

'The quickest way to double your money is to fold it and put it back in your pocket.'

Will Rogers, US actor, cowboy and newspaper columnist

Unit overview

<p>3.1 ></p>	<p>Recessions and depressions Lesson outcome: Learners can use vocabulary related to finance and the economy.</p>	<p>Video: Past crashes and crises Vocabulary: Finance and economic crises Project: Research the history of a bank or financial institution</p>
<p>3.2 ></p>	<p>Catching up with rivals Lesson outcome: Learners can use expressions with future forms to express degrees of certainty and probability.</p>	<p>Reading: Adidas raises targets Grammar: Expressing certainty and probability; Position of adverbs and adverbial phrases Speaking: Discussing future changes</p>
<p>3.3 ></p>	<p>Communication skills: Managing bad news Lesson outcome: Learners are aware of different ways to manage bad news and can use a range of techniques and phrases for responding to bad news.</p>	<p>Video: Managing bad news Functional language: Responding to bad news Task: Balancing positives with negatives when giving bad news</p>
<p>3.4 ></p>	<p>Business skills: Telephoning to clarify Lesson outcome: Learners can use a range of phrases for clarifying complex or technical information on the phone.</p>	<p>Listening: A phone conversation to check details Functional language: Asking for clarification and paraphrasing Task: Making a call to clarify information in a financial document</p>
<p>3.5 ></p>	<p>Writing: Annual report summary Lesson outcome: Learners can organise and write a summary of a company annual report.</p>	<p>Model text: Summary of an annual report Functional language: Useful phrases for annual report summaries Grammar: Articles – <i>a/an, the</i>, no article Task: Write an annual report summary for shareholders</p>

Lesson outcome

Learners can use vocabulary related to finance and the economy.

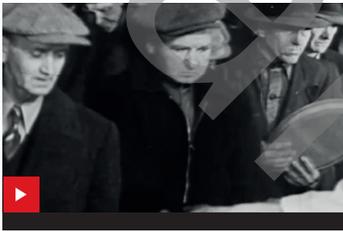
Lead-in 1 Discuss these questions.

- 1 How good are you at managing your money?
- 2 Which banks or financial institutions do you bank with?
- 3 Do you have any tips for saving money?
- 4 Have you ever invested in the stock market? What happened?
- 5 How is the economy doing in your country at the moment?

VIDEO

2  3.1.1 Watch the video and put these events in order of severity (1 = the worst type of financial crisis).

crash economic depression recession



3 Watch the video again and answer the questions.

- 1 On what date did the Wall Street Crash of 1929 happen?
- 2 What had been happening in the period just before the Wall Street Crash?
- 3 What was the total drop in the value of shares by the time the New York stock market stopped falling?
- 4 Was the Great Depression only in the USA?
- 5 Where was the origin of Black Monday in 1987?
- 6 Did the markets take a long time to recover?
- 7 Apart from the USA, which other countries were badly hit by the economic crisis that started in 2008?
- 8 What is meant by 'real economy'?

4 Work in pairs or small groups. Who do you think was responsible for the economic recession which began in 2008: governments, banks and financial institutions, business leaders, or people over-spending?



Teacher's resources:
extra activities

Vocabulary Finance and economic crises

5 Complete the sentences related to finance with these nouns from the video.

bankruptcy credit crunch depression investment loan
losses mortgage recession savings stock market

- 1 A(n) _____ is something you buy, such as shares, bonds or profit, to make a long-term profit.
- 2 All the money that you have saved, especially in a bank or financial institution is called _____.
- 3 _____ describes the situation when a company has less money than it did before, for example because sales have gone down.
- 4 The business of buying and selling stocks and shares is called the _____.
- 5 When you are not able to pay your debts, this is called _____.
- 6 A(n) _____ is an amount of money that you borrow from a bank, financial institution, etc.
- 7 A(n) _____ happens when borrowing money becomes difficult because banks reduce the amount they lend and charge high interest rates.
- 8 A legal arrangement by which you borrow money from a bank in order to buy a house, and pay back the money over a period of years is called a(n) _____.
- 9 A(n) _____ is a difficult time when there is less trade or business activity in a country than usual.
- 10 A long period during which there is very little business activity is the worst type of financial crisis and is known as an economic _____.

