

**МИНИСТЕРСТВО ОБРАЗОВАНИЯ И НАУКИ РОССИЙСКОЙ ФЕДЕРАЦИИ**

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## **АНГЛИЙСКИЙ ЯЗЫК**

**Практикум по развитию навыков чтения  
и перевода профессионально-ориентированных  
текстов для студентов I – II курсов  
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## Unit 1

### MONEY

#### 1. *Study the vocabulary.*

excess funds	- избыточный капитал
deal (здесь: dealing) transaction	- сделка
foreign exchange deal	- валютная сделка
foreign exchange	- обмен иностранной валюты
conversion	- конверсия
convertible	- конвертируемый
convertibility	- конвертируемость
to convert	- конвертировать
metier [meitjei]	- ремесло, занятие
domestic market	- внутренний рынок
external market	- внешний рынок
apt (adj)	- удачный, подходящий, способный
to be apt to	- склонный
e.g. He is apt to fall asleep	- Он всё время засыпает
to be apt to brake	- ломаться
e.g. This kind of glass is apt to brake	- Этот сорт стекла очень хрупкий
aptly (adv)	- удачно
domicile (n) (dwelling)	- место жительства
domiciled in England	- имеющий постоянное место жительства в Англии
e.g. He is domiciled in England since 1999	- Он живёт в Англии с 1999 года

#### 2. *Read the text and translate it into Russian.*

### MONEY

International trade and more important international money and *capital movements* are the basis of foreign exchange *dealings*. Take a simple example: if a Swiss exporter sells a machine to a Japanese buyer, to conclude the transaction the yen which the Japanese businessman has available will have to be changed into Swiss francs, the currency *sought* by the supplier of the machine. Or if Continental banks want *to place excess funds* in the *Eurodollar market* rather than in their own domestic markets, they have to buy dollars against local currency. The observation of the French economist Gaetan Pirou, that *foreign exchange deals* spring from “*the coexistence* between the internationalism of trade and the nationalism of currencies”,

thus *aptly* describes at least the oldest origin of this *metier*. Clearly, the day that sees the arrival of a single world currency will also witness the disappearance of foreign exchange business.

All claims to foreign currency and payable abroad, whether consisting of funds held in foreign currency with banks abroad, or bills or cheques, again in foreign currency and payable abroad, are termed foreign exchange. All these claims play a part of the relations between a bank and its customers. In the foreign exchange between banks, which is the job of the foreign exchange dealer, only foreign currency held with banks abroad is concerned.

Foreign bank notes are not *foreign exchange in the narrower sense*. They can be converted into foreign exchange, however, provided they can be placed without restriction to the credit of *an ordinary commercial account* abroad. The exchange regulations of some countries do not allow this *conversion* of bank notes into foreign exchange, although the operation in reverse is nearly always permitted.

A currency, whether in foreign exchange or bank notes, is usually called convertible if the person holding it can convert it, in other words change it freely into any other currency. A distinction needs to be made, however, between unrestricted convertibility and the various forms of partial convertibility. The Swiss franc, for example, is fully convertible whether the holder is resident in Switzerland or abroad and regardless of whether it is a matter of current payments or financial transactions.

Many countries, on the other hand, recognize only external or nonresident convertibility. This is for instance still the case with the United Kingdom: if a German exporter, for example, has sterling funds in a British bank, he can simply instruct the bank to convert his pounds into any other currency and remit the proceeds abroad; but a person domiciled in Britain cannot as a general rule export capital except with the consent of the Bank of England.

*Exchange regulations* may also draw a distinction, as far as convertibility is concerned, between funds arising from current transactions (goods and services) and those coming from purely financial operations, only the latter in general being subject in some degree to a restriction on *convertibility*. In a few countries this distinction between commercial and financial transactions culminated in the establishment of *twotier markets*, this is the case in Belgium, and it applied temporarily to France and Italy in recent years.

### **3. Find the English equivalent from the text.**

- 1) движение капитала;
- 2) размещать избыточный капитал;
- 3) евро-долларовый рынок;
- 4) сделка;
- 5) валютная сделка;
- 6) занятие, ремесло;
- 7) сосуществование;
- 8) коммерческий счёт;
- 9) конверсия;
- 10) конвертируемость валюты;

- 11) внутренний рынок;
- 12) живущий в Англии;
- 13) не может, как правило, экспортировать капитал;
- 14) кроме как с согласия Английского банка;
- 15) ограничения на обмен валюты;
- 16) текущие (обычные) операции (сделки);
- 17) товары и услуги;
- 18) чисто финансовые операции;
- 19) различия между чисто коммерческими и чисто финансовыми операциями;
- 20) в последние годы.

**4. Match the adjectives in column A with the nouns in column B.**

A	B
1 international	A funds
2 capital	B market
3 foreign exchange	C movements
4 excess	D trade
5 Eurodollar	E currency
6 foreign	F dealings
7 commercial	G account

**Text 1**

**1. Learn the words by heart.**

money	- деньги
commodity	- товар (сырьевой)
goods	- товары
service	- услуга
coins	- монеты
transaction	- сделка
gold	- золото
silver	- серебро
copper	- медь
currency	- валюта
gold standard	- золотой стандарт
valuable metal	- ценный металл
paper notes	- банкноты
legal tender	- законное платёжное средство (деньги)

cheque	- чек
money order	- платёжное поручение
credit	- кредит
assets	- активы
purchasing power	- покупательная способность
supply	- предложение
demand	- спрос
inflation	- инфляция

## **2. Read and translate the text into Russian.**

### **MONEY**

The work which people undertake provides them with money. People buy essential commodities with money. 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 its turn exchanged for other goods and services. Coins are adequate for small transactions, while paper notes are used for general business. 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 national currencies are considered to be as strong as the national economies which support them.

Valuable metal has generally been replaced by paper notes. These notes are issued by government and authorized banks, and are known as 'legal tender'. Other arrangements such as cheques and money orders are not legal tender. They perform the function of substitute money and are known as 'instrument of credit'. Credit is offered only when creditors believe that they have a good chance of obtaining legal tender when they present such instruments at a bank or other authorized institutions. If a man's assets are known to be considerable, then his credit will be good. If his assets are in doubt, then it may be difficult for him to obtain large sums of credit or even to pay for goods with a cheque.

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. The demand of money is reckonable as the quantity needed to effect business transactions. The demand for money is related to the rapidity with which the business is done. The supply of money is the actual amount in notes and coins available for business purposes. If too much money is available, its value decreases. This condition is known as 'inflation'.

## **3. Study the following expressions.**

to provide somebody with money	- обеспечить кого-то деньгами
to sell for money	- продавать за деньги

constant store of value	- постоянный запас ценностей
to be regarded	- считаться
forgery	- подделка, фальшивые деньги

#### **4. Translate into Russian.**

1. The US dollar is a constant store of value.
2. The purchasing power of money depends upon supply and demand.
3. Bank serves as a reservoir of loanable money.
4. Banks have developed greatly from their original position as places of security for valuables.
5. Today banks are service industries which handle large sums of money on current and deposit account.
6. The whole banking system is based on simple acts of trust between all concerned. Without this trust modern banking would be impossible.

#### **5. Read the text below to check on some of the lexical units we use to describe money.**

##### **Text 2**

#### **MONEY**

The British currency is the pound sterling. In each pound there are 100 pence. Pounds are indicated by the symbol £ before the amount. Pence are indicated by the letter 'p'. Five pounds is written therefore as £ 5, fifty pence as 50 p. If one wants to combine the two, the 'p' is dropped. For example, nine pounds and fifty seven pence is written as £ 9.57.

British currency uses both notes and coins: the one pound piece (£ 1), the fifty pence piece (50 p), the twenty pence piece (20 p), the ten pence piece (10 p), the five pence piece (5 p), the two pence piece (2 p), the one pence piece (1 p). Each coin has the date it was minted stamped on one side.

There are five denominations of notes. The lowest note in value is the £ 5 note, the highest is the £ 100 note. In between these there are the £ 10, 20 and £ 50 notes. Every note has a serial number to show when it was issued and a watermark to prevent forgeries.

##### **Text 3**

#### **MONEY**

In 1971 Britain adopted a decimal currency system in which one pound (£ 1) is worth one hundred pence (100 p). Under the new system banknotes remained unchanged at values of £ 1, £ 5, £ 10 and £ 20, but a new set of coins was introduced. There are three 'silver' (cupro-nickel) and three copper coins. The 'silver' coins are worth fifty pence (50 p), ten pence (10 p) and five pence (5 p), and the copper ones are worth two pence (2 p), one penny (1 p) and a halfpenny ( $\frac{1}{2}$  p). The old sixpence (now worth  $2\frac{1}{2}$  p) was retained but will disappear soon.

