

offer to send references.

Paragraph 4:

End your letter by making a specific request to be interviewed. Suggest a date and time when you will call or visit them to follow up to be sure that your materials have been received. If you are asking for more Information about the organization instead of the interview, enclose a self - addressed and stamped envelope as a courtesy. Be sure your ending makes specific action likely.

Sincerely,

(Signature)

Your Name

Enclosure: (Resume or Application)

Государственное образовательное учреждение  
среднего профессионального образования  
Губернский колледж г. Похвистнево

Дидактический материал  
по иностранному языку (английский)  
для студентов специальности 080101 «Экономика и  
бухгалтерский учет» среднего профессионального  
образования

Составитель: Корнилова И.А.

Рассмотрено и одобрено ПЦК гуманитарных и  
социально-экономических дисциплин  
в качестве учебного пособия

г. Похвистнево, 2011 год

## Пояснительная записка

Пособие предназначено для студентов специальности «Бухгалтерский учет, анализ и аудит», включает в себя контрольные работы, тексты для чтения и перевода на русский язык, словарь терминов, контрольно-тренировочные упражнения и тесты, грамматический справочник в таблицах, список основных стран и валют.

Пособие может быть рекомендовано для студентов других специальностей факультета экономики. Разделы по грамматике, составлению резюме, контрольно-тренировочные упражнения могут быть полезны для всех изучающих английский язык.

Владение иностранным языком является обязательным компонентом профессиональной подготовки современного специалиста любого профиля. Курс иностранного языка на неязыковых факультетах направлен на формирование и развитие языковой культуры студентов, творческих, профессиональных качеств будущих специалистов.

Комплексная структура пособия позволит развить у студентов умение самостоятельно работать со специальной литературой и справочными материалами на иностранном языке для получения профессионально значимой информации, а грамматический справочник позволит систематизировать знания грамматического материала, без которого невозможно изучение иностранного языка в неязыковой среде.

Программа включает:

1. Чтение и понимание аутентичных текстов по специальности с помощью словаря.
2. Чтение и понимание несложных текстов без словаря.

- Write a thank-you note to the interviewer as soon as possible after the interview.

## COVER LETTER FORMAT

Your Present Address

Date

Name

Title

Company/Organization  
Address

Dear (Name):

Paragraph 1:

Tell why you are writing; name the position or field for which you wish to be considered. Tell how you heard about the position or organization.

Paragraph 2:

Mention one or two of your most important qualifications, slanting your comments to the organization to which you are applying. Include why you are interested in that organization, location, type of work. If you have related experience, mention it (write more than one paragraph if you have a lot of related experience).

Paragraph 3:

Refer reader to the enclosed resume or application form, and

- Use personal contacts who can tell you about the organization and how it works.
- Know yourself. Be prepared to discuss your strengths and weaknesses. Know what's on your resume.
- Think about and be prepared to tell the interviewer how you can help the organization.
- Communicate a positive image of yourself.
- Have questions ready to ask the interviewer, and be sure you phrase them appropriately.

Helpful hints for job interviews '

- Allow plenty of time to get to the interview. Arrive a few minutes early so that you can compose yourself and be relaxed.
- Dress neatly and conservatively. Avoid noisy and dangling earrings and jewelry.
- Greet the interviewer with a smile and shake hands firmly.
- Do not chew gum or smoke.
- Allow the interviewer to lead the interview.
- Speak slowly and clearly.
- Be positive and show a sincere interest in the organization.
- Try to look calm. Avoid nervous habits like twisting hands or jewelry.
- Remember that people hire, not organizations. You want the person interviewing you to like and respect you.
- Listen to the interviewer carefully. Answer the questions the he or she asks.
- Make eye contact with the interviewer. Try to look confident even if you feel shy.
- Jot down some notes immediately after the interview about the questions they asked and whom you spoke to. If they asked for additional information, send it promptly.
- Find out what happens after the interview. Will they call you should you call them?

## ТЕКСТЫ ДЛЯ ДОПОЛНИТЕЛЬНОГО ЧТЕНИЯ

### GLIMPSES OF HISTORY OF MONEY

Questions:

1. What qualities should a commodity have to serve as money?
2. What precious metal was used first to serve as money?
3. How did coins come into existence?
4. How did the first banknotes come into existence?
5. Coppers are made from bronze, aren't they?
6. What coins are called silver?

At different periods of time and in different parts of the world many different commodities have served as money. These commodities were: cattle, sheep, furs, leather, fish, tobacco, tea, salt, shells, etc. The experts underline that to serve effectively as money, a commodity should be fairly durable, easily divisible, and portable. None of the above-mentioned commodities possessed all these qualities, and in time they were superseded by precious metals.

First they were superseded by silver and later by gold.

When a payment was made the metal was first weighted out.

The next stage was the cutting of the metal into pieces of definite weight and so coins came into use.

Paper money first came into use in the form of receipts given by goldsmiths in exchange for deposits of silver and gold coins.

After goldsmiths became bankers the receipts became banknotes. That's how the first banknotes came into existence.

At first coins were worth their face value as metal. But later token coins of limited value as legal tender were issued. Now smaller denomination coins are made from bronze and are often referred to as coppers. Bigger denomination coins are made from cupronickel and are usually called silver.

## MONEY AND ITS FUNCTIONS

### Questions:

1. What does the purchasing power of money depend on?
2. Who issues paper notes?
3. The American dollar is technically 'backed' by the store of gold, isn't it?
4. What is inflation?

All values in the economic system are measured in terms of money. Our goods and services are sold for money, and that money is in turn exchanged for other goods and services. Coins are adequate for small transactions, while paper notes are used for general business. There is additionally a wider sense of the word 'money', covering anything, which is used as a means of exchange, whatever form it may take. Originally, a valuable metal (gold, silver or copper) served as a constant store of value, and even today the American dollar is technically 'backed' by the store of gold which the US government maintains. Because gold has been universally regarded as a very valuable metal, national currencies were for many years judged in terms of the so-called 'gold standard'.

Nowadays however valuable metal has generally been replaced by paper notes. National currencies are considered to be as strong as the national economies, which support them. Paper notes are issued by governments and authorized banks, and are known as 'legal tender'.

The value of money is basically its value as a medium of exchange, or as economists put it, its 'purchasing power'. This purchasing power is dependent on supply and demand. If too much money is available, its value decreases, and it does not buy as much as it did, say five years earlier. This condition is known as 'inflation'.

often will include a very specific career objective.

## REPRODUCING YOUR RESUME

Remember that your resume and cover letter are the first impressions that a potential employer has of you. They should be produced in a way that sends the message you wish to send. You should use heavy bond paper when possible. It is recommended that you have your resume professionally reproduced, or printed on a laser printer. In a pinch, you can use a photocopier if the quality is good.

## COVER LETTERS

A resume should always be sent with a cover letter. The cover letter acts to establish communication with the employer. It also supplements the resume by pointing out to the employer how you can be of value to the organization, and it gives you an opportunity to point out how your skills fit the job to be filled. A cover letter must be targeted toward the job which you are seeking. It should never be a generic, photocopied letter. Always try to find out who is in charge of hiring for the position which you are seeking. You can usually get the appropriate name from a receptionist.

## THE JOB INTERVIEW

The purpose of the job interview is to assist the employer in finding the most qualified applicant for a particular job opening AND to allow the applicant to get more information about their potential employer.

How do you prepare for an interview?

- Use your research skills! Learn as much as you can about the organization before you go.

reference.

Feedback:

Once you have completed a draft copy of your resume, you should have it critiqued by someone. We would suggest asking your student advisor, a career counselor, a professor, and/or a professional in the field to offer their suggestions.

## TYPES OF RESUMES

There are several styles of resumes. The style you choose will depend upon your experience, and what you hope to communicate to potential employers. Examples of various types of resumes are included in this packet.

**Chronological Resume:**

The chronological resume lists historical information in reverse chronological order. This type is most appropriate for new graduates and students who do not have much experience, or for someone whose career has progressed chronologically.

**Functional Resume:**

The functional resume is more comprehensive than the chronological resume. It describes skills, abilities, and talents that can be transferred into a work situation. It is more appropriate for people who have had work experience, for those who have done a lot of volunteer work as opposed to paid labor, and for those who wish to change fields or who have a very general background. The most important section in the functional resume is the description of the skills and functional headings.