6 Choose the correct verb related to finance to complete the definitions.

- 1 To _____ means to fall to a much lower level or amount, or decline.
a rise b drop c recover
- 2 To _____ is to become insolvent, or without enough money to pay what you owe.
a lend b go down c go bankrupt
- 3 To _____ is to let someone borrow money or something that belongs to you for a short time.
a bail someone out b lend c owe
- 4 To _____ is to return to a normal condition after a period of trouble or difficulty.
a recover b boom c be insolvent
- 5 To _____ means to grow rapidly, or be very successful as a business or trade.
a improve b recover c boom
- 6 To _____ means to help a person or a company that is in financial difficulty.
a bail someone out b borrow c go bankrupt

7 Complete the summary about economic crises with the correct form of the words in brackets.

The Great Depression came after a period when the markets had been ¹ _____ (boom) and shares had been steadily increasing in value. In the Wall Street Crash of 1929, the markets crashed because as more and more people sold their shares, the markets ² _____ (drop) further, leading to many ³ _____ (bankrupt) and individuals losing their life ⁴ _____ (save).

On Black Monday in 1987, there was a rapid fall in the Hong Kong stock market and the panic spread quickly to Europe and the USA. The financial ⁵ _____ (lose) were great, although the markets ⁶ _____ (recover) quickly and there was no ⁷ _____ (depress).

In 2008, the economic ⁸ _____ (recede) was severe because the banking crisis affected the world's stock markets and the global economy suffered.

8 Work in pairs. Discuss these questions.

- 1 When there is a financial crisis, what are the effects on lending, growth, investment and employment?
- 2 Has your country suffered from an economic recession or downturn in recent years? What have been the effects?

T Teacher's resources:
extra activities

PROJECT: Research the history of a bank or financial institution**9A Work in pairs or small groups. Research what happened to a bank or financial institution during a recent recession. Consider these questions.**

- Did it survive the financial crisis? How? Was it bailed out by the government? How much did the bailout cost? Was the money paid back?
- Did it restructure or merge? Were there job losses? Did top executives stay on?
- How is the bank or financial institution performing now? Have company profits grown or declined? Do you think the bailout was worth it? Why / Why not?

B Present your findings to the class. Include some facts and figures and use graphs if possible. While you listen to your classmates, take notes and ask a question at the end of their presentation.

- How successfully have you achieved the lesson outcome? Give yourself a score from 0 (I need more practice) to 5 (I know this well).
- Go to My Self-assessment in MyEnglishLab to reflect on what you have learnt.

3.2

Catching up with rivals

Lesson outcome

Learners can use expressions with future forms to express degrees of certainty and probability.

Lead-in 1 Work in pairs. Which sportswear brands are most popular with the people in your place of work/study?

2 Match the words and phrases in the box with the definitions.

boost bottom-line make up ground make your mark profitability

- 1 the amount of profit a company makes
- 2 have an important or permanent effect on something
- 3 improve something and make it more successful
- 4 the amount of money that a business makes or loses
- 5 replace something that has been lost; become successful again

Reading 3 Read the article quickly and put the words in the correct order to make a sub-heading for the article.

catch up / German / to / with / rival Nike / races / sportswear company

4 Read the article again and complete the sentences using figures.

- 1 The previous CEO at Adidas had forecast profit growth of _____ each year.
- 2 The new CEO says it is likely profits will go up between _____ and _____ for the next _____ years.
- 3 Last year net profit increased by _____ to _____.
- 4 The higher revenue and earnings targets raised shares by more than _____.
- 5 The Adidas group reported digital sales of _____ last year.
- 6 Over the next _____ years they are hoping to reach digital sales of _____.