When people talk about money under the value of a pound, they normally use the abbreviation *p* rather than the full word *pence*. The expression *new pence* was

used for a time after decimalization but is rare now. When *pence* is used, it is normal for it to have the full vowel [pens] rather than the short vowel and it is written as separate word. *E.g. seven pence.*

It is common for both *p* and *pence* to be omitted altogether. Here is an example of the three alternatives:

I'll have a whisky and soda, please. – That'll be twenty-five, sir.

That'll be twenty-five p, sir.

That'll be twenty-five pence, sir.

The most likely is **twenty-five p** (no full stop after **p** in writing).

The abbreviation **p** is also normal with 1 and with  $\frac{1}{2}$ , e.g.: That'll be one p (1 p).

Have you got the extra half p ( $\frac{1}{2}$  p)?

However, the words penny and halfpenny still pronounced ['heipni] are also used. In adjectival phrases the abbreviation *p* is normal and the phrase would be written with a hyphen, e.g.: A five – p (5 p) ticket. A four-and-a-half-p ( $4\frac{1}{2}$ ) stamp. Here are some examples of prices: £ 13.67 = thirteen (pounds), sixty-seven (p).

£ 1.25 = one (pound), twenty-five (p), 65 p = sixty-five p. Or sixty-five pence.

$2\frac{1}{2}$  p = two-and-a-half p, or two-and-a-half pence.

#### **Write down in words:**

£ 100, £ 50, 5 p, £ 20, 10 p, £ 5, 20p.

£ 1 and 25 p,  $2\frac{1}{2}$  p. £ 10 and  $25\frac{1}{2}$  p.

#### **Text 4**

##### ***1. Study the vocabulary.***

division of labour	- разделение труда
efficient	- действенный
medium = means	- средство
consumption	- потребление
consumer	- потребитель
to safeguard = to ensure	- обеспечить
smooth	- ровный, плавный

##### ***2. Read and translate the text.***

#### **FUNCTIONS OF MONEY**

People accept money in exchange for goods and services. But the role of money depends on the state of development of an economy. Money has become an essential element of economies based on the division of labour, in which individuals have specialized in certain activities and enterprises have focused on manufacturing specific goods and rendering specific services. In order to make transactions as simple and efficient as possible, the introduction of a generally accepted medium of exchange suggested itself.



Money performs the function of a medium of exchange or means of payment with goods being exchanged for money and money for goods. At the same time it also acts as a unit of account.

Money is a store of value, as part of an individual's income may be set aside for future consumption.

These three functions of money – medium of exchange, unit of account and store of value – can only be fulfilled if there is great confidence in its stability of value. Safeguarding monetary stability is the primary task of the central banks all over the world. Moreover, the central bank has the function of regulating the money supply in order to guarantee a smooth functioning of the monetary system.

### **3. Answer the following questions.**

1. What is the most important function of money?
2. What does the role of money depend on?
3. What are the three functions of money?
4. What is the primary task of central banks all over the world?

### **4. Give a summary of the text you have just studied.**

## **Text 5**

### **1. Study the vocabulary.**

intrinsic	- внутренний
to be worth something	- стоить
face value = nominal value	- номинальная стоимость
to subsume	- включать в категорию

### **2. Read and translate the text.**

## **FORMS OF MONEY**

A great variety of commodities (wheat, salt, gold, silver) has served at one time or another as a medium of exchange in economies based on the division of labour. This form of money is generally referred to as commodity money. At the same time other forms of money developed. They are referred to as credit money or money without material value because their value as a means of payment is greater than their intrinsic value. For instance, the paper on which a £ 100 banknote is printed is worth much less than the banknote's face value. This is also true of most of the coins used nowadays. In addition to the notes and coins in circulation, 'cashless' means of payment were introduced.

These include checks, transfer orders and credit cards, which have become more popular in recent years. The progress made in computer technology has led to new forms of cashless payments. These forms of money which were mentioned above can be subsumed under the terms 'cash or notes and coin' and 'deposit or giro money'.

### **3. Answer the questions.**

1. What commodities have historically served as a medium of exchange?

2. What is credit money?
3. What is commodity money?
4. What do 'cashless' means of payment include?
5. What forms of money can be subsumed under the term 'deposit or giro money'?

## Text 6

### *1. Study the vocabulary.*

article	- пункт, параграф
legal tender	- законное платёжное средство
a claim against	- требование к
amount = sum	- сумма
denomination	- достоинство, ценность
covering assets	- активные покрытия
collateral	- залог
forgery	- подделка
to distinguish	- отличать

### *2. Read and translate the text.*

## NOTES & COINS

The Austrian National Bank puts all notes and coins into circulation in Austria. Pursuant to Article 61 of the National Bank Act, it has exclusive right to issue banknotes. These notes are legal tender and must be accepted at their full nominal value without restriction. For the holder banknotes are claims against the central bank to the amount of the banknote's denomination.

The central bank, in turn, holds so-called covering assets, including gold, foreign exchange, commercial bills, loans against collateral and fixed-interest securities used in open market transactions. Coins are struck by the Austrian Mint & banknotes are produced at the Austrian National Bank's Printing Works. Much care is taken to meet high quality standards and to reach the highest possible degree of security against forgery. Paper with a specific composition is used for banknote printing, with strict security measures being taken at the few selected paper mills where such paper is manufactured. Banknote paper can easily be distinguished from normal paper by its crisp feel and special sound.

### *3. Explain in detail:*

1. How must banknotes be accepted?
2. What do covering assets include?
3. What measures are taken to reach the highest possible degree of security against forgery?
4. How can banknote paper be distinguished from normal paper?

## Text 7

### 1. Study the vocabulary.

giro system	- жirosистема (через счета в почтовых отделениях)
giro account	- жirosистема (счёт в почтовом отделении)
sight deposit account	- депозитный счёт до востребования
to draw (drew, drawn) on an account	- снимать со счёта
to credit the sum to the account	- кредитовать сумму счёту
solvency	- платежеспособность

### 2. Read and translate the text.

#### DEPOSIT OR GIRO MONEY

Deposit or giro money is a form of money that has only gained great importance in the recent past. It is created by deposits held at banks on current accounts, giro or sight deposit accounts, on which the holder can draw at any time by check or giro transfer. In contrast to notes & coin, these are cashless means of payment, which are created by the banks themselves within the framework of cashless payment transactions by using deposits for lending. The amount granted to the borrower is credited to a current account and thus becomes book money, which serves as the basis for further lending if these funds remain within the banking system (payments to creditors). But banks' ability to create book money is limited. It mainly depends on payment habits: the greater the preference for payment in cash, the more for payment in cash, the more restricted the possibilities for banks to create deposit money. To ensure the solvency of the banking system and for monetary policy reasons, banks are moreover required to hold a certain percentage of their liabilities as deposits with the central bank. This obligation limits banks' lending power and their ability to create book money.

### 3. Write or act out a conversation with your friend about one of the topics below.

- notes & coins.
- forms of money.
- functions of money.

*Read, translate and discuss the texts below. Learn the informative texts by heart.*

#### 1. 'ELECTRONIC' MONEY

Banknotes or checks are no longer required to make payments. Automatic teller machines, which allow cash to be dispensed to bank customers even when banks are closed, cannot be considered a new form of money. Rather, the developments in question are known as the point of sale (POS) system, which allows for cashless shopping in retail stores or gives bank customers the opportunity to make transfers via videotext TV.

## **2. COMMERCIAL BANKING**

Commercial banks are designed to make a profit for their stockholders. They receive money in the form of deposits, savings or repayments from the public, then lend it at interest to borrowers. Profit is made primarily from interest. Obviously, banks do not keep most of the money they receive; indeed the bank will have on hand only enough to pay those customers who want to withdraw their money on a given day. A modern bank usually needs no more than 2 percent of its money in cash. Yet law requires this same bank to deposit a sixth or seventh of its resources in non-earning funds.

