

IB, UNIT 11

COURSEBOOK, p. 96; LISTENING: Complete the text with appropriate words or phrases ...initially the company had hoped that its IPO would 1 _____ (2w) almost \$3.7 billion and they were expecting to sell 26 million stocks on the market. So, if you compare the price they actually 2 _____ (2w), \$85, with what the company had projected, which was between 108 and \$135, then you can see that it didn't really work out that well. I think the management team made quite a few mistakes and that's why they didn't 3 _____ (3w). Probably the most serious was with the timing of the IPO – it was set for August and that's not the best time to get the 4 _____ (4w) because it's right in the middle of the summer vacation. Secondly, there was the attitude 5 _____ (3w) of the company's plans. These were never published in 6 _____ (2w) and investors were left in some doubt about what the company was planning. Lastly, the 7 _____ (1w) process of the auction was complicated and, if anything, instead of simplifying things, it really made it more difficult for investors to buy the shares. However, having said that, I should add that for investors, the Google IPO was a really 8 _____ (2w): they could buy at a relatively 9 _____ (2w) and within a few days the shares 10 _____ (3w) \$125.

COURSEBOOK, p. 97; READING: Answer the following questions:

1. Why is the planned IPO of the Fairfax Inc shares unlikely to change the way things are done in the company?
2. As for the organizational side of the IPO, what were the original plans and how have they been changed?
3. How much money will the Randsfeld IB earn from this business?
4. Why are the Fairfax shares highly likely to do well?

WORKBOOK, p. 47; READING: 1 Find in the text words defined by the following:

Par 1

1. _____ = to sound familiar
2. _____ = (usually plural) someone who is injured or killed in an accident or military action:
3. _____ = a time when a period of economic success ends suddenly, opposite of the word boom
4. _____ = time of great excitement and feeling you can achieve what you want
5. _____ = to risk money or something valuable in the hope of winning more if you are lucky or if you guess something correctly
6. _____ = if the value, amount or level of sth _____, it rises very quickly

Par 2

1. _____ something to someone/something = to say that someone or something has a specific quality, especially a bad one, or is guilty of something
2. _____ = the total value of all a company's shares, calculated by multiplying the number of shares by their price on the stock exchange
3. _____ = a computer program that searches the Internet for information, especially by looking for documents containing a particular word or group of words
4. _____ = a company or person that is new in a business, but may already start being important
5. _____ = a) to prove that something is present using scientific methods, b) to notice something, especially when it is not obvious
6. _____ = a situation that cannot last in which prices rise very quickly and many people make a lot of money

Par 3

1. _____ = to start to work together in order to achieve a shared goal
2. _____ = to be as good as what was expected
3. _____ = to disappear, usually gradually
4. _____ = the act of forming a new, independent company from part of an existing one; a company formed in this way
5. _____ = not to make as much money as expected or as sb/sth else
6. _____ **ated** = likely to end in failure or death

Par 4

1. _____ = to show a comparison between things
2. _____ = to stop being effective or making progress
3. _____ = the time when something stops existing
4. _____ = not practical because it has not been thought about carefully
5. _____ = the use of a lot of advertisements and other PUBLICITY to influence or interest people
6. _____ = to do sth that is risky

Par 5

1. _____ = the result that you wanted to achieve from a plan or idea
2. _____ = the money that is received by a business usually from selling goods or services
3. _____ = to be suddenly reduced to a much lower level

Par 6

1. _____ = to have a more secure position
2. _____ = impossible to think about or imagine
3. _____ = in a way that shows you think someone has done something wrong
4. _____ = enjoyable but not serious or important

2 Answer the questions

Par 1

1. In what context are etoys.com, Pets.com or Boo.com mentioned?
2. How are the 1990's described in the article?
3. What happened to the unsuccessful companies of the 1990s?
4. How are the dotcom companies which survived this difficult period doing now and how are they seen by their potential investors?

Par 2

5. How well have the Google shares done since their IPO?
6. How well is Google doing compared to Time Warner?

Par 3

7. Describe some of the recent developments in the history of the Time Warner company.
8. How did Time Warner react to the unsuccessful merger with AOL?

Par 4

9. Have the investors been able to learn from the dot.com cash?
10. Name some current dotcom giants.
11. How is the average consumer today different from the average consumer 10 years ago?

Par 5 +6

12. How are these days described in terms of returns on investment in the web-based business?
13. Why are the companies in the web-based business better established today than they were 10 years ago?