T Teacher's resources: extra activities

FT

New Adidas® chief raises group's sales and earnings targets

Adidas on Wednesday sharply increased its long-term sales and profit targets, as new chief executive Kasper Rorsted aims to make his mark on the German sportswear group.

Adidas's profitability falls behind that of rival Nike, and investors are hoping that Mr Rorsted will be able to boost the German groups' margins considerably.

Mr Rorsted, who took charge of the world's second largest sportswear company in October, has kept the previous CEO's strategy, which forecast high sales increases and 15 percent profit growth each year.

The Danish manager – who caught Adidas's attention after he boosted profitability at Henkel, the German consumer goods company – said that the group is certain to expand faster.

Mr Rorsted is targeting sales increases of 10 to 12 percent for the next three years, and profit growth of 20 to 22 percent. 'We will become better and more efficient,' he said. 'This, in turn, will help us to grow even faster than originally planned and to achieve ... bottom-line improvements for our shareholders.'

Alongside strong results last year – Adidas sales rose 14 percent to €19.3bn, while net profit increased by 59 percent to €1bn – the higher revenue and earnings targets helped push the group's shares up more than 6 percent in Wednesday morning trading in Frankfurt.

Part of the reason for Nike's better profitability compared to Adidas is the group's strong position in the North American market. Adidas made up ground last year, regaining its second position in the region,



although it is thought that it probably won't gain first position in the U.S. market in the next quarter.

However, Mr Rorsted admitted that Adidas was still 'under represented' in North America, and says the group will probably continue to invest more than in other areas.

Adidas is also likely to sell off unwanted businesses. The group put its golf brands up for sale last year.

Adidas's online sales are also due to rise. The group reported it had €1bn of digital sales last year. Mr Rorsted has also said they are aiming to boost sales to €4bn over the next three years.

Grammar Expressing certainty and probability

5A Look at the sentences. Are they *certain*, *planned*, *probable* or *improbable*?

- 1 a It is certain that Adidas will boost profitability in the next quarter.
b Adidas is unlikely to boost profitability in the next quarter.
c Adidas is definitely going to boost profitability in the next quarter.
d Adidas probably won't boost profitability in the next quarter.
- 2 a Adidas is due to open new stores in the USA next month.
b Adidas will probably open new stores in the USA next month.
c It is likely that Adidas will open new stores in the USA next month.
d Adidas is going to open new stores in the USA next month.

B Which of the sentences have the same meaning?

→ page 119 See Grammar reference: Expressing certainty and probability

6 Choose the correct option in italics to complete the sentences.

- 1 It has been confirmed that they *are going to* / *will probably* provide all the clothing for over 200 players in the next FIFA World Cup.
- 2 The U.S. sports brand currently has a 38 percent share in the branded footwear market, which is *definitely* / *certain* to rise over the next three years.
- 3 Sales are so bad that it is *unlikely to* / *unlikely that* the brand will increase its revenue this year.
- 4 Sports TV companies *will probably* / *are due to* make their programmes available on mobile phones next year, but the details haven't been confirmed.
- 5 Sports drink sales are up this year, although the increase in marketing spending means we *are due to* / *probably won't* boost profitability.

T Teacher's resources:
extra activities

Position of adverbs and adverbial phrases

7 Look at the underlined phrases in the article. Complete the rules with *before* and *after*.

- 1 We put *probably* _____ *will*, but _____ *won't*.
- 2 We put the adverb *also* _____ the verb *be*, but _____ the main verb with other verbs.

→ page 119 See Grammar reference: Position of adverbs and adverbial phrases

8 Put the words in the correct order.

- 1 next will the rise sharply Our online in quarter probably sales
- 2 probably by achieve end targets They month won't sales their the of the
- 3 is It year up unlikely price that will share the this go also
- 4 presentation is week at due to a also She make the of end the

T Teacher's resources:
extra activities

Speaking 9A Write five sentences about future changes in your organisation or place of study using *(un)likely* / *certain* / *due to* or *probably* / *also* and suitable future forms.