## **3. THE ROLE OF FEDERAL RESERVE BANKS**

The Federal Reserve is a system of banks for bankers, a government operated central bank. It has one main purpose: to control the supply of money and credit, including the total of all coins and currency in circulation, plus checking accounts. This control is exercised through ‘monetary policy’. When business worsens, the Federal Reserve Board expands the amount of money and credit. But if prices start rising too rapidly, the Fed will do all it can to put on the brakes and reduce the supply of money and credit.

## **4. MONETARY AND FISCAL POLICY**

Government can try to control money through its monetary policies to curb inflation, fight depressions, and provide full employment. By trying to control the amount of money in circulation, the government influences the amount of money in circulation, the government influences the amount of investment, savings, and expenditures that takes place in the economy. However, as part of its fiscal policy, the government can, if it so chooses, also expand or contract its own expenditures. It can build or refrain from building highways, military aircrafts, schools, or a hundred other things for which it spends money. Because the government spends between 20 percent and 25 percent of the total Gross National Product on goods and services (excluding transfer payments), this spending or restraint will have a major effect on the condition of the economy.

## **5. INTERNATIONAL MONETARY FUND**

International Monetary Fund (IMF) is a specialized agency of the United Nations established in 1945 to promote international monetary cooperation and expand international trade, stabilize exchange rates, and help countries experiencing short-term balance of payments difficulties to maintain their exchange rates. The Fund assists members by supplying the amount of foreign currency it wishes to purchase in exchange for the equivalent amount of its own currency. The member repays this amount by buying back its own currency acceptable to the fund, usually within three to five years. The Fund is financed by subscriptions from its members, the amount determined by an estimate of their means. Voting power is related to the amount of the subscription – the higher the contribution the higher the voting rights. The head office of the IMF is in Washington.

## 6. COMMON MARKET

The European Economic Community (EEC; Common Market) set up by the six member states of the European Atomic Energy Community was set up. The controlling bodies of these three communities were merged in 1967 to form the Commission of European Communities and the Council of European Communities. The European Parliament and the European Court of Justice were formed in accordance with the Treaty of Rome in 1957.

In 1992 the European Common Market has 35 years of history behind it. The organization established by six countries (France, Spain, Germany, the Netherlands, Belgium and Italy) has grown to 12 member states. Few more countries would like to join the Common Market.

It is fact of modern life that some trade, economic, social, technological projects would not be possible without international cooperation. In the EC countries there are no trade barriers. The capitals and goods flow freely. Besides their national currencies the member states had the common currency called ECU (European Common Unit).

The Common Market began official operations with the new currency – EURO. EURO was more expensive than US dollar in January 1999/ Since 2003 it has been planned to use EURO not only in the banks.

### Text

#### Money and Its Functions

Money has four functions: a medium of exchange or means of payment, a store of value, a unit of account and a standard of deferred payment. When used as a medium of exchange, money is considered to be distinguished from other assets.

Money as the medium of exchange is believed to be used in one half of almost all exchange. Workers exchange labour for money, people buy or sell goods in exchange for money as well.

People do not accept money to consume it directly but because it can subsequently be used to buy things they wish to consume. To see the advantages of a medium of exchange, imagine a barter economy, that is, an economy having no medium of exchange. Goods are traded directly or swapped for other goods. The seller and the buyer *each* must want something the other has to offer. Trading is very expensive. People spend a lot of time and effort finding others with whom they can make swaps. Nowadays, there exist actually no purely barter economies, but economies nearer to or farther from the barter type. The closer is the economy to the barter type, the more wasteful it is.

Serving as a medium of exchange is believed to have for centuries been an essential function of money.

The unit account is the unit in which prices are quoted and accounts are kept. In the USA, for instance, prices are quoted in US dollars, in Japan, in yen. It is usually convenient to use the same unit to measure the medium of exchange as well as to quote prices and keep accounts in. However, there may be exceptions. During the rapid German inflation of 1922-23 when prices in marks were changing very

quickly, German shopkeepers found it more convenient to use US dollars as the unit of account. Prices were quoted in dollars though payment was made in marks. The same goes for Russia and other post-communist economies who used the US dollar as a unit of account, keeping their national currencies as means of actual payment. The higher is the inflation rate, the greater is the probability of introducing a temporary unit of account alongside the existing units for measuring medium of exchange.

Money is a store of value, for it can be used to make purchases in future. For money to be accepted in exchange, it has to be a store of value. Unless suitable for buying goods with tomorrow, money will not be accepted as payments for the goods supplied today. But money is neither the only nor necessarily the best store of value. Houses, stamp collections, and interest-bearing bank accounts all serve as stores of value.

Finally, money serves as a standard of deferred payment or a unit of account over time. When money is borrowed, the amount to be repaid next year is measured in units of national currency, pounds of sterling for the United Kingdom, for example. Although convenient, this is not an essential function of money. UK citizens can get bank loans specifying in dollars the amount that must be repaid next year.

Thus, the key feature of money is its use as a medium of exchange. For money to be used successfully as a means of exchange, it must be a store of value as well. And it is usually, though not always, convenient to make money the unit of account and standard of deferred payment.

#### Notes to the text:

1. to quote [kwəʊt] – регистрировать, называть
2. the same goes for... - то же самое относится к...
3. The... the... - чем... тем...

#### 1. Study the vocabulary.

medium	- средство, способ
exchange	- обмен
medium of exchange	- средство обмена
in exchange for...	- в обмен на что-либо
to exchange	- менять, обменивать
exchange rate	- обменный курс
the exchange rate of rouble against US dollar	- обменный курс рубля по отношению к американскому доллару
means	- средство, средства
store	- запас, резерв
store of value	- средство сбережения, средство образования сокровища; средство «сохранения стоимости»
to store	- накапливать, запасать, хранить

an account	- расчёт, подсчёт, счёт, запись финансовых операций
a unit of account	- расчётная единица
to keep an account	- вести счёт
to defer	- откладывать, отсрочивать
deferred payment	- отложенный, отсроченный платёж
to distinguish	- отличать, различать
to accept	- принимать
a barter	- бартер (способ торговли, состоящий в обмене товарами и услугами без использования денег)
to trade	- торговать, обменивать, торговля
to swap	- менять (употребляется преимущественно для обозначения бартерных операций)
a swap	- обмен
to make a swap	- произвести обмен
expensive	- дорогой
nowadays	- в наше время, в наши дни, теперь
actually	- фактически, на самом деле
actual	- фактический
wasteful	- неэкономный, расточительный
to waste	- расточать, попусту тратить, терять (время, средства)
convenient	- удобный
an exception	- исключение
with the exception of this bank	- за исключением этого банка
rapid	- быстрый, скорый
currency	- валюта
temporary	- временный
alongside	- наряду, вместе с
finally	- в конце концов, в заключение
to repay	- возвращать (долг)
a loan	- заем, ссуда

## **2. Choose the correct word to complete the sentences.**

1. Pounds (фунт) and ounces (унция) were traditional measures widely used in Britain, often (*alongside / besides*) metric measures before 2000.
2. Barter economies are believed to be more (*convenient / wasteful*) than the ones based on money.
3. We (*distinguish between / accept both*) real and nominal GNP.
4. (*The exchange rate / barter*) is known to be regulated by the Central Bank.
5. When measured, depreciation should be subtracted (вычитать) from the GNP to give a clear picture of the output that is (*temporarily / actually*) available for national consumption.
6. Initially, gold and other valuable metals used (*to keep an account of/to store*) wealth over time.
7. Large firms are supposed to have a better chance of obtaining a loan from a bank than smaller firms, though there may be (*exceptions / exchanges*).
8. Plastic cards are reported to be (*accepted / deferred*) for payment only in Moscow, St. Petersburg, Lipetsk, Chelyabinsk and a few other cities and there is no commonly (*accepted / distinguished*) standard.
9. Due to poor communications across the country and the high initial cost of introducing (внедрять) plastic cards, Russia (*finally / temporarily*) has a less developed plastic card infrastructure than most European countries.

## **Read the text and answer the questions.**

### **On the Money-go-round**

Money – usually the lack of it – is a universal problem for travellers. Whatever the amount they take, there is a variety of ways to carry it. Since each has both advantages and disadvantages, a combination of two or three is advisable, the mixture depending on financial circumstances as well as destination.

*Traveller's Cheques:* will be replaced if lost or stolen, theoretically within 24 hours. You pay 1 to 1.5 percent of the value of the cheques (and maybe a fixed handling fee if you are buying in any of the 20 plus foreign currencies) but usually get a better rate when cashing them. In any of the Americas be sure to carry dollar cheques.