**Targeted Resume:**

The targeted resume presents your abilities and accomplishments directed at a specific job target. It lists only those things that relate to the job target listed at the top of the resume. The targeted resume must be different for each job, and

## INFLATION

Questions:

1. What is inflation? What is it characterized by?
2. What are the measures to control inflation?
3. Does the level of prices at home depend on the prices of imports?
4. Can the government influence and control inflation?

The control of rising prices and the depreciating value of money has been an aim of economic policy for many years. In the past, it was thought that the control of inflation created unemployment and that inflation only occurred at times of full or near-full employment. In recent years, the problem has been much more serious because rising inflation has been accompanied by high levels of unemployment.

A simple description of inflation is too much money chasing too few goods. It poses a serious problem because it has so many bad effects. The first obvious one is that one's money buys less and less as prices of goods and services continue to rise and one's standard of living falls as a result. This is made worse by the fact that people of low and fixed incomes, for example pensioners, are most seriously affected and they are the least able to help themselves.

It is argued by some economists that some inflation is good for the economy, since deflation leads to unemployment and depression, but clearly, a high level of inflation is injurious and makes economic progress difficult, if not possible. Successive governments, therefore, introduce policies which are designed to control inflation. These fall into two groups. The first aims to decrease demand for goods and services. It includes increases in taxation, restriction of credit, and raising of interest rates, all of

which reduce consumers' spending power (demand). These measures are usually supported by reduced government expenditure which, in turn, decreases the amount of money circulating in the economy and is therefore a further control on demand.

The second group of measures aims to hold or reduce costs and therefore prices. The chief measure is the carrying out of an incomes policy designed to control wages and salaries at a specified level or specific ones to the level of increased productivity achieved.

Economists talk of, and distinguish between, cost-push inflation - price rises which occur because the costs of production are increasing more than output, and demand-pull inflation - price rises which occur as a result of increased demand. The two types of inflation are closely connected.

#### Control of inflation

In recent years many measures have been used in an attempt to control inflation. The main ones have been those which limit rises in incomes and prices. While prices and incomes policies do help to control inflation, they obviously do not provide a complete answer. The level of prices at home depends to some extent on the prices of imports, which are determined by factors outside our control, as well as on the value of home currency, which depends partly on the levels of other countries' currencies.

The only permanent answer to the control of inflation is an increase in productivity — and consequently total production — that is easier said than achieved. Many internal and external influences govern economic activity and performance. The government must try to influence and control these for the best interests of the country and its people, through measures which affect the supply of money in the economy, taxation and other

that you worked for, location, description of duties and/or skills developed, and date of employment. You should also include any volunteer work or unpaid internships in which you developed skills applicable to the job for which you are applying.

If you have not had much work experience, you may wish to place more emphasis on your educational accomplishments. You can accomplish this by listing, special projects, awards, honors, and specialized knowledge, such as computer skills and languages spoken.

Descriptions of the positions you have held should be direct and to the point. Avoid using personal pronouns such as I, 'my', 'me', and 'our'. Start each individual point with an action word, and quantify your achievements by using concrete numbers where possible, (for example: supervised five staff members, three promotions in two years, first to receive performance award) rather than simply listing job duties.

#### Activities/Interests:

Include membership in clubs, organizations, professional societies, offices held, and committees you have served on. Depending on the type of job and the type of company you are applying to, you may want to include this information when you enumerate your skills.

#### References:

Most resumes include a topic heading 'References' and then state: 'available upon request'. Often an employer will ask you to provide a list of references. You should have a typed list of references with current titles and contact information with you when you go to an interview. Include their complete name, title, address and telephone number, so they can be contacted easily. Three references are commonly requested with job applications in the US. Always obtain permission before using someone as a

A resume is a short document that summarizes your career goals, your experiences, and your qualifications and training. Its purpose is to convince an employer to invite you for an interview.

A resume should be neat, with no spelling, punctuation or grammatical errors. It should be typed and arranged so that it is pleasing to the eye and easy to read quickly. At a glance, a resume should highlight your skills and training, and point out your unique combination of qualifications. This can be accomplished by using different fonts, headings, underlining, and indenting. Unless you have extensive experience that is applicable to the specific job for which you are applying, limiting yourself to one page is generally recommended. Keep in mind that it is unethical to lie on your resume. Be sure to only include information that you are able to verify and are prepared to discuss with an interviewer.

#### Contact Information:

At the top of your resume you should list your name and address, and a current telephone number with area code.

#### Professional Objective:

Many people include a professional objective in their resume. This is a sentence or brief paragraph that tells your potential employer what type of job you are seeking. If you decide to include one of yours, it should be written as specifically as possible for the job you are seeking in a particular organization.

#### Education:

Include your degree, major, date of completion, and location of each college, university, or professional school you have attended. You may include your grades, awards, honors, or classwork related to the job for which you are applying.

#### Experience:

Include your job title, the name of the organization or company

controls.

## BANKING

The goldsmiths of the seventeenth century were the first real English bankers.

Gold and silver were accepted internationally for the payment of debts. Gold was most commonly used in this country.

Consequently, merchants needed to keep some in reserve to meet their demands. They placed these stocks in gold with the goldsmiths for safekeeping. In return for the gold the goldsmiths issued receipts, upon presentation of which the gold would be repaid. From this process two customs naturally emerged. The merchants realized that it was not necessary to go to the goldsmiths and withdraw gold every time they needed money when other merchants who knew or trusted the goldsmith were willing to accept a receipt instead. This was the beginning of the use of paper money. Soon the goldsmiths realized that while people who had deposited gold with them would want to withdraw it at some time, not everyone withdrew simultaneously. Consequently, as long as sufficient gold was retained to meet the demand for withdrawals, the rest could be lent to reliable customers on payment of interest.

From these beginnings gradually emerged the foundations of the modern banking system. Today this is sophisticated, highly organized and efficient, but the basic functions, namely to receive deposits and keep them safe, make loans and facilitate the transfer of money, still remain.

## BANKS

Questions:

1. What is the main function of a bank?
2. Do banks cooperate with governments?
3. Does the bank pay any interest on current account?
4. Does the bank pay any interest on deposit account?
5. How can money be 'liquid'?
6. The system of banking rests upon a basis of trust, doesn't it?
7. Do banks act only as guardians of valuable private possessions?

Banks are closely concerned with the flow of money into and out of the economy. They often cooperate with governments in efforts to stabilize economies and to prevent inflation. They are specialists in the business of providing capital, and in allocating funds on credit. Banks originated as places to which people took their valuables for safekeeping, but today the great banks of the world have many functions in addition to acting as guardians of valuable private possessions.

Banks normally receive money from their customers in two distinct forms: on current account, and on deposit account. With a current account, a customer can issue personal cheques. No interest is usually paid by the bank on this type of account. With a deposit account, however, the customer undertakes to leave his money in the bank for a minimum specified period of time. Interest is paid on this money.

The bank in turn lends the deposited money to customers who need capital. This activity earns interest for the bank, and this interest is almost always at a higher rate than any interest, which the bank pays to its depositors. In this way the bank makes its main profits.

We can say that the primary function of a bank today is to act as an intermediary between depositors who wish to make interest on their savings, and borrowers who wish to obtain capital. The bank is a reservoir of loanable money, with streams of money

apartment. They also were not comfortable with one another because they were not used to socializing together.

Найдите в тексте 'An Office Party' предложения, в которых действует правило «Согласование времен».

## THE STYLE OF BUSINESS LETTERS

When writing a business letter in English, be careful not to use an old-fashioned commercial instruction book as a guide. The style of writing is changing rapidly. Every year it is getting simpler and less formal. Instead of using an out-of-date phrase like 'We are in receipt of your favor', we now write 'Thank you for your letter'. Except for a few firms who still live in the past, business correspondents prefer simple English to express what they want to say as effectively as possible. Time is more precious than ever to a busy executive and he does not want to have to read a lot of unnecessary words. But the writer of a business letter must create a good impression, especially if he is selling, so a few words to ] promote a feeling of friendship and goodwill are not wasted. However, compliments must not be exaggerated, as they may produce the opposite effect, and the reader may feel that the writer is being insincere.