The organisation is due to move location next spring.

There probably won't be a new head of department next year.

B Compare your sentences with a partner. Discuss whether you have the same level of certainty.

A: *We are likely to expand faster by taking on more overseas students.*

B: *Do you think so? I'm not sure I agree. I think we will probably grow faster if ...*

- How successfully have you achieved the lesson outcome? Give yourself a score from 0 (I need more practice) to 5 (I know this well).
- Go to My Self-assessment in MyEnglishLab to reflect on what you have learnt.

Lesson outcome

Learners are aware of different ways to manage bad news and can use a range of techniques and phrases for responding to bad news.



Lead-in 1A Work in pairs. Some people see the glass as half full and some see the glass as half empty. What do you think is the difference between these two types of people?

B Which category do you identify with most? Are you like this all the time or only in some situations? Why?

VIDEO

2 ▶ 3.3.1 EN-Tek has received some bad news from the producer in Bangladesh. Watch as Katie discusses the news with Paweł.



- 1 What bad news does Katie receive by text from Bangladesh?
- 2 What does Katie say to Paweł about the bad news? Why?
- 3 What will Claudio think about the numbers, according to Paweł?
- 4 What does Paweł think might happen as a result of reporting poor budget numbers?
- 5 What advice does Paweł give Katie about how to approach her meeting with Claudio?

3A In small groups, discuss which is the best approach (Option A or B) for Katie to use in her meeting with Claudio. Give reasons for your answers. As a class, decide which video to watch first.

Option A – Focus on the positives – be optimistic and confident of success: Explain outcomes in positive terms, minimise any negatives, show confidence that success will come, show continued support for decisions that have already been agreed.

Option B – Focus on the negatives – be realistic and cautious because of risks: Explain outcomes in negative terms, acknowledge the negative aspects of the current situation and accept that changes need to be made to the strategy to achieve success.

B Watch the videos in the sequence the class has decided, and answer the questions for each video.

Option A ▶ 3.3.2

- 1 What is Claudio's initial recommendation as a result of the poor budget numbers?
- 2 Does Katie agree that costs are a significant problem?
- 3 What positive aspect of the project does Katie mention?
- 4 What is the outcome of the meeting?

Option B ▶ 3.3.3

- 1 Does Katie agree that costs are a significant problem?
- 2 Why is she against shutting down production in Bangladesh?
- 3 What kind of support does Katie suggest?
- 4 What is the outcome of the meeting?

4 In pairs, discuss the questions.

- 1 In what ways did Katie behave differently in the two videos? How did Claudio respond each time?
- 2 Having watched the two videos, what benefits do you think 'glass half full' and 'glass half empty' people can bring to a discussion?

5 ▶ 3.3.4 Watch the Conclusions section of the video and compare what is said with your answers in Exercise 4. Do you agree? Why / Why not?

Reflection 6 Think about the following questions. Then discuss your answers with a partner.

- 1 Think of a time, in a work or social situation, when you had to reach a decision with someone who had a significantly more optimistic/pessimistic view than you. How successfully did you each manage the situation?
- 2 Following this lesson, think of one thing you could do differently to manage such situations in future.

Go to MyEnglishLab for extra video activities.

Functional language

Responding to bad news

- a highlight positives
- b minimise negatives
- c emphasise negatives
- d show confidence
- e express doubt
- f support current strategy
- g propose changes

7A Match the phrases in bold from the video with the categories a-h. Two phrases match one category.