*Foreign Currency:* Carry a small amount (for taxis, porters, telephone calls, snacks) until you can get to a bank. Most UK banks need advance notice of your requirements, otherwise change sterling at the airport or port (though exchange rates are less favourable).

The commission and rate of exchange vary but shopping around (искать более выгодные условия) is rather impractical. Some countries (in particular, Greece) restrict the amount of their currency that you can import. You should also carry some sterling for necessary expenses when you return.

*Postcheques:* Each cheque, when accompanied by a Postcheque Card (included free with your first order of cheques) can now be used to draw up to £100 in local currency from 90,000 post offices in most of Europe and around the Mediterranean as well Hong Kong, the Bahamas and Japan.



*Credit Cards:* Access (linked to Mastercard in the United States and Eurocard in Europe) and Barclaycard (linked to Visa) are accepted in nearly five million outlets each though they vary in their acceptability – Barclaycard, for example, is stronger in France, Spain and Italy, whereas Access is most useful in Germany and United States. Their acceptance in Continental petrol stations, too, is not always certain.

They may also be used for cash advances and instead of a deposit on car hire.

*Charge Cards:* American Express and Diners Club are widely accepted than credit cards and the interest-free settlement period is shorter but there is no pre-set spending limit. In addition to the initial starting and annual fee for the cards, both charge a one-percent processing fee for bills converted back into sterling.

*Eurocheques:* can be used to withdraw local currency as well as pay for hotels, restaurants, garages and other services in nearly five million, mostly European, outlets. The cheques, made out to the exact amount you require, are then debited to your account in the same way as a domestic cheque.

*Individual Cheques:* can be cashed for up to a maximum of £100 or the equivalent in local currency.

There is no limit to the number of cheques you can use to make a purchase. You pay around £3.50 for the card and there is also a commission of 1.25 percent on the value of the transaction, plus roughly a 30-pence handling fee per cheque.

1. What happens if you lose your traveller's cheques?
2. Where should the British traveller exchange sterling into foreign currency?
3. Why is the British traveller advised to carry sterling?
4. Where can you use Postcheques?
5. What are the advantages of credit cards?
6. What disadvantages do charge cards have?
7. How do you pay for Eurocheques?
8. What is the limit of a Eurocheque?

## **Reading**

### ***Banking and local currency***

***1. Read the first paragraph of the tour guide information below. Are these statements true (T) or false (F)? Correct any false statements.***

1. You can credit cards anywhere in St Petersburg.
2. You can only pay in roubles in St Petersburg.
3. All banks give the same rates of commission.
4. You mustn't change money on the streets.

***2. Read the other paragraphs and match them to the following headings.***

- a) Traveller's cheques
- b) Banks and exchange offices
- c) Changing money
- d) Credit cards

***3. Find words in the text which are similar in meaning to these words or phrases.***

1. money that is from one country or area (introduction)

2. small piece of paper money (paragraph 1)
3. leaving a place or country (paragraph 1)
4. place where you can change money which is not a bank (paragraph 2)
5. offices of a bank (paragraph 2)
6. money in the form of notes or coins (paragraph 2)
7. extra amount of money charged for a service (paragraph 3)
8. exchange traveller's cheques for notes and coins(paragraph 4)

### **Banking and local currency**

Credit cards can now be used in hotels and some restaurants and shops in St Petersburg, although cash is normally used everywhere else. Roubles are the only legal currency. There are many cash-points in the city where you can use credit cards, or exchange your currency or traveller's cheques to get roubles, but commission rates vary. Bank rates are very good and money should never be changed on the streets.

1.....

You cannot obtain roubles outside Russia, but there are many exchange offices in St Petersburg. You have to show your passport when you change money. Make sure that any notes brought into Russia are in good condition and US dollars were issued after 1990. When you complete an exchange transaction, you are given a receipt slip. Travellers have to keep these slips because they will be attached to the customs declaration form on arrival in Russia and returned to customs on departure.

2.....

The most reliable Russian banks are Inkombank and Promstroybank. Exchange offices are often branches of banks where you can change money or take out cash using a credit or debit card. Exchange offices often work long hours: the branches of Inkombank at the Europe and Nevskij Palace hotels are open twenty-four hours.

3.....

It is possible to obtain cash, both roubles and US dollars, with a credit card at larger banks and from automatic cash dispensers. The most commonly accepted card is Visa. If take out roubles, you will be charged less commission.

4.....

Banks charge at least 3 percent if you need to cash traveller's cheques, but only the large banks offer this service. The cheapest alternative is American Express. The commission is only 2 percent if these cheques are cashed at the American Express office. Traveller's cheques can only be used in the largest hotels. Dollar cheques are always preferred.

***Read the text and discuss in the form of the dialogue.***

### **Ulster Bank**

**Ulster Bank** (Irish: *Banc Uladh*) is a large commercial bank, one of the Big Four in both Northern Ireland and the Republic of Ireland. Its main base is in Belfast in Northern Ireland and it maintains a large sector of the financial services in both parts of Ireland as well as having operations on the Isle of Man. The Bank is currently owned by the Royal Bank of Scotland (RBS), the second largest financial institution

in Europe and the sixth largest in the world by market capitalisation. From 1968 until 2005, Ulster Bank's logo was three chevrons – identical to that of the National Westminster Bank, its owner. Although the NatWest Group, including the Ulster Bank was bought in 200 by the RBS, there was no change of logos until 24 October 2005, when the Ulster Bank changed its logo and typeface to match the RBS logo. NatWest has not yet followed suit, nor is it expected to. The bank is one of the banks that issues Pound Sterling banknotes in Northern Ireland.

Ulster Bank offers the Maestro (formerly Swish) and Laser debit cards to Northern and Republic of Ireland customers respectively, in addition to other financial services.

The Ulster Bank Group, is a leading provider of financial services throughout Ireland, with 267 branches and over 790 ATMs, also includes the First Active Institution which has branches in the Republic of Ireland.

### **Ulster Bank Limited**

**Type Private** – Subsidiary of Royal Bank of Scotland

**Founded** Belfast, Northern Ireland (1836) as the Ulster Banking Co.

**Location** Belfast, Northern Ireland

**Key people** Cormac McCarthy (MD)

**Industry** Financial services

**Products** Various banking products

**Employees** 4800 (2004)

**Website** [www.ulsterbank.com](http://www.ulsterbank.com) (<http://www.ulsterbank.com/>)

## **Unit 2**

### **BANKS**

#### **1. Study the vocabulary.**

flow of money	- денежный поток
to prevent inflation	- предотвратить инфляцию
to allocate funds	- отчислять фонды
to take valuables for safe-keeping	- принимать ценности на хранение
current account	- текущий счёт
interest	- процент
to make profit	- получать прибыль
intermediary	- посредник
loan	- заем; давать займы
upon a basis of trust	- на доверии

#### **2. Read and translate the texts into Russian.**

## Text 1

### BANKS

The word “bank” comes from the Latin word “banco”, that can be translated as a bench, which money-lenders in ancient Rome were sitting on during market days.

Nowadays, a bank is an organization where people and businesses can invest or borrow money, change it for foreign money, etc.

A bank is, first of all, some capital. Gathering by grains temporary free means, banks turn them into a reliable stock of money and gold.

Banks accept money for keeping from those who have it in plenty, and give it to those who need it, in other words, a redistribution of monetary resources happens. Besides this, banks provide a transition of capital from ineffective branches of economy to the most profitable and perspective. Consequently, banks are the most important regulator of economy.

In every economy banks fulfil two main problems:

- 1) accumulation of means, or money, which later will “work” on market;
- 2) regulation of money circulation and mediation, that means that all money operations go through banks.

Banks are in the center of economical life, that is they can change a direction of financial flows according to economical needs.

Putting money to a profitable project, a bank can get a considerable profit.

The way in which a bank is organized and operates is determined by its objectives and by the type of economy in which it conducts its business.

Central banks provide a country with a number of services, while development banks exist to increase the economic growth of a country and raise the living standard of its population. Commercial banks usually provide to develop services that can be sold at a price that will yield a profit.

Many banks offer a combination of wholesale and retail banking. The former provides large-scale services to companies, government agencies and other banks. The latter mainly provides smaller-scale services general public. Both types of banking have three essential functions, which are: deposits, payments and credits. These functions are the basis of services offered by banks.

## Text 2

### BANKS

Banks are closely concerned with the **flow of money** into and out of the economy. They often co-operate 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 safe-keeping**, 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 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 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, and 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.

