.e. quickly convertible into cash – such as reserve deposits held by the central bank, and securities such as treasury bills.

Easy money

Britain's high street banks are extremely profitable – and widely criticised for their poor performance. What's going on?

Andrew Buxton, chairman of Barclays, ought to have looked a troubled man as he presented his bank's annual results last week. In the last year, Barclays had lost a chief executive, dropped £205 m on rash trading in the bond markets, another £153 m on bad loans to Russian customers, and had let its operating costs run out of control.

Yet Barclays somehow managed to make profits of £1.9 bn.

In the same year, Lloyds TSB reported a 14 per cent increase in its pre-tax profits to £3.29 bn, equivalent to an after-tax return on shareholders' equity of 33 per cent. And other British banks made similar profits.

So where do these profits come from? And why have they not been lost to the competition from other institutions?

The first part of the answer lies in the condition of the UK economy at large. In principle, bank profits are built for the most part on the volumes of loans they make and the deposits they collect; the margins between the interest rates for these two sides of their balance sheet give them their profits (or losses). But in a mature market such as the UK, it is hard for a very large bank to expand loan and deposit volumes much beyond the level of the economy as a whole, and even harder to widen net interest margins.

The biggest factor in bank profits has therefore been the level of bad debts. In 1992, when banks' accounts showed the worst of the effects of the last UK recession, the seven principal banks set aside £6.45 bn of bad debt provisions between them. Last year, the total for the same group is estimated to have been around £2.6 bn.

The other side of British banks' profitability reflects an interplay between technology-based efficiency gains and customer inertia.

Banks have become more efficient over the past decade, stripping out costs as new computer systems and telecommunications networks have enabled them to set up industrial-scale processing plants for tasks that used to be handled by clerks in the back of each branch.

Branches are expensive to run, and the network has been whittled down from a peak of 21,800 branches in 1985 to around 15,000 today. Each branch, too, has fewer staff. One of the most frequent complaints is the disappearance of the human touch in the bank branch. Yet customers have reaped most of the benefits of the banks' efficiency gains – cash dispensed at the touch of a button by machines, instant account balances, transfers and even loans available over the telephone.

However, British banks remain years behind their French rivals in electronic banking. Nor is the UK's money transmission system the most consumer-friendly in the world. Customers in New Zealand and Canada get deposits credited instantaneously, while in the UK they must wait days.

Competition in financial services has been steadily increasing since the 1980s. Yet the British consumer is more likely to swap a wife (or husband) than a bank. With such undemanding customers, leading banks could have years of fat profits ahead of them.

Comprehension

Mark these statements T (true) or F (false) according to the information in the text.

1. Barclays' profits were higher than those of Lloyds TSB.

2. Banks in the UK can make more profit by charging higher interest on loans.

3. The provision for bad debts for the main UK banks was much higher in 1992.

4. The banks do not employ as many clerks as they did in the 1980s.

5. Customers prefer to deal with machines rather than talk to bank staff.

6. British banks are the most advanced in the world.

7. British banks face a lot of competition from other institutions offering financial services.

8. The British don't complain very much about the service they receive from their banks.

Find the answers to these questions (see the text).

1. Which of the following reasons are given in the text to explain the British banks' profitability:

a) trading in bond markets;

b) reduction in the number of branches;

c) effective management;

d) reduction in the level of bad debts;

e) interest from loans to overseas customers;

f) large-scale processing of transactions;

g) competitive interest rates attracting more customers;

h) British customers preferring to stay with the same bank;

i) the strength of the economy?

2. Which of the following examples of improved banking technology are mentioned either directly or indirectly in the text:

a) ATMs;

b) smart cards;

c) credit cards;

d) telephone banking;

e) electronic banking?

Exercises on vocabulary

Ex. 1. Match these terms with their definitions.

1) net interest margin;	a) money reserved to cover bad debts;
2) provisions;	b) profit as a percentage of shareholders' capital;
3) return on equity;	c) difference between interest income and interest payments;
4) money transmission system.	d) method of transferring funds from one person to another.

Ex. 2. Replace the items in italics with words or phrases from the text that have a similar meaning.