We suggest the following points should be remembered when writing a business letter in English:

1. Make a new paragraph for a new subject.
2. Say what you want to say in the simplest, clearest way.
3. Don't sell aggressively.
4. Remember that real feelings will have more effect than pretended ones.

## WRITING A RESUME

## AN OFFICE PARTY

Questions:

1. Where was Bill Morris transferred?
2. Where did he invite his employees?
3. Did everyone accept the invitation?
4. Was the party a success?
5. Were the employees comfortable as guests? Why or why not?

An American manager by the name of Bill Morris worked for an American multinational firm. One year he was transferred to France. When he began working in the French office, he wanted to get to know his employees and show them that he was friendly and interested in a good work relationship. He decided to throw a party for the whole office. He thought it would be a good way to get acquainted with everyone in a less formal environment. He invited everyone in his office, including secretaries and executives, for a big party in his elegant apartment. Everyone accepted the invitation. He was pleased that no one had declined his invitation.

At his apartment Morris served a buffet of snack foods and drinks. The employees could help themselves to whatever they liked. The manager liked this casual style of parties. As an informal and relaxed host of the party he could show them that he was an open person and easy to talk to. Morris feels these are important qualities of a manager and boss.

The party, however, was not a success. The employees were very uncomfortable as guests. They felt they didn't know Morris well enough to be in his home. They thought he was showing off his money by inviting them to his elegant

flowing in and out. For this reason, economists and financiers often talk of money being 'liquid', or of the 'liquidity' of money. Many small sums which might not otherwise be used as capital are rendered useful simply because the bank acts as a reservoir. The system of banking rests upon a basis of trust. Innumerable acts of trust build up the system of which bankers, depositors and borrowers are part. They all agree to behave in certain predictable ways in relation to each other, in relation to the rapid fluctuations of credit and debit. Consequently, business can be done and cheques can be written without any legal tender visibly changing hands.

## ENGLISH BANKS

Questions:

1. The Bank of England is a central bank, isn't it?
2. Who appoints the head of the Bank of England?
3. Deputy Governor is appointed by the Queen, isn't he?
4. Are there any foreign banks in the UK?
5. What is the Big Four?
6. What kind of services do merchant banks provide?

Today the British banking is a complicated tripartite system like a three-layer cake. The system is headed by the Bank of England.

This bank was established under a royal charter in 1694. The head of the Bank is Governor of the Bank appointed by the Queen on the recommendation of the Prime Minister. The Queen also appoints Deputy Governor and the Court of Directors, which consists of 16 directors.

The Bank of England is a central bank or a national bank. It controls the British banking system, issues banknotes and mints coins. It lends and borrows money for the government, manages

the national debt and is in the control of the nation's gold reserve. The other two layers are:

- the commercial or joint stock clearing banks
- specialized banking institutions such as the discount houses and merchant banks.

The commercial or joint stock banks deal with the general public. The four large English commercial banks are known as the Big Four. They are Barclays, Lloyds, the Midland, and the National Westminster. Together they have upwards of 10,000 branches. Commercial banks render various services to companies and individuals. Some of the services are:

- to receive or accept from their customers the deposit of money
- to collect and transfer money both at home and abroad against deposit and current accounts
- to provide overdrafts to both personal and business customers
- to lend loans to their customers
- to exchange money
- to supply economic information and to prepare economic reviews to be published
- to make foreign exchange transactions, including spot transactions, forward transactions and swap transactions
- to issue various banker's cards

Merchant banks and discount houses deal only with special customers providing funds for special purposes. They accept commercial bills of exchange and offer quite a lot of financial services. They provide advisory services about new issues of securities, mergers, take-overs and reorganizations. They also arrange financing for their customers and provide fund-management services.

Besides there is a big group of banks in the UK made up of foreign banks. All the major foreign banks are represented in the UK by subsidiary, branch, representative offices or

Price competition among supermarkets tends to keep prices from differing too much among different stores. Price differences are larger between supermarkets and small neighborhood and convenience stores. These smaller stores are open long hours, and their average sales are small. This raises their operating costs. Since the stores' total sales are small, their extra operating costs result in higher prices. Smart shoppers will try to hold their purchases from these higher-priced stores to a minimum. Many city and country dwellers do not have supermarket-type stores nearby. The extra savings from supermarket shopping may make some extra effort worthwhile, especially for large orders.

Choosing a supermarket may be difficult. Some stores try to draw in shoppers with attractive specials. These stores usually make up for these specials by charging higher prices for other items. Other stores advertise 'everyday low prices' or 'discount prices'. To make up for their lower average prices, these stores may not offer good specials.

#### Understanding the Information on the Label

Information included on the label of food products is strictly controlled by law. Food shoppers will find labels to be one of their most useful and reliable sources of information. Labels provide such important facts as the ingredients and the relative amounts of each that were used, the net weight of the package contents, the name of the processor or distributor, and federal inspection information.

Rate the importance of each of the following factors in your decision whether to buy a certain item in the grocery store:

Taste	price	appearance
Nutrition	freshness	packaging
Need	budget	weight
	container	

combinations. This kind of versatility comes from concentrating your clothing choices on a particular group of colors and styles that go well together.

#### Stick to Basic Styles

Many clothing items are discarded long before they are worn out because their style looks out-of-date. So choose styles that remain in fashion for several years especially when you buy expensive items such as sport jacket or a good dress. Simpler, less extreme designs can be counted on to be in good taste and attractive for several years.

#### Selecting Clothing

A number of product characteristics need to be taken into account in choosing clothing - color, style, fiber and fabrics, durability and ease of care. Consider all your different activities, the kind of clothes you need for each; and make a list of your wardrobe items based on the principles stated in the above text.

#### Some Hints and Tips on Smart Shopping for Food

##### Using a Shopping List

The first step in smart food shopping is to prepare a shopping list of the items we need to complete the meals we have planned. This shopping list should also include staple items we need such as salt, sugar, and paper towels.

With a shopping list we can avoid several costly mistakes. We can make certain we get everything we need and avoid extra trips to the store. A shopping list also can help us avoid impulse purchases that will run up our grocery bill. A shopping list also can help us avoid overbuying perishables so that we can eliminate wasteful spoilage.

##### Choosing a Place to Shop

An important part of smart shopping is the choice of a place to shop. Prices and quality do differ among stores.

consortium. They provide finance both in sterling and in other currencies and offer a wide range of financial services.

Lombard Street is the symbol of British banking. This is the place where the first bankers coming from Italy settled.

## ABOUT COMMERZBANK

### Questions:

1. Where is Commerzbank located?
2. When was it established?
3. Is it a state bank or a private bank?
4. How many employees does it have?
5. Does it serve 7 thousand or 7 million customers?
6. The bank has subsidiaries all over the world, does it?

With consolidated total assets of about 380 billion Euros, Commerzbank, based in Frankfurt am Main and founded in 1870, is one of Germany's - and Europe's - leading private-sector banks. Some 32,000 employees, including 7,000 abroad, serve roughly

7 million customers. Apart from the parent bank, Commerzbank AG, the Group consists of numerous subsidiaries in Germany and around the globe.

Commerzbank AG's domestic operations include a national network of over 700 branches. Internationally, the Group's activities are concentrated primarily in Europe. Additional operations are maintained in key markets such as the USA. Commerzbank also has participations in and cooperations with, a number of institutions worldwide.

A bank should and indeed must be primarily a provider of services. Our market success is gauged first and foremost by how well it performs this function. The yardstick is customer satisfaction, to which we at Commerzbank are wholeheartedly

committed.

We see ourselves as an efficient provider of financial services for demanding private customers in Germany. We are also the creative relationship bank for the successful German Mittelstand, for major corporates and institutions in Europe as well as multinationals from all over the world.

In regional terms, we are concentrating on Germany, where we provide integrated financial services, operating a nationwide branch network to advise and sell our products to all customer groups. In corporate business, we also look upon Western, Central and Eastern Europe as our core market, and North America as well, where we have a long tradition.

## SBERBANK

Questions:

1. When was Sberbank established?
2. Now it is an open joint-stock company, isn't it?
3. Is it number one in Russia?
4. How many branches does Sberbank have?
5. What is the bank's rating in Russia, in CEE, and in the world?