### ***1. Find the English equivalents from the text.***

1. банки тесно связаны с денежным потоком;
2. стабилизировать экономику и предотвратить инфляцию;
3. отчислять фонды в виде кредита (на кредитных условиях);
4. охрана частной собственности (ценных вещей);
5. основная функция банка на сегодняшний день;
6. выступать в роли посредника;
7. банк – это резервуар заёмных денег с двусторонним потоком денег;
8. для этих целей (для этого);
9. ликвидные деньги;
10. вести себя предсказуемо (по правилам).

### ***2. Answer the questions, basing your answers on the text.***

- A. How are all values in the economic system measured?
- B. What kind of money is used for general business?
- C. What is the wider sense of the word “money”?
- D. What originally served as a store of value?
- E. What backs the US dollar?
- J. How are national currencies judged nowadays?
- G. Who can issue paper notes?
- H. What name is given to arrangements like cheques?
- I. When is credit offered?
- J. When is a man’s credit good?
- K. What phrase do economists use for the value of money?
- L. How do we reckon the demand for money?
- M. What word is used to describe the flow of money round the economic system?

- N. What is inflation?  
 O. In what way do banks co-operate with governments?  
 P. What was the original function of a bank?  
 Q. In what two ways do banks receive money from their customers?  
 R. What does the customer agree to do when he opens a deposit account?  
 S. How does the bank make its main profit?  
 T. Between whom does the bank act as an intermediary?  
 U. Why do financiers often talk of “liquidity” of money?  
 V. What does the bank render useful?  
 W. Whose trust for each other maintains the banking system?  
 X. What does this trust permit?

**3. Say whether these statements are true (T) or false (F), and if they are false say why?**

- A. (.....) The US dollar is a constant store of value.  
 B. (.....) Instruments of credit are accepted because they can be converted easily into substitute money.  
 C. (.....) The purchasing power of money depends upon supply and demand.  
 D. (.....) The demand for money is related to the rapidity with which business is done.  
 E. (.....) You can earn interest on a current account.  
 F. (.....) Banks lend money to depositors who need capital.  
 G. (.....) The main profits of a bank come from lending money at a fixed rate of interest.  
 H. (.....) Money is described as “liquid” because it is compared to flowing water.  
 I. (.....) Legal tender must change hands when we do business and we must see it change hands.

**4. In what countries do people use this money?**

pounds of sterling	Finnish mark
drachma	Deutch mark
leo	dram
lira	esti
crona	rouble (ruble)
franc	leck
Swiss franc	peso

**Text 3**

**BANKS**

**1. Study the vocabulary.**

shareholders	- акционеры
joint stock	- акционерный капитал

to register	- регистрировать
chairman	- председатель
annual	- ежегодный, годовой
capacity	- ёмкость, вместимость
investment	- инвестиция
depositor(s)	- вкладчик(и)
to withdraw	- брать, снимать, отзываться
dividend	- дивиденд
standing order	- постоянное поручение клиента банку
to draw upon an account	- снимать со счёта

## ***2. Read and translate the text.***

The English commercial banks have branches in all the major towns and a similar structure and mode of working is common to them all. The owners are the **shareholders**. At the outset they provide the necessary capital. They are all organized on the **joint stock** principle and are **registered** public companies.

The **Chairman** and **Board of Directors** are elected by the ordinary shareholders at the **Annual** General Meeting and are responsible for the efficient management of the bank. The Board is concerned with the over all policy of the bank and the major decisions which put that policy into effect.

The Board will appoint a **Managing Director** who is directly responsible to them and a member of the Board. They will also appoint the most **senior executives** who in turn appoint the rest of the clerical staff who will be responsible in different **capacities** for the day to day running of the bank.

The essence of a bank's activities is the collection of deposits through current accounts and deposit accounts and the use of these funds to provide loans or funds for **investment**. The current account is the one commonly held and is **drawn upon** by cheques and **standing orders**. The deposit account is more in the nature of a savings account. The pattern of investment which a bank decides upon is crucial because, on the one hand, the bank must use the funds wisely to make a profit and, on the other, funds must be available for **depositors** to **withdraw** when they wish to do so.

At the end of each business year the Directors recommend and the Annual General Meeting decides how much of the profit should be distributed to the shareholders as **dividend**, and how much should be retained in the business. In preparation for the Annual General Meeting, a bank publishes its Report and Accounts. These must be sent to every shareholder and are also available for anyone with an interest in the affairs of the bank. From the published accounts shareholders can easily determine the total profits the bank has earned and how much is available for distribution.

## ***3. Find the English equivalents.***

1. Английские коммерческие банки имеют филиалы во всех крупных городах.
2. Владельцы являются акционерными.

3. Председатель и совет директоров избираются рядовыми держателями акций на ежегодном генеральном заседании.
4. Председатель и совет директоров несут ответственность за эффективное управление банком.
5. Схема инвестиций.
6. С одной стороны, банк должен мудро использовать фонды с целью получения дохода.
7. С другой стороны, фонды должны быть выгодны вкладчикам.
8. Они все согласны вести себя в определённых предсказуемых рамках в отношении друг друга.
9. Относительно резких колебаний дебита и кредита.
10. Чеки могут выдаваться (выписываться).

#### **Text 4**

### **Monetary System and Monetary Policies**

Today every country has a Central Bank. It acts as a lender to commercial banks and it acts as a banker to the government, taking responsibility for the funding of the government's budget deficit and the control of the money supply which includes currency outside the banking system plus the sight deposits of the commercial banks against which the private sector can write cheques. Thus, money supply is partly a liability of the Central Bank (currency in private circulation) and partly a liability of commercial banks (chequing accounts of the general public).

The Central Bank controls the quantity of currency in private circulation and the one held by the banks through purchases and sales of government securities. In addition, the Central Bank can impose reserve requirements on commercial banks, that is, it can impose the minimum ratio of cash reserves to deposits that banks must hold. The Central Bank also sets discount rate which is the interest rate commercial banks have to pay when they want to borrow money. Having set the discount rate, the Central Bank controls the money market.

Thus, the Central Bank is responsible for the government's monetary policy. Monetary policy is the control by the government of a country's currency and its system for lending and borrowing money through money supply in order to control the level of spending in the economy.

The demand for money is a demand for real money, that is, nominal money deflated by the price level to undertake a given quantity of transactions. Hence, when the price level doubles, other things equal, we expend the demand for nominal balances to double, leaving the demand for real money balances unaltered. People want money because of its purchasing power in terms of the goods it will buy.

The quantity of real balances demanded falls as the interest rate rises. On the other hand, when interest-bearing assets are risky, people prefer to hold some of the safe asset, money. When there is no immediate need to make transactions, this to a demand for holding interest-bearing time deposits rather than non-interest-bearing sight deposits. The demand for time deposits will be larger with an increase in the total wealth to be invested.



Interest rates are a tool to regulate the market for bonds. Being sold and purchased by the Central Bank, bonds depend on the latter for their supply and price.

Interest rates affect household wealth and consumption. Consumption is believed to depend both on interest rates and taxes. Higher interest rates reduce consumer demand. Temporary tax changes are likely to have less effect on consumer demand than tax changes that are expected to be permanent.

There also exists a close relationship between interest rates and incomes. With a given money supply, higher income must be accompanied by higher interest rates to keep money demand unchanged.

A given income level can be maintained by an easy monetary policy and a tight fiscal policy or by the converse.