1. Banks are affected by the state of the UK economy *in general*.

2. The UK has a very *established* loan market.

3. It's difficult for a large bank to *increase* loan and deposit volumes.

4. The UK's seven principal banks set aside *about* £6.5 bn of bad debt provision.

5. Banks have closed thousands of branches over the last *ten years*.

6. Many routine banking tasks are *dealt with* by computer.

7. A bank branch is expensive to *operate*.

8. Technologically, British banks are behind their French *competitors*.

9. Few people *change* banks in Britain.

10. Most UK banks still make *huge* profits.

Ex. 3. Choose the best explanation for each of these words or phrases from the text.

1) troubled:

a) worried;

b) pleased;

2) rash trading:

a) trading without enough care and consideration;

b) trading in large volumes;

3) let its operating costs run out of control:

a) allowed its costs to go over the budget;

b) allowed its costs to be checked by external auditors;

4) customer inertia:

a) customers don't want to move or change anything;

b) customers expect a lot of improvements in service;

5) stripping out costs:

a) adding to costs;

b) removing costs;

6) reaped most of the benefits:

a) collected most of the benefits;

b) lost most of the benefits.

Ex. 4. Find a word or phrase in the text that has a similar meaning.

a) total amounts or quantities;
v……… ;

b) system of local offices spread around the country;
b……… n……… ;

c) highest level recorded over a period;
p……… ;

d) designed so as to be of maximum benefit to the consumer;
c……… -f……… ;

e) when the value of a deposit is added to an account balance;
c……… ;

f) banks with the biggest share of the market.
l……… b……… .

Ex. 5. Match the first half of each sentence with the most appropriate second half. Notice the words that are used in each sentence to mark a contrasting idea.

1. Barclays Bank had a troubled year
2. Banks make a profit on their net interest margin
3. British banks have introduced a range of technically-advanced services
4. Canadian customers get deposits credited instantaneously

a) while UK customers have to wait a few days.
b) yet it managed to make a lot of profit.
c) but it is difficult for them to widen their margins.
d) but they are still behind the French in electronic banking.

Discussion

1. What kinds of bank accounts are offered by banks in our country?
2. What is a mortgage? How do people usually arrange and repay their mortgages?
3. Do you think bank customers are happy with the way their bank accounts and mortgage accounts are handled? What could be done to improve the system?
4. If possible, find the annual results of a bank in our country and report on its profitability.
5. How do British banks differ from banks in our country in the way they make their profits?

Company Finance

Warm-up

1. Why do companies need to know how they are performing?
2. What information do management accounts and financial accounts provide?
3. What is an annual report? Do all companies present their accounts to the public in an annual report?
4. What are the three documents which are included in any annual report? Give their names (they may have several names) and tell what information they contain.

Financial statements

Companies are required by law to give their shareholders certain financial information. Most companies include three financial statements in their annual reports.

The profit and loss account shows revenue and expenditure. It gives figures for total sales or turnover (the amount of business done by the company during the year), and for costs and overheads. The first figure should be greater than the second: there should generally be a profit – an excess of income over expenditure. Part of the profit is paid to the government in taxation, part is usually distributed to shareholders as a dividend, and part is retained by the company to finance further growth, to repay debts, to allow for future losses, and so on.

The balance sheet shows the financial situation of the company on a particular date, generally the last day of its financial year. It lists the company's assets, its liabilities, and shareholders' funds. A business's assets consist of its cash investments and property (buildings, machines, etc.), and debtors – amounts of money owed by customers for goods or services purchased on credit. Liabilities consist of all the money that a company will have to pay to someone else, such as taxes, debts, interest and mortgage payments, as well as money owed to suppliers for purchases made on credit, which are grouped together on the balance sheet as creditors. Negative items on financial statements such as creditors, taxation, and dividends paid are usually printed in brackets thus: (5200).