6. Who audits Sberbank's financial statements?

7. The bank follows the global banking trends, does it?

Sberbank (Savings Bank of the Russian Federation) is the undisputed leader of the Russian banking industry, accounting for over a quarter of national banking assets. Established in 1841 it gained its present status of an open joint-stock company in 1991. The General License of Sberbank allows it to operate as a universal commercial bank in every segment of the financial market, providing its customers with the full range of banking services.

show our membership in special groups.

You can see that clothes serve several important purposes. This is why, when choosing clothes, we need to keep both functional considerations such as durability, comfort and ease of care in mind as well as considerations such as style, pattern and color. None of us can really afford to neglect our appearance. Just as we use clothes to express ourselves, other people use them as a way to find out what kind of people we are.

To be well dressed, we need something more than a miscellaneous collection of slacks, sweaters, skirts, and shoes. To really meet our needs, a wardrobe must be planned in relation to the kinds of things we do and the kind of places we go.

To begin with, we must consider all our different activities and the kinds of clothes we need for each. Clothes for one of the categories may also serve another category. For example, clothes for school usually are also suitable for informal parties. Clothes for dress-up social occasions may be suitable for church. Most of us can afford to buy only a few new items each year. This is why it is important to make every choice count. There are, however, some buying techniques that can help you stretch a limited clothing budget.

### Choose Versatile Items

Versatile items are ones that have several different uses. They may be suitable for more than one season of the year - an example is a raincoat with a zip-in lining for cold weather. Or they can be worn for different types of occasion - an example would be a basic dress whose appearance can be changed by wearing different accessories.

### Coordinate Colors and Styles

If your money is limited, you will also give thought to the ability of wardrobe items to look good in different

so, then later find you do not want anything else in the shop or store, you may not get your money back.

If you have to spend money as a direct result of goods being faulty, you can also claim this from the shop. You could, for example, claim the cost of using a laundry while the washing machine wasn't working. But you must keep such expenses down to a minimum.

There are four golden rules:

1. Examine the goods you buy at once. If they are faulty, tell the seller quickly.
2. Keep any receipts you are given. If you have to return something, the receipt will help to prove where and when you bought it.
3. Don't be afraid to complain. You are not asking a favor to have faulty goods put right. The law is on your side.
4. Be persistent (but not aggressive). If your complaint is justified, it is somebody's responsibility to put things right.

Remember: You can't complain about defects that were pointed out to you, or that you could reasonably have been expected to notice. Stop using the item as soon as you discover a fault. You are not entitled to compensation if you simply change your mind about wanting the goods.

#### Some Hints and Tips on Smart Shopping for Clothes (abridged)

by H. M. Jelly, R. O. Herrman

Our interest in clothes goes far beyond their use as a shelter. For most of us clothes are an expression of our personalities. We express ourselves in the styles and colors we pick and the combination of clothes we put together. At the same time we use -clothes to express our individuality. We also use them to

The Bank's history of more than 160 years is closely related to the economic and social development of the country. Numerous political and economic shifts affected the Bank but its role as the major provider of funds to the national economy through channelling deposits and its main mission of providing banking services for all layers of the population have always remained unchanged. Public recognition gained by Sberbank through tradition of being the bank for the people, helped in establishing mutually advantageous relations between the Bank and its customers.

Today Sberbank is a universal commercial bank, offering the widest range of banking services, having a stable customer base and efficiently operating practically on all segments of the financial market. Sberbank through its unique network of over 20,000 branches provides banking services across the country in time zones to over 1.3 million corporate customers and operates 250 million retail accounts.

Backed by stable financial results, solid background and fine track-record Sberbank stands out from other financial and banking institutions. Sberbank accounts for 29% of banking assets, 62% of retail deposits and 17% of corporate funds in Russia. The share of retail and corporate lending exceeds 50% and 32% respectively.

Notwithstanding growing competition and rapid progress of the banking sector Sberbank retains its stable market position and leadership in the Russian banking system.

Sberbank is universally recognized as number one in Russia, being the Bank of the Year 2004 (The Banker), and ranked the 1st in CEE and 152nd in the world (The Banker, 2004), the 1st on the Banker's Top 1000 banks from 27 transition countries, and 381st among the largest 2000 world companies (Forbes, 2004).

Sberbank progresses as a universal commercial bank, providing both retail and corporate services. State-of-the-art technologies, wide customer reach and significant capital base facilitate successful servicing of the largest Russian companies. Sberbank exercises integrated approach to corporate banking offering tailor made services to its clients. The Bank's operations in corporate and retail banking set a certain standard in Russia while some of the services are just unique.

The Bank maintains correspondent relations with over 200 banks around the world and with its vast proprietary settlement system provides for payments throughout Russia. The powerful IT systems insure fault free operations domestically and abroad. Starting from 1992 Sberbank's RAR financial statements and from 1996 financial statements under IAS are audited by top auditor companies chosen through tender, among which are 'PriceWaterhouseCoopers' and 'Ernst & Young'.

The Bank follows its 5-year Development Concept guidelines and its success is achieved by meeting the Concept targets and by following the global banking trends, full realization of its market potential and business success of its clients.

## WORLD SAVINGS BANKS INSTITUTE

Questions:

1. WSBI is one of the largest international banking associations, isn't it?
2. When and where was it founded?
3. Where did the General Assembly of the WSBI hold its session?
4. Who organized the conference 'Access to Finance'?
5. How many savings banks does WSBI unite?
6. How many people are employed in WSBI member banks?

manufacturer - to deal with your complaints if the goods are not satisfactory. What do we mean by satisfactory?

The goods must not be broken or damaged and must work properly. This is known as 'merchantable quality'. A sheet, say, which had a tear in it, or a clock that didn't go when you wound it would not pass this test.

The goods must be as described - whether on the pack or by the salesman.

A hairdryer which the box says is blue should not turn out to be pink; a pair of shoes the salesman says is leather should not be plastic.

The goods should be fit for their purpose. This means the purpose for which most people buy those particular goods. If you wanted something for a special purpose, you must have said exactly what for. If, for instance, the shop assures you that a certain glue will mend broken china and it doesn't you have a right to return it.

If things go wrong.

If goods are faulty when you first inspect or use them, go back to the shop, say that you cancel the purchase and ask for a complete refund. If you prefer, you can accept a repair or replacement.

If the goods break down through no fault of yours, after you have used them for a time, you may still be entitled to some compensation. In some cases it would be reasonable to expect a complete refund - if, for instance, without misuse your shoes came apart after only one day's wear, or your washing machine irreparably broke down after only three wash days. But if your washing machine worked perfectly for a while and then broke, you could only expect some of the purchase price back. You and the supplier must negotiate a reasonable settlement.

You need never accept a credit note for faulty goods. If you do

- c) e-tailing
- d) outspend
- e) Internet
- f) computer
- g) presents
- h) hardware
- i) shopping

## KNOW YOUR RIGHTS

### Questions:

1. What does 'merchantable quality' mean?
2. In what cases can you return the goods you bought in the shop?
3. In what cases may you be entitled to some compensation?
4. What rules should you follow when buying goods?
5. What purposes do clothes serve?
6. What are versatile items?
7. What product characteristics do you take into consideration in choosing clothing?
8. Why is it important to have a shopping list?
9. Are prices and quality the same in different stores?
10. Is it cheaper to shop in supermarket or small neighborhood store?

Complaining about faulty goods or bad service is never easy.

Most people dislike making a fuss. However, when you are shopping, it is important to know your rights. The following extract is taken from a leaflet produced by the British 'Office of Fair Trading', and it gives advice to consumers.

Your rights when buying goods.

When you buy something from a shop, you are making a contract. This contract means that it's up to the shop - not the

### 7. Is Sberbank a member of WSBI?

On October 27-29, 2004 the General Assembly of the World Savings Banks Institute (WSBI) held its session in Brussels concurrently with the 'Access to Finance' conference, coarranged by the World Bank.

The General Assembly of WSBI, which is its supreme body, unanimously endorsed the Resolution on Access to Finance. The document highlights the important role the savings banks play in the economic development of their countries by mobilizing private savings for financing of companies and enterprises of various size and type. Thus sustainable overall economic growth is provided, employment is generated and higher standard of living is assured. The resolution also calls for special attention to the accessibility of financial services to be available for all strata of population, including in remote areas, as an important factor of social and economic development. In this respect, the savings banks with their ramified branch networks and enormous private customer reach, bear great social responsibility to the state and the public and form an integral part of the national financial systems.