### Notes to the text.

1. **reserve requirements** – процент резерва, т.е. отношение денежной суммы, которая должна храниться на резервном счёте в банке, к объёму вкладов до востребования

2. **discount rate** – учётная ставка

3. **level of spending** – здесь общий объём расходов

4. **real money, that is, nominal money deflated by the price level** – реальные деньги, т.е. номинальная сумма с учётом текущего уровня цен (*реальные деньги – деньги с учётом их покупательной силы*)

### 1. Study the vocabulary.

responsibility	- ответственность
to take a responsibility for smth	- взять на себя ответственность за что-либо
responsible	- ответственный, несущий ответственность
to be responsible for smth	- быть ответственным за что-либо
budget deficit	- бюджетный дефицит ( <i>превышение государственных расходов над государственными доходами, которое должно покрываться либо за счёт займов, либо путём денежной эмиссии</i> )
money supply	- денежная масса в обращении, денежное предложение ( <i>количество денег, выпущенных в стране, обычно центральным банком</i> )
outside	- вне, за пределами
thus	- следовательно, итак, в соответствии с этим, так, таким образом
circulation	- обращение
in addition	- вдобавок, кроме того, к тому же
ratio	- отношение, коэффициент, пропорция,

	соотношение
interest rate	- процентная ставка ( <i>отношение суммы платежей за использование финансового капитала к сумме займа</i> )
monetary policy	- денежно-кредитная, монетарная политика
policy	- политика
easy policy	- мягкая, нежесткая политика
tight policy	- жесткая политика
to adopt a policy	- принимать политику
to implement / to pursue a policy	- проводить, осуществлять политику
hence	- следовательно, в результате
to alter	- изменять, переделывать, менять
because of	- из-за, вследствие
on the one hand	- с одной стороны
on the other hand	- с другой стороны
wealth	- богатство, материальные ценности
permanent	- постоянный, долговременный

## ***2. Use the English equivalents for the Russian words.***

1. The government increased the (денежную массу в обращении) to maintain aggregate demand at full employment level.
2. The Bank of England (отвечает за) issuing new bonds to replace the old ones.
3. Money consists mainly of two things: currency (с одной стороны) and chequing accounts (с другой стороны).
4. In industry, most of the new technology (принятой) by the less developed countries is taken from the developed countries.
5. High (процентные ставки) in an economy may be expected to lower aggregate investment.
6. The European Parliament officer demanded (более жесткие) rules of distributing contracts in the future.
7. Governments, due to inappropriate (здесь неправильной) (бюджетной и кредитно-денежной политики), frequently (несли ответственность за) excessive inflation.
8. (Мягкая кредитно-денежная политика) is believed to result in more rapid inflation, while (жесткая кредитно-денежная политика) helps (изменить) an economy into the one having slower inflation.
9. Having raised the (соотношение процента резерва), the Central Bank made commercial banks reduce their lending to build up reserves.

### 3. Choose the correct word to complete the sentences.

1. The control of the parliament the Central Bank's policies is currently very weak in Russia, which is in with the (*permanent / temporary*) tradition in most countries.
2. (*Easy / tight*) monetary policy can lead to a large decrease in output and jobs.
3. The way of adapting the European Union's statistical system to demands of the 21<sup>st</sup> century is of importance both inside and (*outside / in addition*) the European Union (EU).
4. To reduce the (*budget deficit / monetary policy*) by £1 billion it is necessary to cut government spending by £1 billion.
5. Affecting all banks at the same time, reserve requirement changes are believed to be a very powerful tool of (*pursuing / altering*) the whole of monetary policy.
6. (*Hence / in addition to*) being a means of exchange, money is also used to measure the value of men's labour.
7. The Federal Reserve System of the USA influences interest rates set by the banks operating both within and (*except / outside*) the System.
8. When adopting a certain (*fiscal / monetary*) policy, the Central Bank has to choose between reducing unemployment, on the one hand, and reducing inflation, on the other. (*However / hence*), the decision often depends on political rather than economic conditions.

### 4. Finish the sentences.

1. In the Russia of the late 90s there a. implementing the government's  
could clearly be seen a tendency of monetary policy.  
decreasing money supply alongside b. or means of holding wealth.  
growing amount of cash, c. the lower the demand for money.
2. A required reserve ratio d. is a minimum ratio of cash reserves to  
deposits that the Central Bank makes  
commercial banks hold.
3. Money supply is e. the excess of government spending  
over taxation and other revenues.
4. Money is a very special asset, f. the same as the aims of economic  
policy in general.
5. The aims of a monetary policy are mostly g. the whole amount of money in an  
economy.
6. Budget deficit is known to be h. which resulted from transferring  
money into foreign assets.
7. The Bank of England is responsible for
8. The higher the interest rate

### 5. Make up a plan to the text using the questions. Answer these questions.

What does the ratio between the of money holdings and interest-earning deposits vary with?

What are the responsibilities of the Central Bank?

How can the Central Bank regulate money supply and money market?

What is monetary policy?

In what way does consumption depend on interest rates and taxes?

What is money supply made up of?

**6. Discuss the questions.**

1. Under what conditions can interest-earning assets be risky?

2. What risks can their owners run?

**Text 5**

**Introduction to Banking and Financial Markets**

A commercial bank borrows money from the public, crediting them with a deposit. The deposit is a liability of the bank. It is the money owed to depositors. In turn the bank lends money to firms, households, or governments wishing to borrow.

Commercial banks are financial intermediaries with a government license to make loans and issue deposits, including deposits against which cheques can be written.

Major important banks in most countries are included in the clearing system in which debt between banks are settled by adding up all the transactions in a given period and paying only the net amounts needed to balance inter-bank accounts.

The balance sheet of a bank includes assets and liabilities. We begin by discussing the asset side of the balance sheet.

Cash assets are notes and coins kept in their vaults and deposited with the Central Bank. The balance sheet also shows money lent out or used to purchase short-term interest-earning assets such as loans and bills. Bills are financial assets to be repurchased by the original borrower within a year or less. Loans refer to lending to households and firms and are to be repaid by a certain date. Loans appear to be the major share of lending. Securities show bank purchases of interest-bearing long-term financial assets. These can be government bonds or industrial shares. Since these assets are traded daily on the Stock Exchange, these securities seem to be easy to cash whenever the bank wishes, though their price fluctuates from day to day.

We now examine the liability side of the balance sheet which includes, mainly, deposits. The two most important kinds of deposits are sure to be sight deposits and time deposits. Sight deposits can be withdrawn on sight whenever the depositor wishes. These are the accounts against which we write cheques, thus withdrawing money without giving the bank any warning. Therefore, most banks do not pay interest on sight deposits, or chequing accounts.

Before time deposits can be withdrawn, a minimum period of notification must be given within which banks can sell off some of their high-interest securities or call in some of their high-interest loans in order to have the money to pay out depositors. Therefore, banks usually pay interest on time deposits. Apart from deposits banks usually have some other liabilities as, for instance, deposits in foreign currency, cheques in the process of clearance and others.

1. to write cheques against the account – выписывать чеки против счёта
2. to balance an account – уравнивать, погасить счёт; сбалансировать статьи расходов
3. vault – сейф, хранилище
4. on sight – по предъявлении (без предварительного уведомления)

### *Vocabulary*

deposit	- вклад в банке; депозит
a deposit with a bank	- вклад в банке
to issue a deposit	- открывать счёт
to withdraw(withdrew, withdrawn) a deposit	- изымать вклад; отозвать вклад, взять вклад из банка
depositor	- вкладчик
time deposit(demand deposit)	- срочный вклад
sight deposit	- счёт до востребования; текущий счёт
chequing account	- чековый вклад (депозит), счёт до востребования(по которому снятие и депонирование средств может производиться с помощью чека)
current account	- текущий счёт
to write a cheque against a deposit/an account	- выписывать чек против счёта
to deposit	- класть в банк, депонировать, отдавать на хранение
to deposit money with/in a bank	- положить деньги в банк
liability	- обязательство; денежные обязательства; задолженность
to meet one's liabilities	- покрыть свою задолженность
owe	- быть должным, задолжать
to lend (lent, lent)	- давать займы, одалживать
lender	- кредитор
loan	- заем, ссуда
to make a loan	- давать ссуду
to repay a loan	- возвращать, отдавать ссуду
to call (in) a loan	- требовать возвращения займа
clearing	- клиринг; безналичные расчёты между банками

clearance	- производство расчётов через расчётную палату; оплата долга; урегулирование претензий
debt	- обязательство
debt to the amount of ten pounds	- долг на сумму десять фунтов
to pay a debt to smb	- уплатить долг кому-либо
to settle a debt with smb	- выплатить кому-либо долг
to fall/to get/ to run into debt	- наделать долгов
to add (up)	- складывать
transaction	- сделка; дело
to handle a transaction	- проводить сделку
to make/to undertake(undertook, undertaken a transaction)	- проводить сделку
net	- чистый; нетто; без вычетов; сальдо; окончательный
net amounts	- окончательные суммы
cash	- наличные деньги
to cash	- получать наличные, обналичивать
to cash a cheque	- получить наличные по чеку
short-term	- краткосрочный
long-term	- долгосрочный (заем)
interest	- (ссудный) процент; проценты; процентный доход
interest-earning/interest-bearing	- приносящий проценты (доход)
bill	- вексель, тратта; долговые обязательства
securities	- ценные бумаги
government securities	- государственные ценные бумаги
bond	- облигация; долговое обязательство
share	- акция; пай
stock exchange	- фондовая биржа
stock	- акция; облигация; ценные бумаги; фонды
whenever	- когда бы ни, всякий раз когда

to fluctuate	- колебаться
fluctuation	- колебание
without	- без; без того чтобы не; так чтобы не; если не
therefore	- по этой причине, вследствие этого; поэтому; следовательно

**1. Complete the sentences using the text.**

1. Banks borrow money from the public in order to ...
2. The clearing system lets banks ...
3. The asset side of bank balance sheet includes ...
4. The liability side of the balance sheet includes ...
5. The two most important kinds of deposits are known ...
6. Cheques can be written against ...
7. Interest is usually paid on ...
8. To withdraw a time deposit one must give the bank a period of notification for the bank ...