The basic accounting equation, in accordance with the principle of double-entry bookkeeping, is that Assets = Liabilities + Owners' (or Shareholders') Equity. This can, of course, also be written as Assets – Liabilities = Equity. An alternative term for Shareholders' Equity is Net Assets. This includes share capital (money received from the issue of shares), sometimes share premium (money realized by selling shares at above their nominal value), and the company's reserves, including the year's retained profits. A company's market capitalization – the total value of its shares at any given moment, equal to the number of shares times their market price – is generally higher than shareholders' equity or net assets, because items such as goodwill are not recorded under net assets.

A third financial statement has several names: the source and application of funds statement, the sources and uses of funds statement, the funds flow statement, the cash flow statement, the movements of funds statement, or in the USA the statement of changes in financial position. As all these alternative names suggest, this statement shows the flow of cash in and out of the business between balance sheet dates. Sources of funds include trading profits, depreciation provisions, borrowing, the sale of assets, and the issuing of shares. Applications of funds include the purchase of fixed or financial assets, the payment of dividends and the repayment of loans, and, in a bad year, trading losses.

If a company has a majority interest in other companies, the balance sheets and profit and loss accounts of the parent company and the subsidiaries are normally combined in consolidated accounts.

Comprehension

A. According to the text, are the following True or False?

1. Company profits are generally divided three ways.
2. Balance sheets show a company's financial situation on 31 December.
3. The totals in balance sheets generally include sums of money that have not yet been paid.
4. Assets are what you own; liabilities are what you owe.
5. Ideally, managers would like financial statements to contain no items in brackets.
6. Limited companies cannot make a loss because assets always equal shareholders' equity.
7. A company's shares are often worth more than its assets.
8. The two sides of a funds flow statement show trading profits and losses.
9. Depreciation is a source rather than a use of funds.
10. A consolidated account is a combination of a balance sheet and a profit and loss account.

B. The text above contains various British terms that are not used in the USA. Match up the following British and American terms.

1) creditors;	a) accounts payable;
2) debtors;	b) accounts receivable;
3) overheads;	c) income statement;
4) profit and loss account;	d) overhead;
5) shareholder;	e) paid-in surplus;
6) share premium.	f) stockholder.

Balance Sheet

Assets

A company's balance sheet gives a 'snapshot picture' of its assets and liabilities at the end of a particular period, usually the 12-month period of its financial year. But the snapshot could be taken on any day of the year.

An asset is something that has value or the power to earn money for a business. Assets include:

1) current assets:

cash at the bank;

securities: investments in other companies;

stocks of raw materials, unfinished goods and finished goods, that are going to be sold;

debtors: money owed to the company by customers;

2) fixed or tangible assets: equipment, machinery, buildings, land;

3) intangible assets: for example, goodwill, the value that the company thinks it has as a functioning organization with its existing customers, and in some cases brands, because established brands have the power to earn it money, and would have a value for any potential buyer of the company.

However, there are some things of value that are never shown on a balance sheet, for example the knowledge and skills of the company's employees.

Liabilities

A company's liabilities are its debts to suppliers, lenders, bondholders, the tax authorities, etc. Current liabilities are debts that have to be paid within a year, for example:

creditors: money owed to suppliers etc.;

overdrafts: when the company spends more money than it has in its bank accounts;

interest payments that have to be paid in the short term;

tax payable.

Long-term liabilities are debts that have to be paid further into the future, for example long-term bank loans and bonds.

When you deduct a company's liabilities (everything it owes) from its assets (everything it owns), you are left with shareholders' funds. In theory, this is what would be left for shareholders if the business stopped operating, paid all its debts, obtained everything that was owed to it and sold all its buildings and equipment.

Shareholders' funds as shown in a company's accounts includes:

the share capital the shareholders have invested;

the profits that have not been paid out in dividends to shareholders over the years, but have been kept by the company as retained earnings, also called reserves.

Profit and Loss Account

Profit and Loss

The profit and loss (P&L) account records the money we make (or lose!) during a particular reporting period, using the accruals principle. In our case, our accounts record sales from books, magazines, television advertising, etc. during the period – this is the money received from sales, minus the labour and cost of materials used to produce them, which is called the cost of goods sold (COGS).

