

Università di Cagliari



Corso di Laurea in Economia e Gestione Aziendale
Corso di Laurea in Economia e Finanza

Lingua Inglese

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FINANCE



FINANCE

English words connected with FINANCE

What words come to your mind when
thinking about **Finance**?



FINANCE

Money Quotes and Proverbs

"Money is better than poverty, if only for financial reasons."

Woody Allen

"It is better to have a permanent income than to be fascinating."

Oscar Wilde

"Money is the root of all evil."

Unknown

"Lack of money is the root of all evil."

George Bernard Shaw



FINANCE

Money Quotes and Proverbs

"Oh Lord won't you buy me a Mercedes-Benz!"
Janis Joplin Song

"Remember that time is money"
Benjamin Franklin

"There's one thing that money can't buy. That's
poverty"
John Lennon

"The love of money is the root to all evil"
The Bible



FINANCE

CASH

COIN

NOTE

BUCK

QUID

GRAND

CURRENCY

CHANGE

BILL

RECEIPT

LOAN

MORTGAGE

LEND

BORROWING

INTEREST RATE

CREDIT

DEBT

OWE



LOSS

PROFIT

BANKRUPTCY

BALANCE SHEET

FINANCIAL STATEMENT



INCOME STATEMENT

PROFIT & LOSS ACCOUNT

INCOME

OUTGOINGS

MISMANAGEMENT

IRREGULARITIES



The Profit and Loss Account (P&L) or Income Statement (IS)

Complete the document on p. 68 with the following expressions:

Research and development costs

Cost of materials

Gross profit

Interest receivable

Turnover

Dividend

Consolidated Profit and Loss

for the year ended Dec 31 in \$m

		Forecast	Actual
Money in	¹ _____ (sales revenue)	700	704
	Other earnings		
	Gains on fixed assets and operations	250	244
	² _____ on investments	175	162
Money out	Costs of making goods		
	³ _____ and all manufacturing expenses	(100)	^a _____
Money in minus cost of making goods	Salaries and personnel costs	(200)	^b _____
	⁴ _____	825	^c _____
Other money out	Other costs and expenses		
	Indirect costs or overheads	(25)	(22)
	⁵ _____	(50)	^d _____
	Loss on fixed assets	(25)	(25)
	Loss on foreign operations	(100)	(88)
	Marketing and distribution costs	(100)	^e _____
Gross profit minus other money out	Trading/Operating Profit	525	^f _____
Money left when shareholders have been paid	Profit for shareholders (⁶ _____)	95	^g _____
	Retained profit	430	^h _____

Consolidated Profit and Loss

for the year ended Dec 31 in \$m

		Forecast	Actual
Money in	1 Turnover _____ (sales revenue)	700	704
	Other earnings		
	Gains on fixed assets and operations	250	244
	Interests receivable _____ on investments	175	162
Money out	Costs of making goods		
	_____ and all manufacturing expenses	(100)	^a _____
	Salaries and personnel costs	(200)	^b _____
Money in minus cost of making goods	Gross profit	825	^c _____
Other money out	Other costs and expenses		
	Indirect costs or overheads	(25)	(22)
	Research & Development costs _____	(50)	^d _____
	Loss on fixed assets	(25)	(25)
	Loss on foreign operations	(100)	(88)
	Marketing and distribution costs	(100)	^e _____
Gross profit minus other money out	Trading/Operating Profit	525	^f _____
Money left when shareholders have been paid	Profit for shareholders (⁶ Dividend)	95	^g _____
	Retained profit	430	^h _____

