

UNIT 7 – FINANCE AND BANKING

1. Find the words in the text that fit the definitions:

1. _____ - a person who is chosen by a court to manage the financial affairs of a company that is bankrupt, to sell its assets in order to pay its debts, and to close it:
2. _____ - to close a company, sell its assets and pay its debts:
3. _____ - a very small number of people or things, the quantity of something that you can hold in your hand
4. _____ - a person, company, country, etc. that sb/sth owes money to
5. _____ - the act of finding a new way for an organization or a government to pay back money that they have borrowed and are having difficulty paying back:
6. _____ - the relationship between the amount of money that a company owes (**debt**) and the value of its shares (**equity**)

2. Complete the gaps with words derived from the words in the brackets:

1 _____ (struggle) telecoms equipment maker Marconi today took a giant step towards _____ (recover) as it announced the early _____ (pay) of £669 m of debt following its _____ (structure) last year. The money was paid well ahead of the 2008 deadline set by _____ (credit), and will save Marconi £55,8 m in annual interest charges. "The early paydown of all our restructuring debt is an excellent _____ (achieve), "Mike Parton, the Marconi chief executive, said. "We have emerged with a strong balance sheet, and can now fully focus our efforts on growing our business."

2 Today's repayments follow better-than-anticipated returns from the sale of businesses and improved trading _____ (perform) at the company. Following an increase in _____ (confide) among telecoms

customers, Marconi announced its first _____ (quarter) profits for three years in May. Last month, the improved trading performance enabled three _____ (direct), including Mr Parton, to raise almost £9 m from cashing in stock _____ (opt) granted after they met performance targets, including those for debt _____ (reduce).

3 Marconi staved off collapse in May last year thanks to a restructuring in which banks and _____ bondholders _____ (agreement) to write off most of the company's debt in return for control. Shareholders saw their _____ (hold) virtually wiped out

4 The near-collapse of the company was one of the most _____ (spectacle) in British corporate history. Formerly GEC, Marconi was an _____ (industry)

giant built up by Arnold Weinstock, one of Britain's premier industrialists. At its zenith, it was worth more than £30bn. Problems began when Lord _____ Weinstock's _____ (succeed), Lord Simpson, decided to focus on telecommunications, selling _____ (profit) defence business and dropping the name GEC in favour of Marconi.

5 Marconi ran into trouble three years ago when the hi-tech bubble burst. Demand for its products from customers such as BT dried up, and it was left with huge debts after an ill-timed _____ (acquire) spree. Thousands of jobs were lost, and Marconi currently employs one third of its 12,400 global workforce at UK sites in Coventry, Beeston in Nottingham, Liverpool and Chelmsford.

Fill the gaps with one of the phrasal verbs.

Cash in staved off write off wipe out build up dry up

1. Whole villages were _____ by the floods
2. Foreign investment may soon _____ if there are not enough incentives
3. I _____ the check as soon as it arrived in the mail
4. She brought some fruits on the journey to _____ hunger
5. The Inland Revenue _____ £900 million in unpaid taxes
6. The costs of setting up a business can be _____ against tax

Translate into English:

1. krok směrem k ozdravení
2. vyplacení opcí
3. odvrátit kolaps a odepsat dluh
4. dostat se do obtíží
5. zdůraznit odhodlanost bojovat
6. být odhodlán snížit náklady
7. potýkat se s vysokými náklady na palivo
8. popřít tvrzení
9. učinit ústupky
10. zažádat o ochranu proti bankrotu
11. splatný tento týden
12. předznamenat zánik podniku
13. nízkonákladová letecká společnost
14. čelit stejnému osudu

BViU - Answer the questions

1. What is an annual report, which companies are obliged to publish it and for whom?
2. What three basic financial statements accompany annual reports?
3. Is there a difference between shares and bonds? What is it?
4. What information does profit and loss account (US income statement) provide?
5. What are COGS?
6. What does operating profit and pre-tax profit include?
7. What is paid from profit after tax and what remains?
8. What does balance sheet indicate?
9. What do current assets include?
10. Explain the term depreciation and its function in accounting
11. What are current and long-term liabilities?
12. What are shareholders' funds?