Then we take away selling and general expenses – the costs related to making these sales – employees' salaries, rent for buildings, etc. There is also the cost of depreciation – this is not an actual sum of money paid out, but is shown in the accounts to allow for the way that machinery wears out and declines in value over time and will have to be replaced. This leaves us with our operating profit. Then we subtract the interest payable on money we have borrowed in the form of bonds and bank loans. This gives the profit on ordinary activities before tax, or pre-tax profit.

Sometimes there are exceptional items to report, for example the cost of closing a particular operation, but fortunately this does not happen very often. Of course, we pay tax on our profits and in the UK this is called corporation tax.

Note: Sales are also referred to as turnover in BrE. The profit and loss account is called the income statement in the USA.

Earnings

"From the profit after tax, also referred to as earnings, we usually pay dividends to shareholders, and you can see the figure for dividends per share. However, when business is bad, we may not do this – we may omit, pass or skip the dividend.

Naturally, we don't pay out all our profit in dividends. We keep some to invest in our future activities – these are retained earnings, or reserves.

You can look at profitability in terms of earnings per share (EPS), even if some of these earnings are retained and not paid out in dividends."

Cash Flow Statement

The cash flow statement shows money actually coming into and going out of a company in a particular period: cash inflows and outflows.

Types of cash flow

Net cash flow from operations is the money generated by the sales of the company's goods or services, minus the money spent on supplies, staff salaries, etc. in the period.

Net cash flow from investment activities is the result of:

purchases of securities (bonds, shares, etc.) in other companies;

money received from sales of securities in other companies;

loans made to borrowers;

loans repaid and loan interest paid by borrowers;

purchases of land, buildings and equipment;

sales of land, buildings and equipment.

Net cash flow from financing activities is the result of:

money received through short-term borrowing;

money repaid in short-term borrowing;

money received through issuing new shares in the company;

money received through issuing new bonds in the company;

dividends paid to shareholders.

Adding and subtracting the figures above, the company calculates its net cash position at the end of the year. Investors check the cashflow statement to see how the company is obtaining and using its cash – how much it made from its operations, how much it has raised through new share issues, etc. Cash inflows and outflows are presented in Fig. 1.