- 1 **I think we should continue to** help the guys locally / invest in new technology / focus on training.
- 2 **This is simply too** high / expensive / labour intensive.
- 3 **I'm really happy with the progress we've made** in a number of areas / with the advertising campaign / in expanding our market share.
- 4 **I'm not sure that we'll be able to** continue with local production / meet our targets / achieve what we wanted.
- 5 **I'm very disappointed with** the first quarter numbers / our lack of progress / the customer feedback.
- 6 **We have to find a new approach to** this / dealing with disagreements / marketing going forwards.
- 7 **To be fair, we're only a little** over budget / behind schedule / below target.
- 8 **I'm sure that we can turn this around and** get production up to standard / hit our targets / get back on track.

B Match the sentence beginnings (1-8) with the endings (a-h). Then match them to the correct category in Exercise 7A. Two sentences match one category.

- | | |
|---------------------------------------|----------------------------------|
| 1 Overall, I think things have gone | a can work. |
| 2 We just haven't made enough | b will achieve our targets. |
| 3 But I'm extremely confident that we | c setbacks and challenges. |
| 4 I don't see how this | d really well. |
| 5 I think we simply need to keep | e look at alternative solutions. |
| 6 The market response was | f not what we were hoping for. |
| 7 Of course, there will be a few | g doing what we're doing. |
| 8 I really think it's time to | h progress in growth areas. |

T Teacher's resources: extra activities

→ page 115 See Pronunciation bank: The letter 't'

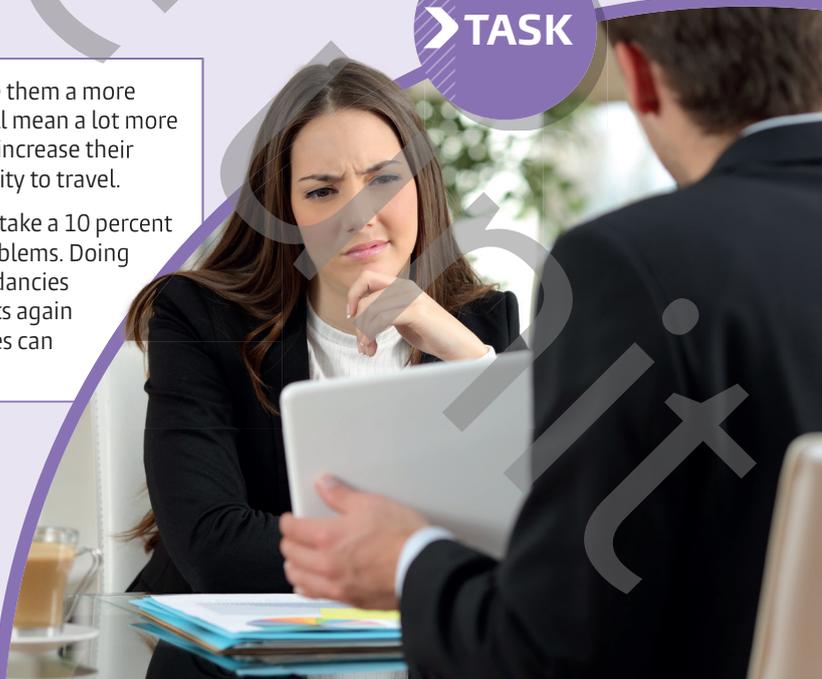
8A Work in pairs and read your role cards.

Student A: Tell your employee that you plan to give them a more important role in an international project which will mean a lot more work for them and irregular hours. However, it will increase their profile in the company and give them the opportunity to travel.

Student B: Tell your employee that all staff have to take a 10 percent pay cut as your organisation is facing economic problems. Doing this will avoid the need to make compulsory redundancies and should help the company to start making profits again within two years. However, you know such measures can demotivate staff.

- B** Think about how you are going to communicate the news. Remember to balance the positive and negative.
- C** Hold your discussions. When you have finished, discuss how you each handled the situation.

TASK



Self-assessment

- How successfully have you achieved the lesson outcome? Give yourself a score from 0 (I need more practice) to 5 (I know this well).
- Go to My Self-assessment in MyEnglishLab to reflect on what you have learnt.

Lesson outcome

Learners can use a range of phrases for clarifying complex or technical information on the phone.