FINANCE

SAYING NUMBERS

Years

1984

2002

Currencies

£3.15

\$7.80

Decimals

16.5

17.38%

0.185

Bigger Numbers

3560

5980,347

1,300,402

1m

3bn

£7.5bn

\$478m



FINANCE

Mon

Tue

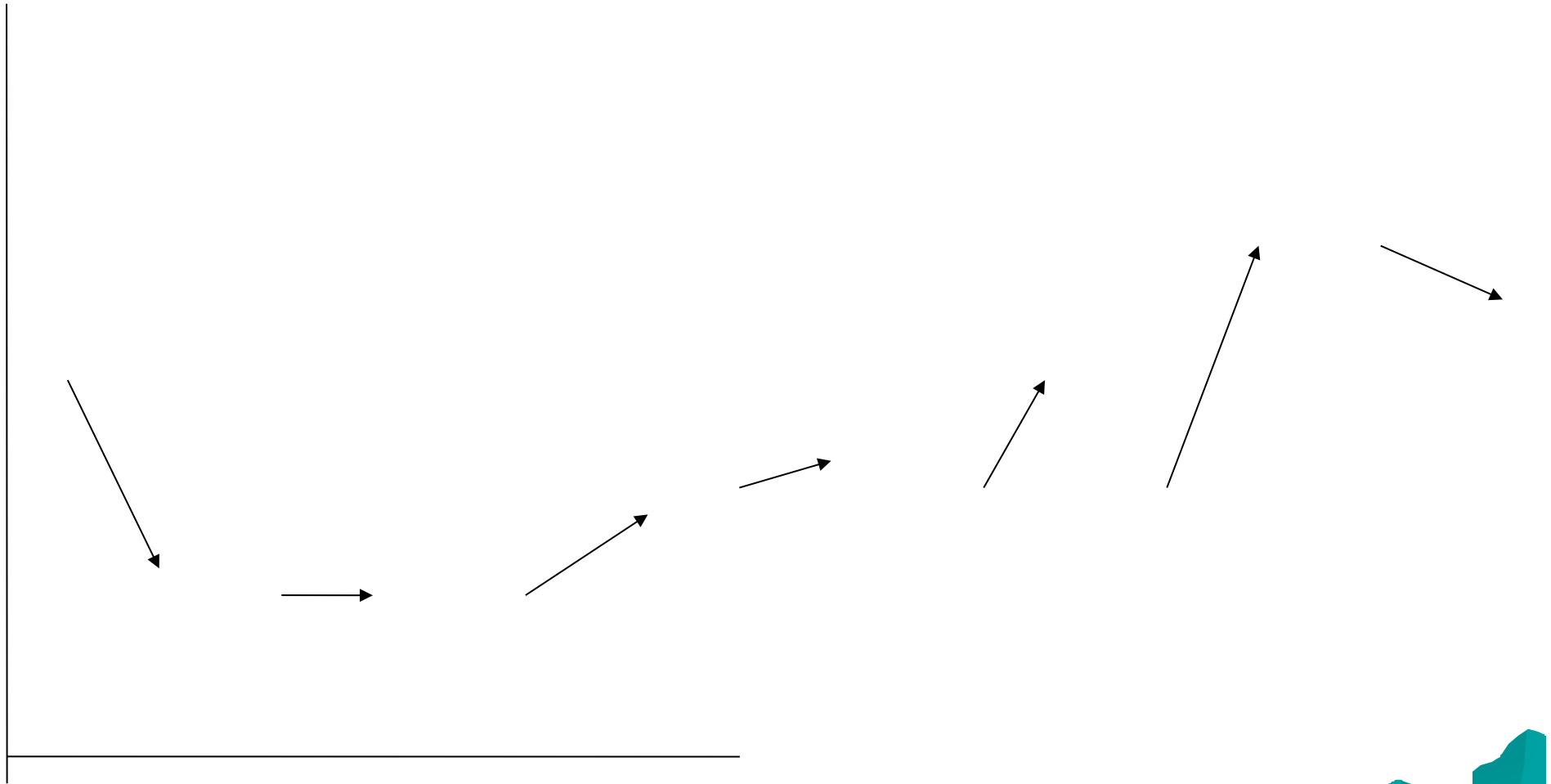
Wed

Thur

Fri

Sat

Sun

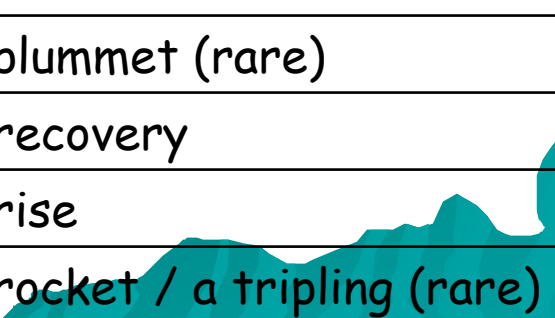


Your week's emotional state before Covid 19



FINANCE

VERB	NOUN
decline	A decline
decrease	A decrease
double	A doubling (rare)
drop	A drop
fall	A fall
fluctuate	A fluctuation
gain	A gain
halve	A halving (rare)
improve	An improvement
increase	An increase
Level off	A levelling off
Peak	A peak
plummet	A plummet (rare)
recover	A recovery
rise	A rise
Rocket / triple	A rocket / a tripling (rare)