The WSBI General Assembly decided on active participation of the organization in the activities contemplated by the UN Year of Microcredit 2005. The General Assembly also summed up the work of WSBI in the past year, approved the budget and drafted action programs for the forthcoming year. Special attention was given to strengthening the position and raising the authority of the savings and similar retail banks in the financial community.

Currently WSBI is one of the largest international banking associations uniting over a hundred savings banks from 89 countries. The total assets of member banks amount to €7,600 bn; non-bank deposits make €4,750 bn and loans to corporate

non-bank clients and private customers exceed €4,000 bn. WSBI member banks operate over 200,000 branches and employ close to 2.3 million people. The Year 2004 is an anniversary year for the organization, which was founded in Milan in 1924. The key objective of WSBI is to promote interests of the savings banks worldwide. Sberbank is WSBI member since 1992.

## THE STOCK EXCHANGE COUNCIL

Questions:

1. What is the function of the Stock Exchange Council?
2. How many members are there in the Council?
3. Has the Council made any films on the work of the exchange?

The London Stock Exchange is governed by a council of thirty-six people who are elected by its members. The council analyses applications by firms who wish their shares to be quoted on the exchange. Very stringent requirements have to be met before a quotation is given.

In addition to managing the Stock Exchange and ensuring the protection of the public against fraudulent or doubtful companies, the Stock Exchange Council has also done much to inform the public about the work of the Stock Exchange and remove the view that it exists only for the wealthy. The visitors' gallery is open to the public and people may watch brokers and jobbers at work, while listening to an explanatory commentary. The Council provides lectures, has made films which are available free of charge, and published many useful booklets and leaflets on the work of the exchange. There are still relatively few direct investors in Britain.

some categories of online shopping. Men buy more computer software and hardware, while women buy more books and music items. Across the board, sales of clothing, food, gift items, airline tickets and automobiles have increased rapidly. Online consumers do their shopping via the computer rather than at the mall for a good reason. By shopping online, both men and women can make their purchases when it's convenient for them. A lot of e-commerce takes place after 8 p.m., when stores are usually closed. The online consumer may, if he/she likes, buy at 3 a.m. while wearing pajamas. Also, by using the Internet to research products, shoppers save time and energy, and often money - all from the comfort of their own home. Once they have made a decision, they may buy over the Net; or, they may then head to a store to make their purchases. Will online shopping replace mall cruising? Probably not. Many people still prefer actually shopping in stores - to see, to touch, to feel the articles they are considering buying. You probably will, however, meet more and more people who prefer having the comfort and benefiting from the efficiency of shopping on the Net.

Ex. Choose the appropriate word or phrase from the right column.

1. Some consumers prefer to buy goods over the ...
  2. Men ... women when buying car accessories.
  3. She saved time and energy by buying all her holiday ... at one store
  4. Online sales of all categories of... have increased.
  5. Many people like the efficiency of... over the Net.
  6. He replaced his old ... with a newer and better one.
  7. ... is online buying and selling.
- a) store  
b) goods

still sells the hand-blocked silks and other oriental goods it was famed for when it opened in 1875. Look out for the famous scarf department.

Fortnum and Mason's ground floor provisions department is so engrossing that the upper floors of classic fashion remain peaceful. The food section stocks everything from baked beans to the beautifully prepared hampers.

#### Marks and Spencer

Marks and Spencer has come a long way since 1882 when Russian emigre Michael Marks had a stall in Leeds's Kirkgate market under the sign, 'Don't ask the price - it's a penny!' It now has over 680 stores worldwide and everything in them is 'own label'. It stocks reliable versions of more expensive clothes - Marks and Spencer's underwear in particular is a staple of the British wardrobe. The food department concentrates entirely on upmarket convenience foods. The main Oxford Street branches at the Pantheon (near Oxford Circus) and Marble Arch are the most interesting and well stocked.

#### SHOPPING ONLINE

You've probably heard that a lot of people are doing their shopping online these days. In fact, buying and selling over the Internet are rapidly gaining in popularity. E-tailing or e-commerce, as it is called - now involves millions of shoppers spending billions of dollars every year.

Who are these shoppers? What are they buying? Why don't they just go to the mall?

Making purchases online is a shopping trend shared almost equally by men and women. At first, men made more online purchases in all categories of goods than women did. Now, the balance has shifted somewhat; and women outspend men in

However, two out of every three adults in Britain are indirect investors on the Stock Exchange, since banks, insurance companies, pension funds, trade unions and other similar bodies invest part of their funds in stocks and shares, thereby enabling them to pay to their members a higher rate of interest or dividend than they would otherwise be able to give. Direct investors number only about 4,000,000 people.

The Wider Share Ownership Council formed for the specific purpose of familiarizing people with the functions and workings of the Stock Exchange, has done much to remove barriers of ignorance and fear.

#### FOR YOUR INFORMATION

##### Questions:

1. What are the main coins and banknotes most widely used in the US?
2. What credit cards are most common in the US?
3. What will an American do if he/she loses his/her credit card?
4. You can't do without cash in the US, can you?

American money comes in coins with 1 (pennies), 5 (nickels), 10 (dimes), 25 (quarters) and 50 (a half-dollar), though half-dollars are not very common. Paper money is in denominations of \$1, \$5, \$10, \$20, \$50, and \$100.

Americans would say the best way to carry money is to have a major credit card like Visa, MasterCard or American Express. Credit cards can be cancelled if they are lost or stolen. And because they are widely accepted in the US, it is easy to use them to pay for lodging (жилье), transportation, meals and things you want to buy from larger stores.

Of course you can't do without cash (наличные), but you don't

need to carry much with you.

Layaway (плата в рассрочку) is a service offered by many stores selling items that cost up to \$300. The customer pays 10-15% of the price and agrees to pay the rest by a certain date, usually not more than thirty days later. The store keeps the item until the customer pays the whole price.

## ENGLISH BANKNOTES AND COINS

Questions:

1. Is the official currency of the UK the pound sterling or euro?
2. What banknotes and coins are in circulation in the UK?
3. Whose signatures are there on the face of English banknotes?
4. The backs of English banknotes feature portraits of different famous people, don't they?

The official currency of the UK is the pound sterling, which is equal to one hundred pence. English banknotes are issued by the Bank of England. As to coins they are minted also by this state bank.

There are banknotes of the following denominations: 1, 5, 10, 20, 50 and 100. The following coins are in circulation: halfpenny, one penny, two pence, five pence, ten pence, fifty pence.

On the face of English banknotes one can read the denomination given both in figures and in words.

Then the inscription on the face of the banknote reads: I promise to pay the bearer on demand the sum of... . And then there are two signatures. The first signature is that of the person authorized by the Government and the Bank of England. The second signature is that of the Chief Cashier.

The backs of English banknotes, like many other banknotes, feature portraits of different famous people.

## EURO BANKNOTES AND COINS

Questions:

some earlier on Saturdays. The 'late night' shopping (until 7 p.m. or 8 p.m.) is on Thursdays in Oxford Street and the rest of the West End, and on Wednesdays in Knightsbridge and Chelsea; some shops in tourist areas, such as Covent Garden and the Trocadero, are open until 7 p.m. or later every day, including Sundays. A few street markets and a slowly growing number of other shops are also open on Sundays.

Best of the Department stores

The King of London's department stores, by tradition, is Harrod's, with its 300 departments and staff of 4,000. Prices are not always as high as you may well expect. The spectacular food hall, decorated with Edwardian tiles, has splendid displays of fish, cheese, fruit and vegetables; other specialities include fashions for all ages, china and glass, electronics and kitchenware. Though Harrod's is still just as popular, especially with well-heeled visitors, Londoners often head instead for nearby Harvey Nichols, which aims to stock the best of everything with the price tags to match. Clothes are particularly strong, with the emphasis firmly on very high fashion, with many talented British, European and American name-represented. There is also an impressive menswear section. The food hall, opened in 1992, is one of the most stylish in London. Selfridge's vast building on Oxford Street houses everything from Gucci bags and Hermes scarves to household gadgets and bed-linen. Miss Selfridge, the popular high street fashion chain, also has a branch in the store.