**2. Read the sentences with the following phrases.**

а) который может, который будет, который должен;

б) слишком ... для того, чтобы ..., достаточно ... для того, чтобы ... .

1. Financial capital to be invested in a business can belong to the business itself or it can be lent by a bank.
2. The interest people get on their deposits should not be high enough to take away money from the commodity market, or there may develop excess supply of goods.
3. Both your cash on hand and your sight deposit to be used for daily purchases are classified as money, while your time deposit is not.
4. The price may be too high for much output to be produced.
5. The loss of topsoil (верхний слой почвы) and water sources is bad enough nowadays to limit the growth of agriculture productivity in future.
6. The most important credit instruments to be used in order to get a loan are corporate and government bonds. Therefore the credit market is often called the bond market.
7. The current liabilities of the company are too high to be met without an additional loan.
8. The firm was too heavily in debt to hope to get any credit.

**3. Complete the sentences using the correct form of the words and word combinations.**

to owe, liability, to undertake, therefore (2), interest (2), to settle debts, chequing account, securities, net, bill, to handle transactions

1. The purpose of money is to make it possible for firms and individuals ... ..

2. Facing (Сталкиваясь с) an unstoppable rise in unemployment in the early 1980s, many European economists simply accepted it as structural, and ... it could not be influenced by policy-makers.
3. Employers (Наниматели) obtain their ... profits only after they have paid all expenses: ..., wages, rents, and others.
4. The household sector of American economy holds about one-third of the nation's ... money, which makes up nearly 80 percent of the total amount of money.
5. Most ... are bought for an amount less than their face value (нарицательная стоимость) and the difference between the two makes up the ...
6. The clearing house system is a centralized mechanism for ... between banks, sellers of commodities and financial ...
7. A ... is something a business or an individual ... to another business or individual.
8. A woman may work hard at home, but she receives no wages for this work. It is not ... labour in terms of economics.
9. If there exists a stock market, transactions can ... over the telephone.

#### **4. Переведите текст со словарём.**

### **Calculating Interest on Loans**

Depending upon the amount of money borrowed, interest can become a significant cost. The borrower should be familiar with the commonly used methods of calculating interest. The three principal methods are: (1) flat interest rate, (2) interest on the unpaid balance, and (3) discount method.

With the flat interest rate method, a specified rate of interest is paid on the original amount of the loan.

Interest may also be charged on the unpaid balance. In this case, interest is paid only on the amount owed.

With the discount method, interest is deducted in advance. Assume \$500 is borrowed to be repaid in one year. If the lender discounts the loan in advance at 8 per cent, he will make the loan for \$500 but will only extend \$460. By the use of this method \$40.00 interest will be paid.

Often loans are amortized. That is, the interest and principal payment are repaid in such a way that there is an equal payment each month or each year. When this method is used, the interest payment is high in the early years of the loan and then declines. The principal payment, on the other hand, is low in the early years of the loan and then it increases.

The term "amortization" is also used to refer to loans which have equal principal payments. The periodic interest payments are based on the unpaid balance. Under this plan the principal payment is the same each period but the amount of interest and, hence, the total payment declines. This type of repayment plan is common in the farm mortgage field and is preferred by some lenders to the type of amortized repayment plan.

With short or intermediate credit it is advisable to be in a flexible position. Therefore, one of two conditions is desirable: (1) either the loan should be written for a long enough period of time; (2) the borrower should be assured the lender is willing to make an extension if one becomes necessary. Many commercial bankers like to



make loans for relatively short periods. They may do this knowing the loan will not be repaid in full when it falls due. When the loan comes due, they have an opportunity to review the loan with the borrower. Such practices, however, can lead to financial troubles for the borrower and can decrease the efficiency of his operation if the loan is called.

### Dialogue

- A: Who really owns the bank?  
B: The stockholders own it. In the beginning, they put up the necessary capital and were granted a charter from the government.  
A: Are the members of the board of directors stockholders?  
B: Oh, yes. They're chosen by the other stockholders to operate the bank.  
A: And the board hires the president and the vice-president to manage it.  
B: That's right. Along with the cashier, the tellers and the clerical workers.  
A: I guess most of your work has to do with checking and savings accounts and making loans.  
B: Yes. But we invest money too. Planning the bank's investments is also very important.  
A: Do you divide all the profits among the stockholders?  
B: Not all of them. The stockholders receive regular dividends. But some of our earnings are held in reserve accounts.  
A: I suppose that would be necessary.  
B: Here's a copy of our last published statement. You see the reserves are shown here as surplus and undivided profits.

### Words

to own	- владеть
stockholder	- акционер
in the beginning	- вначале
to put up	- вносить деньги
to grant a charter	- предоставлять разрешение, лицензию
board	- правление
to choose	- выбирать, избирать
to hire	- назначать
cashier	- главный кассир, главный экономист
teller	- кассир-операционист
to guess	- полагать, думать
checking account	- банковский счёт
savings account	- сберегательный счёт
to make loans	- предоставлять займы, кредиты

to divide	- делить
profit	- прибыль
earnings	- прибыль
to suppose	- предполагать
statement	- отчёт
surplus	- остаток

### ***EXERCISES***

***1. Вместо пропусков вставьте одно из слов или словосочетаний: board of directors, capital, dividends, investment, loan, profit, reserves, statement, stockholders, vice-president.***

1. The men who control the activities of the bank will meet today. The ... .. will meet.
2. They were chosen by all the parties who hold part ownership in the bank. They were chosen by the ... .
3. The board will discuss the hiring of a person to assist the president. They must hire a new ... .
4. They'll also discuss the new announcement of the bank's financial condition. They will discuss the ... .
5. Then they must make a decision about the earnings they're keeping back for later use. They must decide what to do about the ... .
6. This is money held by the bank in addition to the amount the stockholders put up to start the bank. It's money held in addition to the ... .
7. The board may want to pay money to the stockholders out of profits. They may give out ... .
8. Quite a lot of money was left over this year after all the bank's expenses were paid. The ... were high.
9. The president will ask to approve a large ... to a customer. This is money owned by the bank which the customer will be permitted to use for a time and then return with an additional payment for its use.
10. The board will probably discuss the money which the bank has put into other businesses in order to make profits. They'll discuss the bank's ... .

***2. Переведите с помощью словаря письменно следующие предложения:***

1. I guess your work has to do with checking accounts.
2. We have had an account with them for years.
3. You don't make much on that kind of account.
4. When will the board of directors meet?
5. He is a member of the board of directors.
6. What is the amount of the capital?
7. They had some trouble raising the capital.
8. You would better see the cashier about that.
9. The cashier is on vacation just now.

10. I don't think they'll be able to get a charter.
11. How much money is left in my checking account?
12. I would like to close my checking account.
13. We are behind on our clerical work.
14. Do you have any clerical jobs open now?
15. The last dividend was quite large.
16. How much did you receive in dividends?
17. I'd like to invest in some mutual bonds.
18. How much money does she have to invest?
19. I want to talk with you about my investments.
20. Would you make an investment of that kind?
21. He is afraid he has made a bad loan.
22. What is the amount of the loan?
23. This decision will have to be made by the president.
24. Doesn't that company have a new president?
25. We expect to make a nice profit this year.
26. The profits have been slowly rising.
27. Their reserves are getting pretty low.
28. They were lucky to have such large reserves.
29. I guess your work has to do with savings accounts.
30. He decided to put the money in a savings account.
31. Our new statement will be published next week.
32. You have every reason to be proud of this statement.
33. The statement will be sent to all the stockholders.
34. He is one of our largest stockholders.
35. The surplus is now as large as the capital.
36. They have built up a nice surplus.
37. Take this to one of the tellers' windows.
38. The teller took the problem to the cashier.
39. How much undivided profit do you have?
40. I didn't know the undivided profit were this high.
41. This department is supervised by a vice-president.
42. One of the vice-presidents can handle this matter.