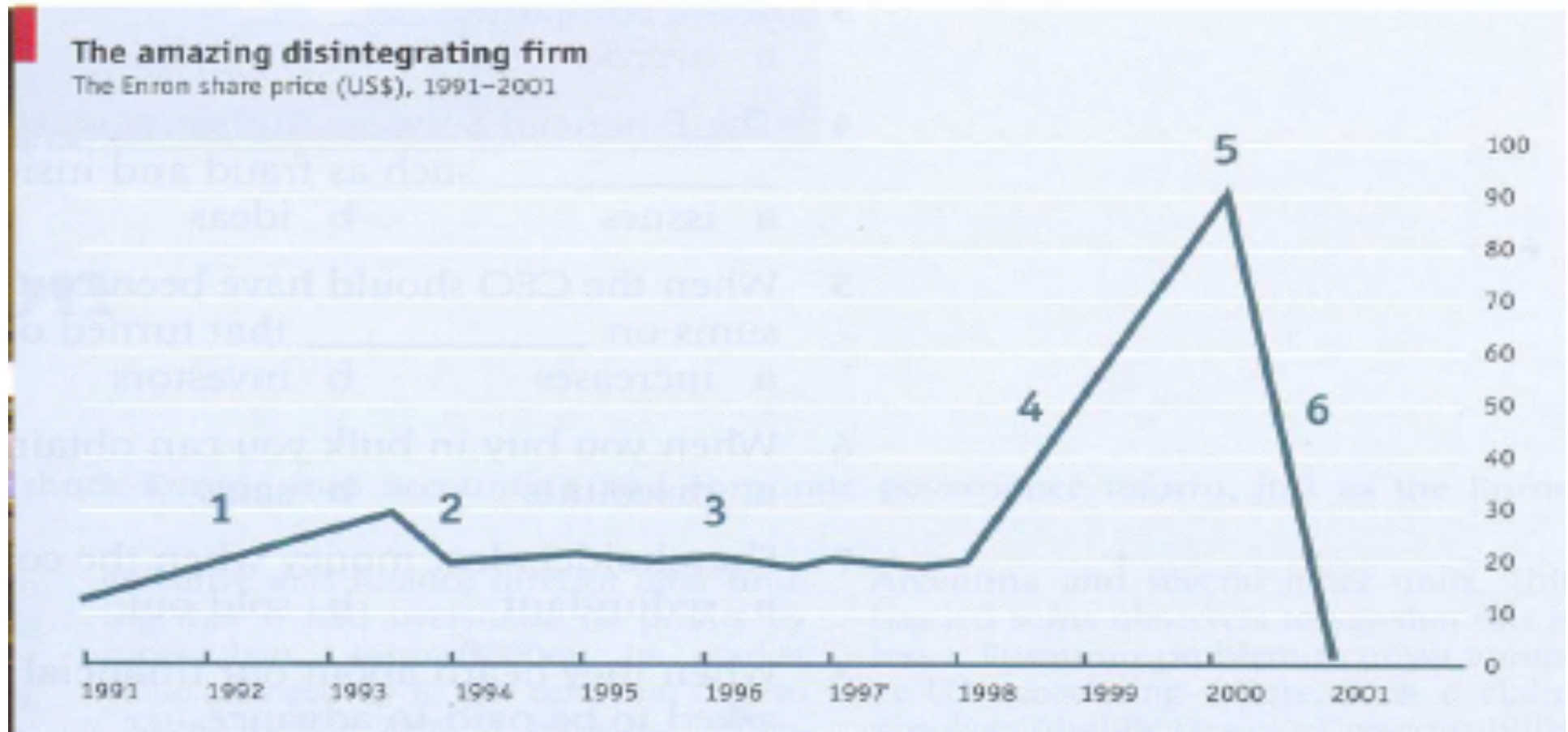


Trends

Exercise p. 72 – Practice 1

1 Use the following expressions to describe the performance of the Enron share price 1991–2001.

fluctuated mildly a sharp increase reached a peak
rose steadily dropped slightly a dramatic and sudden fall



Trends

Exercise p. 72 – Practice 1

- ◆ From 1991 to 1993 Enron share price **rose steadily**. Between 1993 and 1994 the price **dropped slightly**. In 1994 the price **fluctuated mildly** up to 1998 when it had **a sharp increase** and **reached a peak** in 2000. After 2000 the share price had **a dramatic and sudden fall**.

TRENDS

Prepositions

Profits rose 11% **to** \$2.7bn

Profits have gone up **from** 3m **to** 4m euros

Our business grew **by** 10% last year

There has been a decrease **of** 4m euros

Last year profits stood **at** 2.5m pounds

Adjectives and adverbs

There was a **dramatic** fall; shares fell **dramatically**

The similarities between Enron and Ahold are **striking**.