Lead-in 1A Work in pairs. Discuss which action you take (a or b) in these situations.

- 1 If I don't understand something when I'm having a call, I ...
 - a interrupt and ask for clarification.
 - b remain quiet and wait for an email summary to arrive after the call.
- 2 When communicating complex information during calls, I ...
 - a regularly summarise the important information.
 - b don't summarise often. It's better to keep moving and people can interrupt if they don't understand.
- 3 If someone says they don't understand me on a call, I ...
 - a repeat myself slowly and clearly.
 - b ask them what they didn't understand.

B What might be the advantages and disadvantages of your actions in each situation?**Listening 2** ▶ 3.01 Listen to the beginning of a phone call and answer the questions.

- 1 Why is Sam calling Pat?
- 2 What does he specifically want to clarify?
- 3 How does Pat offer to help?

3A ▶ 3.02 Listen to the main part of the call between Sam and Pat. Which of these topics do they mention?

- | | |
|------------------------|------------------------------|
| 1 gross or net figures | 6 the bottom line |
| 2 targets | 7 product categories |
| 3 the stock market | 8 profitability |
| 4 margins | 9 return on investment (ROI) |
| 5 average amounts | |

B Match these words from the phone call with their meanings (1–7).

average	column	gross	margin	net	quarter	row
---------	--------	-------	--------	-----	---------	-----

- 1 a total amount before any tax or costs have been taken away
- 2 a period of three months in a financial year
- 3 a line of numbers or words in which each one is above or below another down a page, as in a spreadsheet like Excel
- 4 the amount of profit a business makes when selling something, after taking away what it costs to produce it
- 5 the amount you get when you add together several amounts and then divide by the number of amounts
- 6 a line of numbers or words in which each one is before or after another across the page, as in a spreadsheet like Excel
- 7 the final amount that remains after any tax and costs have been taken away

C ▶ 3.03 Listen to the end of the call. What does Pat say about the glossary? Tick (✓) the correct option.

- a Sam can find it in any book.
- b It can only be accessed with a link.
- c One of her colleagues wrote it.

→ page 115 See Pronunciation bank: Strong and weak forms of *that*

Functional language Asking for clarification and paraphrasing

4A Look at the categories in the table. Then complete the phrases from the phone call in Exercises 2 and 3 with the words in the box.

clarify correctly follow understanding go over refer right unsure

You would like clarification	There are a couple of things I'd like to ¹ _____ . Just to confirm, [what's the target amount]? I'd like to double-check [something / that].
You didn't understand or didn't follow the logic of what was said	I'm having a little difficulty ² _____ [the concept of 'overall strategy']. Sorry, I don't ³ _____. [What are 'margins'?] Can I talk you through the points I'm ⁴ _____ of? I don't know if my notes are ⁵ _____. I wrote down ... Is that correct? Can you ⁶ _____ that again for me?
You can't remember the information	If I remember ⁷ _____, [I think we use ...]. Is that right? Could you remind me [what you said about ...]?
You didn't hear or there were technical problems on the call	Sorry, I didn't catch that. Could you say it again? I lost you for a second. Could you [repeat that, please]? The sound went for a moment. Would you mind [saying that last bit again]?
You would like specific details	Tell me, what exactly do the figures in column L ⁸ _____ to? More specifically, [what's the margin on this]?

B Paraphrasing means expressing what somebody has said using different words. Match each sentence with its paraphrased equivalent.