The original John Lewis was a draper and his shop still has a gorgeous selection of fabrics and haberdashery. Its china, glass and household items make John Lewis, and its well-known Sloane Square partner, Peter Jones, equally popular with Londoners.

Liberty, the last privately owned department store in London,

emphasis on US designers. You need a strong pair of legs, comfy shoes and lots of spare time to wander around. Macy's, the self-proclaimed largest store in the world, manages to sprawl over an entire city block. It has ten floors, and sells everything imaginable from tiny tin openers to massive TVs. Saks Fifth Avenue is synonymous with style and elegance. It has long been considered one of the city's top-quality department stores, with service to match. It sells stunning designer clothes for men, women and children.

## SHOPS AND MARKETS IN LONDON

Questions:

1. Have you ever been to London?
2. What are the most famous department stores in London?
3. Prices are always very high at Harrod's, aren't they?
4. Which store only sells goods carrying its own label?

London is still one of the most lively shopping cities in the world. Within just a few minutes' walk you can find both vast department stores, with glittering window displays, and tiny, cluttered rooms where one customer almost fills the entire shop. Many of the most famous London shops are in Knightsbridge or Regent Street, where prices can be steep, but Oxford Street, which is packed with a huge number of shops offering quality goods at a range of prices, is also worth a visit. All over London, there are plenty of places tucked away down side-streets - and don't forget to try the markets for antiques, crafts, household goods, food and clothing.

When to shop

In Central London, most shops open somewhere between 9 a.m. and 10 a.m. and close between 5 p.m. and 6 p.m. on weekdays;

1. What is EMU?
2. What is EU?
3. What euro banknotes are in circulation today?
4. What do these banknotes depict?
5. When was the European Central Bank established?

The euro banknotes depict the architectural styles of seven periods in Europe's cultural history - Classical, Romanesque, Gothic, Renaissance, Baroque and Rococo, the age of iron and glass architecture, and modern 20th century architecture - and emphasize three main architectural elements: windows, gateways and bridges symbolizing the spirit and openness and co-operation in Europe.

There are seven euro banknotes: 5, 10, 20, 50, 100, 200 and 500.

EU enlargement

After growing from 6 to 15 members since 1951, the EU's fifth and biggest enlargement took place in May 2004. The acceding countries, eight Eastern European and two Mediterranean countries, signed an accession treaty in April 2003. They are Cyprus, Lithuania, Czech Republic, Malta, Estonia, Poland, Hungary, Slovakia, Latvia, Slovenia.

Bulgaria and Romania may join the EU in 2007, while Turkey could start negotiating its membership in 2005.

With the EU enlargement EU's population augments to over 455 million, its territory to 3.9 million square kilometers and the number of its official languages from 11 to 20.

Future adoption of the euro

Acceding countries will adopt the euro when they fulfil certain economic criteria such as a high degree of price stability, a sound fiscal situation, stable exchange rates and converged long-term interest rates.

Stages of European integration - the largest monetary changeover the world has ever seen

2002

Euro notes and coins replaced the legacy currencies of EMU participants.

2001

Greece joined the EMU and so there will be 12 member states introducing the new Euro banknotes and coins.

1999

Start of stage three of EMU. Use of the new currency Euro in the transition period 1999-2001 on a voluntary basis.

1998

Confirmation of eleven EMU participants. Establishment of the European Central Bank (ECB) as successor of the EMI.

1994

Second stage of EMU achieved. Constitution of the European Monetary Institute (EMI).

1992

Ratification of the 'Maastricht Treaty'

1990

Start of the first stage of European Monetary Union (EMU).

1979

Establishment of the European Monetary System (EMS) and introduction of the European Currency Unit (ECU).

1967

Creation of the European Community (EC).

1957

'Treaty of Rome' followed by the founding of the European Economic Community (EEC) with Belgium, France, Germany, Italy, Luxembourg and the Netherlands.

Most of New York's large department stores are in midtown Manhattan. Allow plenty of time to explore as all these stores tend to be enormous, with an amazing range of goods. Prices are often high, but you can get bargains during the sales. Stores such as Saks Fifth Avenue, Bloomingdale's and Macy's provide a diverse and extraordinary range of shopping services, including doing the shopping for you. But then you would miss out on what may be the shopping experience of a lifetime. Abraham & Strauss, more familiarly known as A&S, is a bustling store which carries reasonably priced ready-to-wear fashions for adults and children. It is the centerpiece of an Art Deco-style mall, the largest in Manhattan. Barney's New York is a favorite among the young professional New Yorkers. It specializes in excellent, but expensive, designer clothes. A branch for men is located in the glittering World Financial Center. Berdorf Goodman is luxurious, very elegant and understated. It carries top quality contemporary fashions at high prices, specializing in European designers. The men's store is right across the street. Almost every visitor to New York includes Bloomingdale's on their sightseeing list. 'Bloomies' is the Hollywood film star of the department stores, with many eye-catching displays and seductive goods. Its ambience is of a luxurious Middle Eastern bazaar, filled with wealthy, immaculately dressed New Yorkers seeking out the newest trendiest fashions. Bloomingdale's also has a high reputation for household goods and gourmet food - it has a shop devoted entirely to caviar. Extensive shopping services and amenities include a noted restaurant, Le Train Bleu, and a theatre ticket discount agency. Lord & Taylor is renowned for its classic and much more conservative fashions for men and women. The store places an

concentrate on their holiday sales promotions.

## SHOPPING IN NEW YORK

Questions:

1. Have you ever been to New York?
2. What is the sales tax in New York City?
3. Most of New York's large department stores are in midtown Manhattan, aren't they?
4. What are the most famous department stores in New York?
5. Are prices high in those stores?

Any visitor to New York will inevitably include shopping in their plan of action. The City is the consumer capital of the world: a shopper's paradise which is a constant source of entertainment, with dazzling window displays and a staggering display of goods.

Whether you have \$50,000 or \$5, New York is the place to spend it.

### Opening Hours

Most shops in New York are normally open from 10 a.m. to 6 p.m., Monday to Saturday. Many department stores, though, are open all day Sunday and until 9 p.m. at least two nights a week. The best time to avoid crowds is weekday mornings. The most crowded times are lunch hours (noon to 2.30 p.m.), Saturday mornings, sales and holidays.

### Taxes

The New York City sales tax, 8.25%, is added to the price when you pay. But you may still be asked to pay duty on goods at customs if you exceed the allowance. If the goods are sent direct, you won't have to pay sales tax.

### Department Stores

## Continuity of contracts

The introduction of the euro does not have the effect of altering any term of a legal instrument. It also does not give a party the right to alter or terminate such an instrument unilaterally.

References to national currency units shall be read as references to the euro unit at the end of the transition period. References to the ECU were replaced by a reference to the euro at a rate of 1 ECU = 1 euro.

## TAXATION

Questions:

1. Taxation is the Government's main source of revenue, isn't it?
2. What are direct taxes in the UK? What are indirect taxes?
3. What are three groups into which taxation can be classified?
4. What are the main functions of taxation?

Taxation is the Government's main source of revenue. A tax is a compulsory charge levied on the taxpayer by the state. There are two main types of taxation in the UK, namely direct and indirect. Income tax, corporation tax, capital transfer tax, motor vehicle tax and local rates are all direct taxes, since they are paid by the taxpayer direct to the respective Government department. Indirect taxes are those paid on the purchase or importation of certain goods and services. They include value added tax, customs duties and excise duties. They are indirect because they are paid initially by the manufacturer, importer or wholesaler and then passed on to the final customer.

Taxation can obviously be classified again into three groups: taxes on income, taxes on capital and taxes on expenditure.

While the main function of taxation is to provide revenue, it also has important subsidiary functions and is one of the ways

in which the government effects its policies. The first of these is to reduce the inequality of incomes. This has been achieved - and is still being maintained - by income tax and capital transfer tax. These taxes are progressive. The amount people pay is in accordance with what they can afford, so that a person with a high income pays more income tax than one who earns less and, in addition, account is taken of their financial responsibilities. Consequently, if two men receive the same amount in wages but one is single and the other is married and has two children, the single person will pay more income tax. This system is operated by giving allowances and relieves against income. Income tax and capital transfer tax (which replaced estate duty) have, therefore, been the main causes of the more equal distribution of Britain's wealth, particularly since the end of the Second World War.