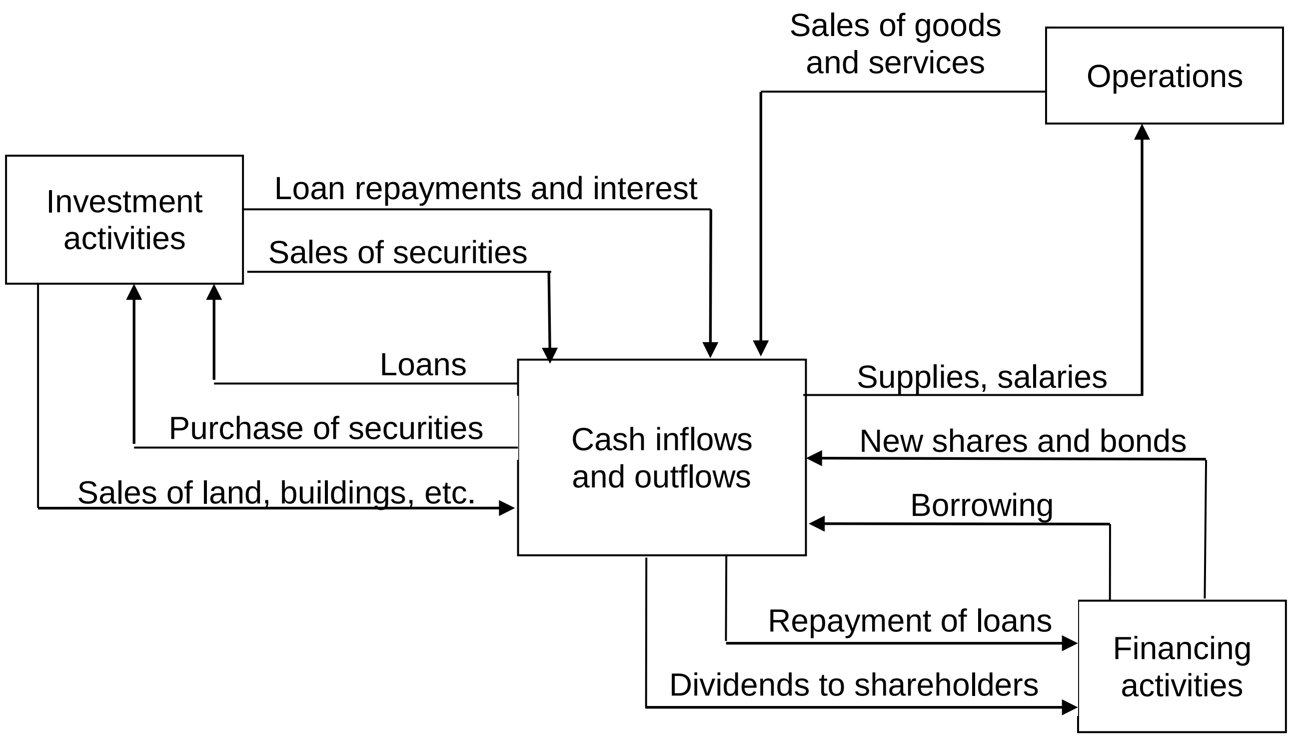

Fig. 1. **Cash inflows and outflows**

Anatomy of an annual report

While most annual reports contain optional elements, all reports contain information required by the Securities Exchange Commission or SEC, the commission that controls and administers the activities of US stock exchanges.

SEC-required elements include:

1. Auditor's report. This summary by independent public accountants shows whether the financial statements are complete, reliable, and prepared consistent with generally accepted accounting principles (GAAP).

2. Report of management. This letter, usually from the board chairperson and the chief financial officer (CFO), takes responsibility for the validity of the financial information in the annual report, and states that the report complies with SEC and other legal requirements.

3. Financial statements and notes. These provide the complete numbers for the company's financial performance and recent financial history. The SEC requires:

• Statement of earnings.

The statement of earnings shows how much revenue a company brings into the business, and the costs and expenses associated with earning that revenue during that time.

• Statement of cash flows.

The statement of cash flows reports the flow of cash into and out of a company in a given year. Cash is a company's lifeblood. Cash includes currency and deposits in banks. Cash equivalents are short-term, temporary investments that can be quickly converted to cash.

• Statement of financial position.

The statement of financial position reports a company's financial status at a set date. The statement is like a snapshot because it shows what the company is worth at a set date. The statement shows:

• what the company owns (assets);

• what the company owes (liabilities);

• what belongs to the owners (stockholders' equity).

4. Selected financial data. This information summarizes a company's financial condition and performance over five years or longer including gross profit and net earnings (net income).

5. Management discussion. This series of short, detailed reports discusses and analyses the company's performance. It covers results of operations, and the adequacy of resources to fund operations.

Optional elements include:

6. Board of directors and management. This list gives the names and positions of the company's board of directors and top management team. Sometimes companies include photographs.

7. Stockholder information. This information covers the basics – the company's headquarters, the exchanges on which the company trades its stock, the next annual stockholders' meeting, and other general stockholder service information. It is usually in the back of the annual report.

8. Letter to stockholders. This may be from the chairperson of the board of directors, the CEO, or both. It can provide an analysis and a review of the year's events, including any problems, issues, and successes the company had. It usually reflects the business philosophy and management style of the company's executives, and it often lays out the company's direction for the next year.

9. Corporate message. Some consider this an advertisement for the company. However, it almost always reflects how a company sees itself, or how it would like others to see it. Here, the company can explain itself to the stockholders, using photographs, illustrations, and text. It may cover the company's lines of business, markets, mission, management philosophy, corporate culture, and strategic direction.

10. Financial highlights. Probably the most often-read section of any annual report, these give a quick summary of a company's performance. The figures appear in a short table, usually accompanied by supporting graphs.

Exercises

Types of assets

Ex. 1. Match these accounting terms with the definitions below.

Assets, fixed or capital or permanent assets, intangible assets, liquid or available assets, net assets, net current assets or working capital, wasting assets.