Prices fluctuated **mildly**, dropped **slightly**, rose **steadily**. Prices reached a peak, stocks had a **dramatic** and **sudden** fall.

Happy talk

American **consumer confidence** rebounded in September from August's sharp fall (the news was one element pushing the Dow Jones Industrial Average towards a new high). Cheaper petrol prices were said to be the main factor fuelling the optimism.



Positive feelings

The European Commission's indicator of business and consumer economic sentiment in the euro area rose in October to its highest level in more than five-and-a-half years. Among the bigger countries in the currency block the uptick in optimism was particularly strong in Germany and France (where the unemployment rate is at a five-year low), but in Italy confidence fell.



Look at the following uses of adjectives.

- before nouns

*There was a **dramatic** fall in profits last year.*

- after stative verbs such as *be*, *become*, *seem*, *appear*, *look*, etc.

*The similarities between Ahold and Enron are **striking**.*

Look at the following uses of adverbs.

- after verbs

*Shares fell **sharply** on the news.*

- before an adjective or adverb

*... his anger and pride became **quickly** apparent ...*

Adjectives and adverbs

p. 160

Adjectives have the following uses.

- before nouns
*There was a **sharp** rise in profits last year.*
*We saw a **sudden** increase in trading yesterday.*
- after stative verbs such as *be*, *become*, *seem*, etc.
*The falling share price could be **serious**.*
*Investors are becoming **nervous** about the market.*

Adverbs have the following uses.

- after verbs
*CEO pay has risen **sharply** in the last few years.*
*Their accounts were audited **recently**.*
- before an adjective or adverb
*Bosses are getting **increasingly** lavish pay-offs.*
*Prices have been rising **fairly** slowly this year.*

Some adverbs have irregular forms.

*The scandal hit the company **hard**.*

*We'll have to move **fast** before the press get the story.*

*She arrived **late** for the meeting.*

*The company hasn't been doing **well** this year.*

2 Journalists use dramatic verbs that describe the direction, speed and degree of change. What information do these verbs give?

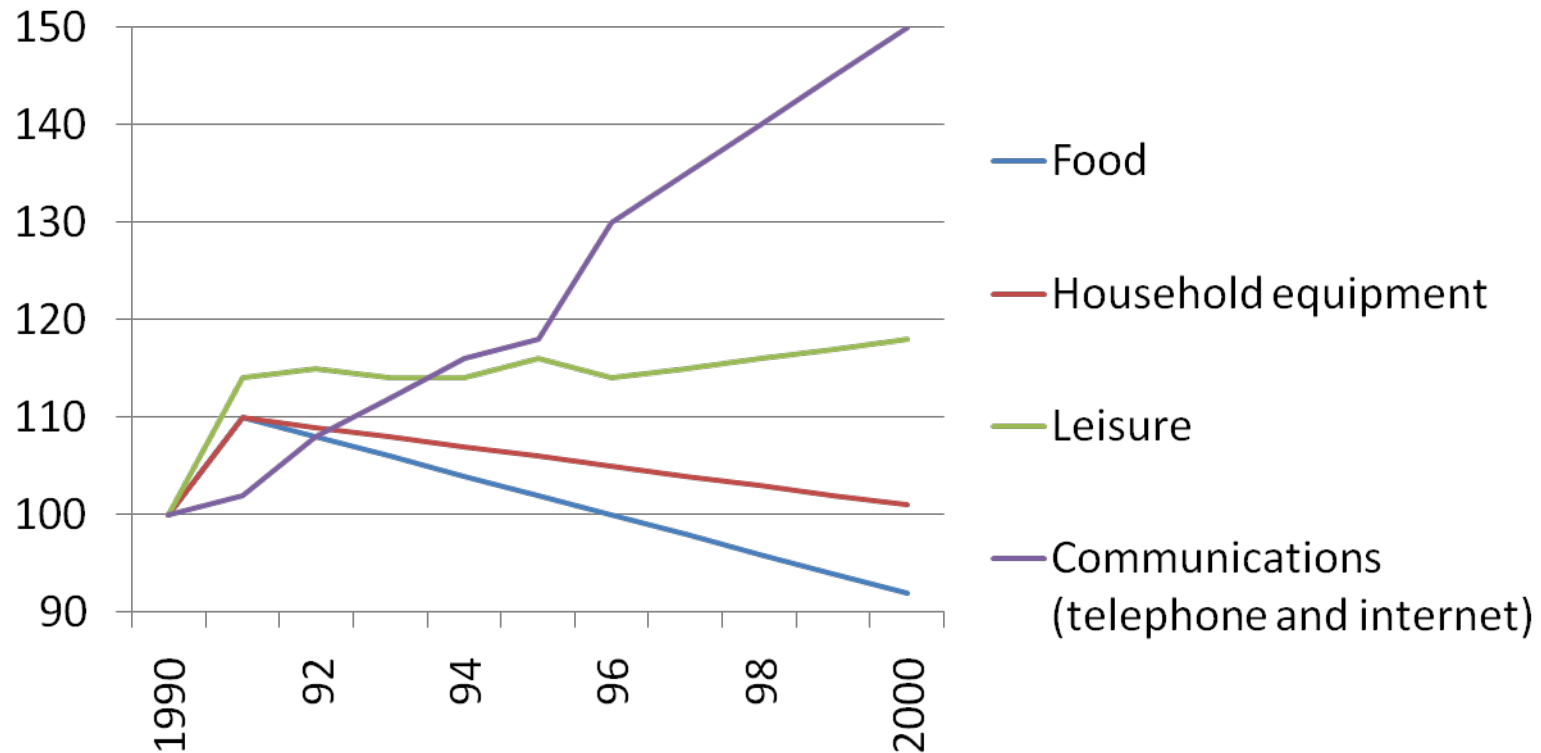
	direction	speed	large/small degree
plunge	↓	<i>very fast</i>	<i>very large</i>
dip	↓	<i>fast</i>	<i>small</i>
soar			
plummet			
slide			
skyrocket			
jump			
nosedive			
decline			