The second subsidiary function of taxation is to control the level of economic activity. Selective employment tax fell into this category, since it encouraged economy in the use of labour in the service and construction industries. The repayment of the tax, together with additional sums to manufacturing industries in the development areas, was an added incentive to firms to move to those areas and therefore stimulated economic activity in them. Similarly, a substantial increase in corporation tax could cause firms to limit their plans for development and expansion, while a reduction in the rate charged would encourage firms to adopt an expansionist policy.

Taxation's third subsidiary function is to influence production and consumption. The imposition of a tax when goods are bought, or excise duty on certain goods, can reduce the total consumption of them. The imposition of tariffs on imported goods will discourage people from buying them and stimulate the sales of home-produced goods. This was one of the

According to industry analysts, the typical US family spends nearly \$1,000 on holiday gifts. Research also shows that shoppers are beginning to deviate from traditional purchases. Consumers are buying more unusual gifts. This trend already has many retailers yearning for the good old days when they could count on selling a lot of their stock of clothing, jewelry, books, CDs and other ordinary items. But some other retailers are pleased: many gift lists now consist of luxury items, such as the latest in high-tech equipment or expensive cars.

If the economy is in good shape, most retailers emerge from the slower months with a healthy profit. December is the month of the highest sales. This is expected because of the custom of gift giving on Christmas Day, December 25th. Furthermore, many consumers wait for the post-holiday sales that begin right after Christmas. December 26th is now one of the busiest days in retailing: That's the day when people go to stores not only to exchange their gifts and use their gift certificates, but also to look for items to buy at post-holiday prices. Shoppers are often sorry about the prices they had to pay for items they purchased before December 25th.

The next two months, January and February, show the lowest sales of the year. After all consumers have paid for their holiday gifts, they don't want to spend any more money. In spring, sales pick up as consumers look forward to summer: the time for travel and many outdoor activities. Spending reaches the second highest level of the year in August, with back-to-school sales. With the approach of another holiday season, spending predictably picks up again. People don't worry so much about debt, and start thinking about happy times together - and gift giving - among friends and family. Children start asking for the toys they've been dreaming about all year, and the retailers begin once again to

This inevitable tension between business values and other social values often spills over onto the political stage, with the institutions of government struggling to resolve a point at issue. Should there be limits on the types of products that business people can advertise? Should advertisers be forced to mention the hazards as well as the attractions of a product such as cigarettes? Should advertisers be required to substantiate their growing claims? The give-and-take of the democratic political process provides answers to such questions in a continuing process of adjustment and change -increasingly offering protection to the consumer against false or harmful advertising.

#### SHOPPING IN THE USA

Questions:

1. When is Thanksgiving?
2. Is December the month of the highest sales? Why?
3. How much does the typical US family spend on holiday gifts?
4. Why December 26th one of the busiest days in retailing now?
5. Many consumers wait for the post-holiday sales, don't they?
6. Does spending reach the second highest level in August? Why?
7. When do the shops have the lowest sales of the year?

Every year US retailers hope for dramatic increases in consumer spending during the holiday season. In fact, the retailers depend on these holiday sales figures to boost their yearly profits. Consumers usually begin hitting the stores in early November, in an attempt to avoid the crowds near Christmas. The official start of the holiday shopping season is the day after Thanksgiving, which falls on the fourth Thursday in November.

measures used at the end of the 1960s to help to correct the balance of payments.

The last two functions can obviously have a direct effect on businesses, while the first will have indirect consequences for them. The effects of taxation are obviously taken into account as far as possible when planning company policy. Companies are subject to corporation tax on their profits and any capital gains obtained by the disposal of assets. The rate of this tax is subject to change in each budget. It is payable to the Inland Revenue.

Besides being subject to taxation themselves, businesses are also responsible for deducting income tax from the wages and salaries of their employees and transmitting it to the Inland Revenue. Wages departments also deduct National Insurance contributions from employees' pay. This is, in effect, another tax, since it represents a compulsory cost to the firm.

The government's financial policy - and hence taxation - is reviewed annually in the budget. Tax changes can be made at other times if they become necessary but changes outside the budget are exceptional. In preparing the budget the Chancellor of the Exchequer must consider the total obligation for government expenditure on education, defence, social services, housing, etc. and decide how this is to be raised. It must be decided how much of this can be raised from taxation; the remainder is financed by borrowing. It is here that the effects of the various forms of taxation must be considered and the right ones chosen for the state of the economy.

A constant watch is kept on levels of employment in all parts of the country, trends of production, prices and the balance of payments throughout the year, by the Chancellor's economic advisors. On the basis of this information the budget is prepared. Work continues constantly on possible taxation

changes and their effect and implementation. Major tax reforms require years of work before they can be introduced. However, an effective budget must be designed to suit the current economic circumstances of the country. Specific work on it, therefore, begins a few months before Budget Day which is usually at the beginning of the financial year, early in April.

## VALUE ADDED TAX IN GREAT BRITAIN

Questions:

1. What is VAT?
2. What is 'input tax'?
3. What is 'output tax'?
4. Who regulates the rates of VAT?
5. All countries within the Common Market are obliged to operate a VAT system, aren't they?

General explanation

The main internal taxes on expenditure are the excise duties on tobacco, drink and hydrocarbon oils (petrol and diesel), together with Value Added Tax (VAT), which is, in effect, a single tax system on the sale of goods and services.

All countries within the Common Market (the EEC) are obliged to operate a VAT system, thus smoothing the way for the harmonization of the laws of member states on turnover taxes. The VAT system has a great advantage in being, in the eyes of the Treasury, an economy regulator. Changes in the rates of VAT can be made by Treasury Order, within the Statutory Regulations.

The law concerning VAT is contained in the Finance Act 1972, and is administered by Orders and Regulations made under that Act by the Commissioners of Customs and Excise, from headquarters at Alexander House, Victoria Avenue, Southend-

brand preference\*. Advertising communicates product attributes and generates brand awareness. Brand preference increases as brand awareness increases. The Strategic Planning Institute asked buyers to rate a range of competing products in terms of quality. For products with above-average advertising weight the perception of the product's quality was 50% higher than those that were not advertised.

In American Business Media's research more than half of those exposed to advertising had purchased or recommended purchase of an advertised product. Advertising generates profit growth. The profit generated from sales grows as advertising pressure increases.

## ADVERTISING

Questions:

1. What is the function of advertising?
2. Can advertising be harmful to people?
3. Should there be limits on the types of products that business people can advertise? What do you think?

In the eyes of the business world and of many economists, advertising serves an indispensable function. It helps consumers to choose among competing products. Also, by spurring demand for products, it extends the possibilities of mass production and thus leads to economies of scale and to lower consumer costs. Indeed, advertising is sometimes depicted as 'the engine of prosperity'. From another perspective, however, advertising goes against important social values. It promotes self-indulgence and thus counters moral and religious teachings that urge selflessness. It creates false 'needs' and encourage waste.

71% of decision-makers agree that business publications are 'essential reading'.

'They are an essential part of our work, for information on products and services, to keep abreast of what's happening in the market place and for future new developments'.

81% of Main Board Directors said that business publications provide the best editorial coverage of the industry.

79% said that the business press is best for new ideas.

72% agree that business magazines 'reach a unique quality of audience'.

90% of Main Board Directors agree that business magazines 'have a targeted audience'.

87% said that the business press is best for seeing new technical applications.

79% said that the business press is best for finding new operational methods.

Business publications are seen as a fundamental element of working life. 'Business publications are a valuable part of our culture at work'.

'Business publications provide readers an opportunity to relax within the working environment - and offer advertisers a receptive audience as a result'.

Advertising in business publications builds awareness.

Awareness builds preference and increases the perception of product quality. Collectively this generates interest and action.

This ultimately leads to sales. McGraw-Hill tracked brand awareness for two years across 2,594 products sold in the chemical process industry. Those that advertised during the period grew their brand awareness by nearly 4 times as much as those that did not.