- | | |
|---|---|
| <p>1 The meeting is going to last all morning.</p> <p>2 The EBIT is too low at the moment. We have to change that.</p> <p>3 The timeline is across the top of the spreadsheet and the products are down the side.</p> <p>4 We simply don't have enough staff at the moment and need more support.</p> <p>5 This first half year will see our product line increasing by 50 percent.</p> | <p>a What you're saying is the columns are for weeks and the rows are for product lines.</p> <p>b OK, so that means we won't be finished before 11 a.m.</p> <p>c In other words, we're going to launch four new products before the summer.</p> <p>d If I understood you correctly, you want to hire another salesperson.</p> <p>e Putting it differently, we need to increase our margins, right?</p> |
|---|---|

T Teacher's resources: extra activities

5A Work in pairs. Prepare to roleplay two calls to clarify information in financial documents you sent or received. Read your role cards and prepare: Student A turn to page 127, Student B turn to page 129.

B Roleplay the two calls. When making the call, remember to:

- say that there is information you want to clarify.
- use appropriate phrases to ask for clarification.
- paraphrase to check what you have understood.

C After each call, write a short email to your partner. Summarise what you discussed and what you now understand. Ask for confirmation.

6 In your pairs, compare the emails you wrote in Exercise 5C. Did you reach a common understanding at the end of each call?



Self-assessment

- How successfully have you achieved the lesson outcome? Give yourself a score from 0 (I need more practice) to 5 (I know this well).
- Go to My Self-assessment in MyEnglishLab to reflect on what you have learnt.

Lesson outcome

Learners can organise and write a summary of a company annual report.

Lead-in

- 1 Read the extract from a summary of a company annual report. Choose the correct option in *italics*. Then compare in pairs.

To our shareholders

2018 was a year ¹*from / of* mixed results and challenges which were caused by the slow-down in the global ²*economy / economics* and the strength of the dollar, which affected our gross profit ³*lines / margins*. However, lower operating costs in Asia and Australia meant that we finished ⁴*more / much* strongly than expected in the fourth quarter, with growth of 3.5% on the previous quarter.

Sales revenues fell by 5% in the second quarter but after a ⁵*stable / steady* recovery over the next two quarters, we achieved an overall sales volume of \$92 million, up 2% on 2017. Cash flow from operations ⁶*were / was* \$43 million and we invested \$20 million ⁷*in / on* capital expenditure including our internet infrastructure to enable customers to do business with us more easily. We also ⁸*repaid / refunded* \$1 million of debt which we had borrowed to build the new factory. In addition, ⁹*despite / in spite* the challenges, we were able to raise our annual dividend by 2%. Last year we launched ten new product ¹⁰*marks / lines* in eight markets and these are doing very well, which gives us cause to be optimistic about 2019.

Functional language

- 2 Complete the table using the words in the box.

cause caused coming down fell making
mixed raise recovery result

Overview/Introduction
2018 was a year of ¹ _____ results and challenges. The last year has seen the company ² _____ many tough decisions.
Reasons
The problems were ³ _____ by the strength of the dollar. This was largely as a ⁴ _____ of our entry into the Asian market.
Positive aspects
After a steady ⁵ _____ over two quarters, we achieved good results. We were able to ⁶ _____ our annual dividend by 2%.
Negative aspects
Sales ⁷ _____ by 5% in the second quarter. We posted sales of \$128 million, ⁸ _____ 5% on the previous year.
Future outlook
This gives us ⁹ _____ to be optimistic. The forecast for the ¹⁰ _____ year looks promising.

- **page 120** See Grammar reference: Articles - *a/an, the*, no article

T Teacher's resources: extra activities

L The annual report summary contains examples of articles. Go to MyEnglishLab for optional grammar work.

TASK

- 3A Work in pairs. Turn to page 128 and look at the summary of an annual report. What is the general problem with it? Discuss ways in which you could improve it using phrases from Exercise 2.
- B Look at the key notes on page 127. Individually, write an annual report summary for your shareholders in around 200 words.
- C Exchange summaries with your partner. Did your partner include all the information from the notes and use phrases from Exercise 2? Did your partner add any extra information? What do you think your partner did well?

Self-assessment

- How successfully have you achieved the lesson outcome? Give yourself a score from 0 (I need more practice) to 5 (I know this well).
- Go to My Self-assessment in MyEnglishLab to reflect on what you have learnt.