1. … are anything that can quickly be turned into cash.
2. … are the excess of current assets (such as cash, inventories, debtors) over current liabilities (creditors, overdrafts, etc.).
3. … are those which are gradually exhausted (used up) in production and cannot be replaced.
4. … are those which will be consumed or turned into cash in the ordinary course of business.
5. … are those whose value can only be quantified or turned into cash with difficulty, such as goodwill, patents, copyrights and trade marks.
6. … , or shareholders' equity, on a business's balance sheet, is assets minus liabilities (which is generally equal to fixed assets plus the difference between current assets and current liabilities).
7. … , such as land, buildings and machines, cannot be sold or turned into cash, as they are required for making and selling the firm's products.

Cash flow

Ex. 2. Insert the following words in the gaps in the text.

insolvent	liquidity	net	positive
reputation	reserves	suppliers	working

Cash flow is essentially a company's ability to earn cash. It is the amount of cash made during a specified period that a business can use for investment. (More technically, it is (1) … profit plus depreciation plus variations in (2) …). The flow of funds is cash received and payments made by a company during a specific period – except that many people also use the term cash flow to describe this! New companies generally begin with adequate funds or (3) … capital for the introductory stage during which they make contacts, find customers and build up sales and a (4) … . But when sales begin to rise, companies often run out of working capital: their cash is all tied up in work-in-progress, stocks and credit to customers. It is an unfortunate fact of business life that while (5) … tend to demand quick payment, customers usually insist on extended credit, so the more you sell, the more cash you need. This provokes a typical (6) … crisis: the business does not have enough cash to pay short-term expenses. A (7) … cash flow will only reappear when sales growth slows down and the company stops "overtrading". But companies that have not arranged sufficient credit will not get this far: they will find themselves (8) … – unable to meet their liabilities.

Note. In the US the word *inventory* is used instead of *stock(s).*

Ex. 3. Match up these words to make word partnerships from Exercise 2, then match them with the definitions below.

1) extended;	a) capital;
2) working;	b) profit;
3) cash;	c) crisis;
4) net;	d) credit;
5) liquidity.	e) received.

1. Money already paid.
2. The money and stocks of goods held by a company which are used to produce more goods and to continue trading.
3. Longer than normal payment terms.
4. Short of cash.
5. The money made from selling goods after the deduction of all associated costs.

Depreciation

Ex. 4. Complete the text by inserting the correct form of the verbs in the box.

allow	charge	deduct	encourage
exist	increase	involve	lose
convert	spread	wear out	write off

Fixed assets such as buildings, plant and machinery (but not land) gradually (1) … value, because they (2) … or decay, or because more modern and efficient versions are developed. Consequently, they have to be replaced every so often. The cost of buying or replacing fixed assets that will be used over many years is not (3) … from a single year's profits but is accounted for over the several years of their use and wearing out. This accords with the matching principle that costs are identified with related revenues. The process of (4) … an asset into an expense is known as depreciation.

Various methods of depreciation (5) … , but they all (6) … estimating the useful life of the asset, and dividing its estimated cost (e.g. purchase price minus any scrap or secondhand value at the end of its useful life) by the number of years. The most usual method of depreciation is the straight-line method, which simply spreads the total expected cost over the number of years of anticipated useful life, and charges an equal sum each year. The reducing or declining balance method (7) … smaller amounts of an asset's value each year in cases where maintenance costs for the use of an asset are expected to (8) … over time. The annuity system of depreciation (9) … the cost of an asset equally over a number of years and (10) … this, and an amount representing the interest on the asset's current value, each year.

Some tax legislations (11) … accelerated depreciation: writing off large amounts of the cost of capital investments during the first years of use; this is a measure to (12) … investment.

Ex. 5. All the words below can be combined with *account, accounts* or *accounting*, in a two-word partnership: e.g. bank account, accounts payable or tax accounting. **Add the word *account, accounts* or *accounting* to each of the words below.**

1. … holder;
2. … methods;
3. … day;
4. … equation;
5. … payable;
6. … principles;
7. … period;
8. … procedures;
9. … receivable;
10. … standards;
11. … book;
12. bank …;
13. current …;
14. deposit …;
15. cost …;
16. managerial …;
17. numbered …;
18. profit and loss …;
19. savings …;
20. tax … .