The University of Lowell examined Cahner's Brand Preference Study to determine any link between brand awareness and

on-Sea, SS99 1AA.

### Operation of VAT

The appropriate amount of tax is collected at each stage of the process of production or distribution of goods or services, and the final tax is borne by the consumer, who is the ultimate purchaser or user at the end of the line.

At each stage of the business suppliers charge VAT on goods, trading stock, materials to be used in manufacture, and the services used in the normal day-to-day running of the business. All these goods and services supplied are 'inputs', and the tax paid on them is 'input tax'.

When the business proceeds to supply goods and/or services to customers, VAT is charged to such customers, as a separate amount. The supply of the goods and services by the business is 'output' and the tax collected on them is 'output tax'.

At prescribed intervals the business must make a return to Customs and Excise on which is totalled respectively the amount of input and output tax. It follows that if the output tax amount is greater than the amount of input tax the balance is payable to Customs and Excise. If the opposite were the case, a refund would be made.

### Rates of tax

The Treasury by Order, under the Act, regulates the rates of VAT, and currently this is the 'standard' rate. There is however, a range of goods and services which are the subjects of a 'zero-rate', and others which are 'exempt' from VAT.

Both zero-rating and exemption mean that no output tax is chargeable. An important difference lies in the provision that on zero-rated goods or services the VAT charged on inputs, relating to them, can be reclaimed like any other input tax. On the other hand, exempted goods or services are outside the scope of VAT, and no input tax can be reclaimed in respect of

them.

The ranges of goods and services designated as zero-rated or exempt are specified in a VAT Notice No. 701, obtainable from VAT offices.

## THE DEVELOPMENT OF ACCOUNTING THOUGHT

Questions:

1. Does accounting have a long history?
2. What countries did accounting appear first?
3. Did the growth of corporations lead to the development of accounting?
4. Who published the first known description of double-entry bookkeeping?
5. Has the role of government led to more accounting developments?
6. What is the importance of accounting nowadays?

Accounting has a long history. Some scholars claim that writing arose in order to record accounting information. Account records date back to the ancient civilizations of China, Babylonia, Greece, and Egypt. The rulers of these civilizations used accounting to keep tracks of the cost of labor and materials used in building structures like the great pyramids.

Accounting developed further as a result of the information needs of merchants in the city-states of Italy during the 1400s. In that commercial climate the monk Luca Pacioli, a mathematician and friend of Leonardo da Vinci, published the first known description of double-entry bookkeeping in 1494. The pace of accounting development increased during the Industrial Revolution as the economies of developed countries began to mass-produce goods. Until that time, merchandise had

publications generates proven increases in sales leads, sales and profit. 96% of Sales and Marketing Directors said that the business press is the best for providing effective advertising for their marketing campaigns. 86% said that the business press is best for providing sales leads. 73% of decision-makers agree that business publications 'contain advertising that is useful to my job'.

'I look for new products and advertising information about products'.

'I think that it is all very interesting, and there's a lot of advertising that is useful to you'.

78% of Main Board Directors said that advertisements in business publications are more useful to them than advertisements in other media. 83% of decision-makers agreed that 'I am more likely to read an advertisement in a business publication than on the Internet'. 93% of decision-makers agree that business publications 'keep me regularly informed about my industry'.

'They are a first rate asset to me and my work, and keep me informed of what's going on in the market. Very important'. 80% of decision-makers agree that business publications are 'an authoritative source of information'.

'Quality independent news coverage of industry trends which are valuable sources of information'.

73% of decision-makers agree that business publications 'stimulate new ideas'.

'They are very useful for new ideas. It helps to give you more original ideas and helps with lateral thinking'.

72% of decision-makers agree that business publications 'give breadth and depth about my sector'.

'They are very useful for giving a broad overview of the whole industry sector'.

studies all its stages before, during and after production. In the sales area, marketing provides information about forward demand for the company's products or services, helps to find and promote demand for products and services.

Marketing planning is an integral part of the marketing mix and it depends on thorough situation analysis. When the situation is analyzed it is necessary to consider controllable and uncontrollable factors. The controllable ones are four: product, price, place and promotion. Uncontrollable factors are mainly environmental factors.

## ABOUT BUSINESS PUBLICATIONS

Questions:

1. Do you agree that business publications are 'an authoritative source of information'?
2. Are business magazines a powerful advertising medium?
3. Do they contain advertising that is useful to you?
4. Does advertising in business publications generate proven increases in sales and profit?
5. Do most decision-makers read an advertisement in a business publication or on the Internet?

A presentation of the research based evidence that business magazines are a powerful advertising medium. Business publications reach over 90% of decision-makers in business. They are considered by decision-makers to be the most useful source of information in many areas. Business publications contain the advertising considered to be most useful by decision-makers.

Advertisers view business magazines as the most essential medium for their marketing effort. Advertising in business

been priced based on managers' hunches about cost, but increased competition required merchants to adopt more sophisticated accounting systems.

In the nineteenth century, the growth of corporations, especially those in the railroad and steel industries, spurred the development of accounting. Corporation owners - the stockholders - were no longer necessarily the managers of their business. Managers had to create accounting systems to report to the owners how well their businesses were doing.

The role of government has led to still more accounting developments. When the federal government started the income tax, accounting supplied the concept of 'income'. Also, government at all levels has assumed expanded roles in health, education, labor, and economic planning. To ensure that the information that it uses to make decisions is reliable, the government has required strict accountability in the business community.

## BOOKKEEPERS, ACCOUNTANTS, CONTROLLERS AND AUDITORS

Questions:

1. What are the functions of bookkeepers?
2. What are the functions of accountants?
3. What do auditors deal with?
4. Is it necessary to have a certificate to practice accounting in the USA?
5. The work of accountants is rather sophisticated, isn't it?

Bookkeepers deal in taxes, cash flow, which include cash receipts and cash disbursements, sales, purchases and different business transactions of the company. Bookkeepers first record

all the appropriate figures - in the books of original entry, or Journals. At the end of a period usually a month - the totals of each book of original entry are posted into the proper page of the Ledger. The Ledger shows all the expenditures and all the earnings of the company. On the basis of all the totals of each account in the Ledger, the bookkeeper prepares a Trial Balance. Trial Balances are usually drawn up every quarter.

The accountant's responsibility is to analyze and interpret the data in the Ledger and the Trial Balance.

The accountant is to determine the ways in which the business may grow in the future. No expansion or reorganization is planned without the help of the accountant. New products and advertising campaigns are also prepared with the help of the accountant. The work of accountants is rather sophisticated. Many accountants have special certificates after they pass examinations in Institute of Accountants. Certified accountants in England are called chartered accountants. In the USA the certified accountants are called certified public accountants. But it is not necessary to have a certificate to practice accounting. Junior employees in large companies, for example, often practice accounting and then take the examination.

The chief accounting officer of a large company is the Controller, or Comptroller. Controllers are responsible for measuring the company's performance. They interpret the results of the operations, plan and recommend future action. This position is very close to the top executives of the company.

Auditors are usually independent certified accountants who review the financial records of a company. These reviews are called audits. They are usually performed at fixed intervals - quarterly, semiannually. Auditors are employed either regularly or on a part-time basis. Some large companies maintain a

continuous internal audit by their own accounting departments. These auditors are called internal auditors.

Not so many years ago the presence of an auditor suggested that a company was having financial difficulties or that irregularities had been discovered in the records. Currently, however, outside audits are a normal and regular part of business practice.

Auditors see that current transactions are recorded promptly and completely. Their duty is to reduce the possibility of misappropriation, to identify mistakes or detect fraudulent transactions. Then they are usually requested to propose solutions for these problems. Thus auditors review financial records and report to the management on the current state of the company's fiscal affairs in the form of Auditor's Report or Auditor's Opinion.

## MARKETING

Questions:

1. Is marketing the same as selling?
2. What are the elements of marketing concept?
3. What are the controllable and uncontrollable factors of marketing?

Marketing is not the same as selling. Effective marketing is about creating a product and a product image that the sales force can sell. It is both a creative and a strategic function. It has been said that engineers create devices while marketers create products. One of the best books of this is 'Marketing High Technology' by William Davidow.

Marketing concept includes various elements such as planning, research, new product development, sales, communications, advertising, etc. Marketing starts with production and later