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	direction	speed	large/small degree
plunge	↓	<i>very fast</i>	<i>very large</i>
dip	↓	<i>fast</i>	<i>small</i>
soar	↑	<i>Fast</i>	<i>large</i>
plummet	↓	<i>Very fast</i>	<i>very large</i>
slide	↓	<i>Not very fast</i>	<i>in small degree</i>
skyrocket	↑	<i>Very fast</i>	<i>very large</i>
jump	↑	<i>fast</i>	<i>large</i>
nosedive	↓	<i>Very fast</i>	<i>very large</i>
decline	↓	<i>Slow</i>	<i>small</i>

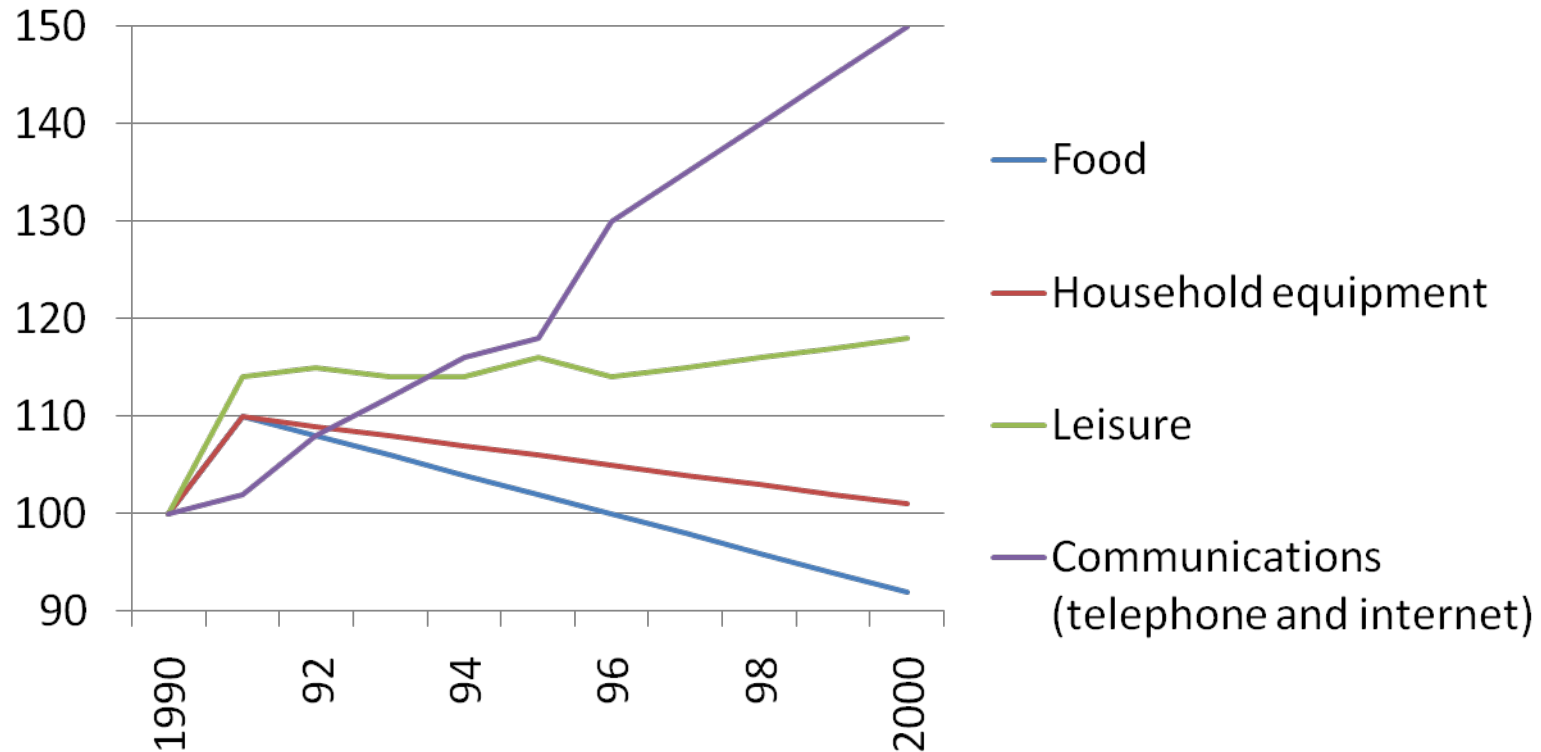
SYNONYMS: ↓ plunge, dip, plummet, nosedive
 ↓ slide, decline
 ↑ soar, skyrocket, jump

