Unit 16 Business matters

Reading

2. Questions (SB page 139)

Answers

1. a) out of a job – unemployed
   b) had been short-listed – was one of a list of applicants selected as possible employees
   c) never quite made it – had not succeeded in getting a job
2. They lived in a fairly wealthy area where many people owned cars; there were no mechanics working nearby.
3. They wanted to check that people would support them before they bought equipment.
4. They sold inferior quality tyres.
5. It involved a large capital outlay to stock enough tyres for the different types and sizes of cars.
6. To make ends meet – have enough money to pay expenses
7. He drew up a business plan to expand the business to a full workshop.
8. Don’t put all your eggs in one basket – don’t risk everything on one venture.
9. They needed more space to open more repair bays.
10. a) prosperous – wealthy/well-off/rich
    b) demurred – raised objections
    c) reputation – the opinion that others held of them
    d) exceeded – surpassed/went beyond what was expected
    e) diversifying – offering more services or products
    f) cautiously – carefully

11. a) A car dealer franchise – a business that has the authorisation to sell various cars or spare parts for different makes of cars.
    b) The financial pages – the section of a newspaper that reports on business matters.

3. Discussion and opinion (SB page 139)

Possible answers (open to other opinions)

1. Yes. Peter was a qualified mechanical engineer; she valued his opinion; he took a cautious approach to business; he was prepared to put some of his own money into the business when they started; he drew up a sound business plan for the expansion of the business.
2. The location of the business was good; Peter insisted on stocking good quality tyres; they expanded the business gradually – they started small and grew as the demands of the community grew; he took on qualified staff; they were open to new possibilities.
3. He did not want his competitors to know his plans.

4. Summary (SB page 139)

Answers

Peter’s business plan had a good financial basis and it meant they did not risk everything on one venture. The business plan also meant there would be other opportunities as a result of the good opinion which the community had of them.
C  Vocabulary development

1. Antonyms (SB page 140)

Answers
1. prosperous – poor
2. cheap – expensive
3. selling – buying
4. dangerous – safe
5. increasing – decreasing
6. cautiously – recklessly
7. reliable – untrustworthy
8. expand - contract

2. The register of finance (SB page 141)

Answers
Money is a subject of great interest to most people and most people want to get more of it. The lawless ones among us see robbery, (1) embezzlement (C), and other forms of stealing as their way to it. Others enrich themselves by using the posts they occupy in companies or government departments to collect bribes or (2) kickbacks (B) for the award of contracts. Those without any financial (3) acumen (A) whatever will merely save any money they acquire by keeping it in the proverbial box under the bed or hole in the ground, in which case, clearly, it earns no (4) interest (A). But most people with (5) funds (E) to spare will think of some kind of (6) investment (B), acting on the sound principle that one sum of money can be made to grow into a larger sum.

This can happen in various ways. In Nigeria small businesses are very popular; savings become the (7) capital (D) needed to establish a provisions shop, say, or to run a taxi.

Although this type of business entails some (8) risk (A) it also offers the prospect of fairly quick and sometimes quite healthy (9) profits (E). Less enterprising citizens will prefer to put their money in savings or (10) deposit (C) accounts in banks, or they purchase interest-bearing Government (11) bonds (C) or (12) shares (B) in companies that pay a regular (13) dividend (E).

Trading in stocks and shares is what large-scale financial dealings are all about, and in Nigeria, as in other countries, these are entirely carried out through the Stock Exchange. The Nigerian Stock Exchange has trading floors in Lagos, Port Harcourt and Kano. It also has branches in Kaduna, Onitsha and Ibadan. The middlemen of The Stock Exchange are known as (14) stockbrokers (A). They buy and sell shares on behalf of clients, for which they charge a (15) commission (D). Often, the client is a company seeking to purchase shares in another company, sometimes with a view to take it over completely. The reason is that several companies operate in a particular line of business, e.g. timber production or textiles, and each has a natural interest in driving out competitors and establishing a (16) monopoly (D). However, some of those dealing (17) on (B) the Stock Exchange are not there to further the interests of a company engaged in productive business. They are there merely to (18) speculate (C), i.e. to purchase shares when they are relatively cheap and sell them again when they fetch a higher price.

At any one time certain shares are increasing in attractiveness and price, while others are less attractive and their price is falling.

Occasionally, there is a general loss of (19) confidence (A) in the Stock Exchange, people rush to sell all their shares and there may even be a worldwide Stock Market (20) crash (E). A major event of this type happened in 2009.

3. Idioms (SB page 141)

Answers
1. mud slinging – speaking badly of others
2. black market – the illegal buying or selling of goods
3. questions (SB page 142)

1. The economy performed poorly as a result of political tensions.
2. Beer sales were down as people had little money to spend.
3. The company’s profits almost doubled.
4. Each shareholder received a dividend that was double the previous year’s dividend.
5. The company pays its taxes and contributes to social and welfare organisations.
6. It contributes to and participates in sporting activities, offers educational scholarships to children of its employees and provides post-graduate scholarships to worthy Nigerians.
7. B very optimistic

5. Writing (SB page 144)

Answers

1. They said that they did not know the answer.
2. They reported that they had not won the competition.
3. They said that they were going to the meeting.
4. He announced that the company would be launching a new product in the near future.
5. They stated that they disliked it intensely.
6. He explained that he found marketing more interesting than sales.
7. He/she said that he/she had never been to the Stock Exchange before.

5. Writing a summary (SB page 145)

Answers

The speaker said that new political and social developments had not happened/materialised and this had had bad results. The weakness of the oil market had also contributed. As a result beer consumption had grown only slightly during the year. Despite these difficulties, the company’s profits nearly doubled.