Ex. 6. Now complete the following sentences with these word partnerships.

1. Auditors are supposed to make sure that companies follow their stated … .

2. Companies can choose from a variety of … , but they are not allowed to change them too often.

3. Lots of money obtained in dubious or illegal ways is deposited in … in Swiss banks.

4. The basic … is Assets = Liabilities + Owners' Equity.

5. The … at the London Stock Exchange usually lasts two weeks. It is followed by an … on which all bills must be settled.

6. The … is one of the three basic financial statements.

7. … consist of money that is expected to be received. The contrary, …, consist of money that is owed to other people.

8. The role of … is to provide figures and statements that will aid decision-making.

Discussion

1. Obtain the annual report of an organization you are interested in. Identify the profit and loss account, the balance sheet and the cash-flow statement. What other information does the report contain?

2. It often makes sense to maximize shareholder value by divesting loss-making businesses and investing in other areas, but is this always easy to do? Why/Why not? In particular, what issues might the company's senior managers have in relation to:

• their commitment to the company's basic or original activities?

• their employees?

• new activities that they might invest in?

References

1. Ashley A. A Handbook of Commercial Correspondence / A. Ashley. – Oxford : OUP, 1992. – 298 p.

2. Cotton D. Market Leader. Course Book / D. Cotton, D. Falvey, S. Kent. – Harlow : Pearson, 2015. – 76 p.

3. Johnson Ch. Banking and Finance / Ch. Johnson. – Harlow : Pearson Education Limited, 2000. – 96 p.

4. MacKenzie I. Financial English / I. MacKenzie. – Boston : Thomson Heinle, 2002. – 157 p.

5. Mascull B. Business Vocabulary in Use. Advanced / B. Mascull. – Cambridge : CUP, 2004. – 133 p.

6. Mascull B. Business Vocabulary in Use / B. Mascull. – Cambridge : CUP, 2002. – 172 p.

7. Trappe T. Intelligent Business. Course Book / T. Trappe, G. Tullis. – Harlow : Longman, 2005. – 176 p.

8. Tullis G. New Insights into Business. Workbook / G. Tullis, S. Power. – Harlow : Longman, 2003. – 86 p.

9. Monobank: the first mobile-only bank in Ukraine [Electronic resource]. – Access mode : https://techukraine.org/portfolio/monobank/.

10. Sochan P. The banking system in Ukraine [Electronic resource] / P. Sochan. – Access mode : https://www.case-research.eu/files/?id_plik=3700.

Contents

НАВЧАЛЬНЕ ВИДАННЯ

ІНОЗЕМНА МОВА (ЗА ПРОФЕСІЙНИМ СПРЯМУВАННЯМ) (англійська мова)

Методичні рекомендації до практичних завдань та самостійної роботи здобувачів вищої освіти спеціальності 072 "Фінанси, банківська справа та страхування" освітньої програми "Фінанси і кредит" першого (бакалаврського) рівня (англ. мовою)

Самостійне електронне текстове мережеве видання

Укладач **Решетняк** Ірина Олексіївна

Відповідальний за видання *Т. А. Борова*

Редактор *З. В. Зобова*

Коректор *З. В. Зобова*

Наведено тексти й завдання, які дають можливість поліпшити рівень володіння англійською мовою та здобути додаткові знання за темами "Банківська справа" та "Фінанси компанії".

Рекомендовано для здобувачів вищої освіти спеціальності 072 "Фінанси, банківська справа та страхування" освітньої програми "Фінанси і кредит" першого (бакалаврського) рівня.

План 2023 р. Поз. № 13 ЕВ. Обсяг 37 с.

Видавець і виготовлювач – ХНЕУ ім. С. Кузнеця, 61166, м. Харків, просп. Науки, 9-А

Свідоцтво про внесення суб'єкта видавничої справи до Державного реєстру
ДК № 4853 від 20.02.2015 р.