Spending trends 1990-2000



- Spending on _____ increased up to 1991 and then fell sharply.
- Spending on _____ increased the most.
- Spending on _____ rose by nearly 20 per cent.
- Spending on _____ decreased slightly after 1991.

Spending trends 1990-2000



- Spending on **FOOD** increased up to 1991 and then fell sharply.
- Spending on **COMMUNICATIONS** increased the most.
- Spending on **LEISURE** rose by nearly 20 per cent.
- Spending on **HOUSEHOLD EQUIPMENT** decreased slightly after 1991.

The bottom line

Mismanagement
Irregularities
Financial reporting
Auditors
Balance sheets
Income statements
Profit and loss accounts

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comedy that's funny

Keynotes

Huge losses experienced by investors and employees due to **mismanagement** and **irregularities** in **financial reporting** have led to a demand for stricter corporate governance. Independent **auditors** such as the **SEC** (Securities and Exchange Commission) in the US have been checking **balance sheets**, which show the overall performance of companies and **income statements** (AmE) or **profit and loss accounts** (BrE) which show the difference between total income and **outgoings** for a given period.

PARA I:

-What is a “**food retailer**”? The word “**giant**” means ...



PARA II:

-A synonym for “**wrong-doing**” is

PARA III:

-“**resignation**” means

....

-a “**chief executive**” is

....

Corporate governance

Europe's Enron

p. 70

The Ahold financial scandal should shock Europe into accounting and corporate governance reform, just as the Enron scandal did in the USA.

PARA IV

-What is a possible synonym for "**firm**"; and for "**dull**"?

PARA V

- "**overstatement**" means?
- "**to supply**"?
- "**subsidiary**"?
- the opposite of "**failure**"?

PARA VI

-the opposite of: "**to buy in bulk**"?
- "**admired**"?
- "**rebates**" is synonym of ...*refund, discount, deduction*?
- the meaning of "**booked**"?

FINANCE

Some English words or expressions

**BUDGET; DEFICIT; FORECAST; BANKRUPTCY;
DIVIDEND; SHARES; REVENUES; EARNINGS**

1. Condition of person or organization unable to pay one's debts
2. Financial plan; prepare a financial plan
3. Lack, shortage
4. Issue or share of stock
5. Money businesses receive from selling goods and services
6. A description of what is likely to happen in the future
7. That part of the earnings of a corporation that is distributed to its shareholders; usually paid quarterly
8. Wages, profit

FINANCE

Some English words or expressions

BUDGET (2); DEFICIT (3); FORECAST (6); BANKRUPTCY (1); DIVIDEND (7); SHARES (4); REVENUES (8); EARNINGS (5);

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Word building

Noun	Person	Verb
_____	_____	produce
shop/shopping	_____	_____
distribution	_____	_____
_____	_____	consume
retail	_____	_____
_____	writer	_____

Suffixes: -ion, -er, -ation, -or, -ing



Word building

Noun	Person	Verb
PRODUCTION	PRODUCER	produce
shop/shopping	RETAILER	RETAIL/SALE
distribution	DISTRIBUTOR	DISTRIBUTE
CONSUMPTION	CONSUMER	consume
retail	RETAILER	RETAIL
WRITING	writer	WRITE

Suffixes: -ion, -er, -ation, -or, -ing



Phonetics - price

[praɪs] [fɔːl]

[tʃiːp] [tʃaːdʒ]

[ʃap/ʃɒp]

[,ˈekəˈnɑmɪkl/-nɒm-]

[ɪnˈkriːs]

[ˈprɑfɪt /ˈprɒ-]

[fɪˈnæns / ˈfaɪnæns]

[,ɪnɪkˈspensɪv]

[ləʊ] [haɪ]

[ˈpeɪmənt]

[ˈmɑrkɪt /ˈmɑːkɪt]

[weɪdʒ]

[ˈmɑrdʒɪn /ˈmɑːdʒɪn]



Vocabulary – price

Choose the correct verb from a, b or c.

- 1 It is difficult for companies to _____ the price of a product and know what to charge.
a) cost b) set c) get
- 2 A lower price may increase sales but it also _____ the profit margin
a) increases b) sets c) reduces
- 3 Many companies are _____ costs to keep prices down.
a) cutting b) setting c) increasing
- 4 All customers want to _____ good value for money.
a) get b) cost c) sell
- 5 Customers are also prepared to _____ more time looking for a good price.
a) make b) spend c) have



Vocabulary – price

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- 5 Customers are also prepared to _____ more time looking for a good price.
a) make b) spend c) have



6 In recent months, sales _____ between 35 and 40.

a) fluctuated b) rose c) raised

7 Large supermarkets can afford to _____ in bulk, which also reduces the price.

a) sell b) save c) buy

8 Producing bigger portions doesn't _____ up the price.

a) pull b) pick c) push

9 To _____ the demands of supermarkets, food producers have reduced the size of their workforces.

a) set b) meet c) reach

10 Prices _____ a peak last night and then fell.

a) reached b) increased c) put up



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PUT THESE TREND WORDS IN THE CORRECT CATEGORY.

remain steady / lower / rise / level / rocket / push down

11 increase: _____

12 decrease: _____

13 no change: _____

11 rise, rocket / 12 lower, push down / 13 remain steady,
level



Language

1 Complete the trend words in these newspaper headlines. There is one space per letter.

1 SHARE PRICES P _ _ _ _ _ IN MARKET CRASH

2 ECONOMIC GROWTH CONTINUES TO S _ _ _ _
DOWNWARDS.

3 OPEC PREDICTS F _ _ _ IN SUPPLIES.

4 EMPLOYMENT D _ _ _ _ TO TEN YEAR LOW

5 CONSUMER SPENDING S _ _ _ _ WITH SUPERMARKETS
REPORTING RECORD SALES

6 A J _ _ _ IN INFLATION WORRIES ANALYSTS

7 SIX MONTH D _ _ NO CAUSE FOR CONCERN SAYS CEO.

8 LANSDOWN SHARE PRICE P _ _ _ _ AT TWO HUNDRED
AND ENDS THE DAY AT ONE EIGHTY.

Language

1 Complete the trend words in these newspaper headlines. There is one space per letter.

- 1 SHARE PRICES **plummet** IN MARKET CRASH
- 2 ECONOMIC GROWTH CONTINUES TO **slide** DOWNWARDS.
- 3 OPEC PREDICTS **fall** IN SUPPLIES.
- 4 EMPLOYMENT **drops** TO TEN YEAR LOW
- 5 CONSUMER SPENDING **soars** WITH SUPERMARKETS REPORTING RECORD SALES
- 6 A **jump** IN INFLATION WORRIES ANALYSTS
- 7 SIX MONTH **dip** NO CAUSE FOR CONCERN SAYS CEO.
- 8 LANSDOWN SHARE PRICE **peaks** AT TWO HUNDRED AND ENDS THE DAY AT ONE EIGHTY.

2 Read part of a presentation. Write the words in brackets as an adjective or adverb.

This pie chart shows the differences between the three sectors are
(9) _____ (strike). Our Europe markets fell (10) _____ (dramatic) compared with last year. Though this market is still (11) _____ (clear) much bigger for us than Latin America and North America, the fall has remained (12) _____ (steady) now for the last three years. This next graph shows you that Latin American markets fluctuated (13) _____ (slight) but the general trend is (14) _____ (slow) upwards. North America on the other hand, after suffering some (15) _____ (poor) months, came back (16) _____ (strong) in the second half of the year.

This pie chart shows the differences between the three sectors are (9) **striking** (strike). Our Europe markets fell (10) **dramatically** (dramatic) compared with last year. Though this market is still (11) **clearly** (clear) much bigger for us than Latin America and North America, the fall has remained (12) **steady** (steady) now for the last three years. This next graph shows you that Latin American markets fluctuated (13) **slightly** (slight) but the general trend is (14) **slowly** (slow) upwards. North America on the other hand, after suffering some (15) **poor** (poor) months, came back (16) **strongly** (strong) in the second half of the year.

3 Terms in 17-24 refer to money in or money out on a Profit and Loss statement. Match the terms to the two categories and write their number below.

◆ MONEY IN: _____

◆ MONEY OUT: _____

- 17 Sales revenue
- 18 Overheads
- 19 Interest receivable
- 20 Interest payable
- 21 Turnover
- 22 Gains on fixed assets
- 23 Salaries
- 24 Dividend



3 Terms in 17-24 refer to money in or money out on a Profit and Loss statement. Match the terms to the two categories and write their number below.

- ◆ MONEY IN: 17, / 19, / 21, / 22
- ◆ MONEY OUT: 18, / 20, / 23, / 24

- 17 Sales revenue
- 18 Overheads
- 19 Interest receivable
- 20 Interest payable
- 21 Turnover
- 22 Gains on fixed assets
- 23 Salaries
- 24 Dividend

Useful phrases

4 Re-order these words to make phrases for referring to visuals in a presentation.

25 you from this graph as can see...

26 on it's this obvious slide...

27 this here to the see figures led you.

28 notice table from you'll this ...

29 shows what chart clearly this I mean

30 a this flow look at take chart.



25 As you can see from this graph...

26 It's obvious on this slide.../ On this slide it's obvious...

27 This led to the figures you see here.

28 You'll notice from this table...

29 This chart clearly shows what I mean.

30 Take a look at this flow chart.



Glossary

Unit 8 Finance

balance sheet *n* [C] a statement showing the wealth of a business or organisation at a particular date. The balance sheet has two parts showing assets and liabilities: Buildings and machinery are assets that should be listed on the balance sheet. **bilancio patrimoniale** **Synonyms** statement of financial position *n* [C] *AmE* **stato patrimoniale**

bankrupt *adj* unable to pay your debts: The company is almost bankrupt and will need to secure a loan to survive. **fallito** – bankrupt *v*, *n* [C] **portare al fallimento** – bankruptcy *n* [U] **bancarotta** **Synonyms** insolvent *adj* *AmE* **insolvente**

bottom line *n* [C] the last line on a financial document which shows the final result (total profit once all costs have been deducted): Falling sales are going to have a negative impact on the bottom line. **risultato netto**

expense 1 *n* [C] **spese** money spent: We have significantly reduced our expenses over the last five years. – expenditure *n* [C] **uscite** **Synonyms** spending *n* [U] **2** *n* [C] **spesa** money spent by an employee that can be claimed back: I put the restaurant bill on expenses. **Collocations** expense account, expenses claim form, claim expenses

financial statement *n* [C] a document showing the state of the finances of an organisation or business: Financial statements must be completed by the end of August. **conto finanziario**

forecast *n* [C] an estimate of a future situation: According to forecasts, prices will rise more slowly next year. **previsione** – forecast *v* [T] **prevedere** **Synonyms** projection *n* [C] **proiezione**

income statement *n* [C] *AmE* **conto economico** a financial statement showing revenue, expenditure and profit from operations during a given period: Enron's income statement did not accurately reflect its losses. **Synonyms** profit and loss account *n* [C] *BrE* **conto profitti e perdite** statement of earnings *n* [C] *AmE* **conto economico**

mismanagement *n* [U] poor quality management: Lack of cashflow is often due to mismanagement. **cattiva gestione** – mismanage *v* [T] **gestire male**

profit and loss account *n* [C] *BrE* a financial statement showing revenue, expenditure and profit from operations during a given period: Ahold's profit and loss account did not show all its losses. **conto profitti e perdite** **Synonyms** income statement *n* [C] *AmE* **conto economico** statement of earnings *n* [C] *AmE* **conto economico**

regulator *n* [C] a government agency responsible for overseeing a profession or an activity: Stock market regulators are in charge of protecting investors. **ente regolatore** – regulation *n* [C] **regolamentazione** **Synonyms** controller *n* [C] **ente controllore**

Securities Exchange Commission *abbreviation* SEC *n* the US agency responsible for stock market regulation: The SEC is currently investigating ten cases of fraud. **Securities Exchange Commission** (**commissione di vigilanza sulla borsa**) *abbr.* SEC