### TELEPHONING

- A: 908 72 37
- B: My name is Vladimir Petrov. Could you put me through to Mr Charles Stanhope, please?
- A: I'll see if he is in the office. Who's calling?
- B: Petrov, Vladimir Petrov.
- A: Sorry, he's just gone out. Would you like to ring back later?
- B: Well, I'll try. I met Mr Stanhope when we were both at the Moscow trade fair. He suggested that I should call him.
- A: Could I have your name again, please?
- B: Ah, yes, it's Vladimir Petrov. P-E-T-R-O-V.

- A: And the number?  
 B: I'm in the Grand Hotel.  
 A: Right, you will be hearing from Mr Stanhope later in the morning then.  
 Goodbye.  
 B: Thank you for your help. Bye-Bye.

**1. Вместо пропусков вставьте одно из следующих слов: after, back, calling, hold the line, in, moment, reach, ring up, see.**

1. Hello, who's that ...?
2. Just a ..., please.
3. I'll ... if he's there.
4. I'll get the information you want; ... .. please.
5. You asked me to ... .. when I was in the city again.
6. Sorry, he's not ... at the moment.
7. You can ... him any evening ... six o'clock.
8. Well, I can ring ... later if it's convenient.

**2: Выберите наилучший ответ, предложенный справа.**

- |   |   |
|---|---|
| 1. I'd like to speak to Mr Whitney, please. | <ul style="list-style-type: none"> <li>◆ Yes</li> <li>◆ I'm afraid, he is not here at the moment.</li> <li>◆ Well, you can't.</li> </ul>    |
| 2. Can I speak to Mr Whitney, please?       | <ul style="list-style-type: none"> <li>◆ Hold on please.</li> <li>◆ Don't go away.</li> <li>◆ All right.</li> </ul>                         |
| 3. Could I speak to Mr Whitney, please?     | <ul style="list-style-type: none"> <li>◆ Who's calling?</li> <li>◆ Who are you?</li> <li>◆ What's your name?</li> </ul>                     |
| 4. Who's speaking?                          | <ul style="list-style-type: none"> <li>◆ I'm Tracy Whitney.</li> <li>◆ This is Tracy Whitney.</li> <li>◆ Tracy Whitney speaking.</li> </ul> |
| 5. Can I ring you back later?               | <ul style="list-style-type: none"> <li>◆ Yes, ring me.</li> <li>◆ Yes, please do.</li> <li>◆ Of course, yes.</li> </ul>                     |
| 6. When can I reach you?                    | <ul style="list-style-type: none"> <li>◆ One hour.</li> <li>◆ When you want.</li> <li>◆ I'll be in all evening.</li> </ul>                  |

### CALLING THE TRAVEL AGENCY

- A: Travel agency "Inturist". Can I help you?  
 B: Yes, please. This is Ken Follett speaking. I'm planning to fly to Britain next week. What's the price of a flight at the moment?  
 C: Well, that depends. What city are you going to fly to?  
 B: I have to fly to London-Glasgow.  
 C: Do you want to fly first or economy class? And how long would you like to stay?

- B: Well, I'm planning a short visit, maybe nine days or so. But I don't want a package tour. Just the flight economy class I suppose.
- C: And when is it you'd like to leave?
- B: On the 10<sup>th</sup> of November.
- C: Then I can get you an excursion ticket. That's on Russian Airlines and it'll cost \$695 for seven days including a return ticket.
- B: Oh... I'll have to think about that. Er... what about the return flight? Could you tell me...

**1. Продолжите диалог вдвоём.**

**2. Вместо пропусков вставьте одно из следующих слов: airlines, apartment, arrangements, checkin, convenient, departure, double, facilities, hearing, kept, locally, prefer, scheduled.**

1. Would you like a ... room or single?
2. The ... time of flight 241 is 11.20.
3. Several ... fly the same route, so it's mainly a question of choosing the most ... time.
4. I want to be sure of flying tomorrow, so please book me on a ... flight.
5. Don't forget ... time's halt an hour before take-off.
6. Would you like to stay in an ... or do you prefer a hotel?
7. There are a good transport ... in the area.
8. Sorry to have ... you waiting.
9. All the ... have been made you'll be ... from us soon.
10. Shall I book hotel accommodation ... or would you ... to stay in city?

**3. Выберите ответ справа.**

- |   |  |
|---|--|
| 1. Do you have an open ticket, then?                      | <ul style="list-style-type: none"> <li>◆ Yes, it's valid for any flight on that route.</li> <li>◆ Yes, I still have to pay the fare.</li> <li>◆ Yes, I can go anywhere in the world.</li> </ul>  |
| 2. Do you want to book a sleeper or just a seat?          | <ul style="list-style-type: none"> <li>◆ As this is a long flight I'd like to have a sleeper.</li> <li>◆ As this is an overnight train, I'd like to book a sleeper.</li> <li>◆ As this is an expensive hotel I'd like to save some money.</li> </ul> |
| 3. What's the public transport like? Should I hire a car? | <ul style="list-style-type: none"> <li>◆ The public usually does this.</li> <li>◆ Trains and buses don't run frequently.</li> <li>◆ Trains and buses are in bad condition.</li> </ul>  |
| 4. Is service included in the hotel rate?                 | <ul style="list-style-type: none"> <li>◆ Yes. You need not add any tips.</li> <li>◆ Yes. Your car will be serviced while you are asleep.</li> <li>◆ yes, you will be served breakfast in your room.</li> </ul>                                       |

5. Can you reserve three single rooms for our group?
- ◆ I'm sorry. Please ask your travel agent for fuller details.
  - ◆ I'm sorry. We don't handle package tours for groups.
  - ◆ I'm sorry. All our rooms have been reserved.

**4. Используя данные предложения, составьте диалог:**

- |  |   |
|--|---|
| 1. You have a reservation for me for tomorrow. I'm afraid I'll arrive at the hotel rather late, at about 10 p.m. You will hold the room for me, won't you? | На завтра для меня у ваяя зарезервировано место. Я боюсь, что прибуду в отель довольно поздно, часов в 10 вечера. Вы сохраните номер для меня, не так ли, |
| 2. Sorry, I'll have to change my booking.  | Извините, я буду вынужден изменить свой заказ.  |
| 3. Something urgent has happened so I've had to change my plans.   | Произошло нечто важное, и я вынужден был изменить свои планы.   |
| 4. Sorry, we're completely booked up but you may try the Inturist Hotel. Here is their phone number.   | Извините, у нас все места заняты, но вы можете попытаться в «Интуристе». Вот номер их телефона.   |
| 5. We haven't any double rooms left but I can offer you a suite at \$50 a night.   | У нас нет двухкомнатных номеров, но я могу вам предложить номер за 50 долларов в сутки.   |

**Opening an account**

- A: Good morning.  
 B: Good morning, sir.  
 A: I'd like to open an account, please.  
 B: Certainly, sir. Do you live in Geneva?  
 A: Yes. I'm at the Interpreters' School.  
 B: Are you a student?  
 A: Yes.  
 B: What sort of account would you like?  
 A: A current account, I think.  
 B: Have you got any large sums to deposit?  
 A: No, only a thousand francs or so a month.  
 B: Well, we can open a current account with a cheque book for you as long as initial sum is at least three thousand francs. But I'd advise you in your case to take an account that gives you more interest, and which is more practical. We normally advise students to open deposit accounts.  
 A: Can I take out money whenever I like?  
 B: Yes. There are two or three types of account. They permit you to withdraw up to ten thousand francs a month.  
 A: Can I receive money directly from abroad?

B: Certainly.  
A: And can I withdraw at a branch office?  
B: Certainly, though it may be more convenient to open your account in our branch near the University.  
A: No, I live quite near here. Do I need a passport?  
B: Yes.  
A: I'm afraid I haven't got it. Will my student card do?  
B: No, I'm afraid not.  
A: I'll come back later, then.  
B: Very good, sir.

### **Drawing and withdrawing money from the account**

**A)**

A: Good morning.  
B: Good morning, sir.  
A: I'd like to draw two thousand francs on my account, please. Here is the number.  
B: Thank you. One moment, please, sir. I'm sorry, sir. Your account has a balance of 545.60 francs.  
A: All right. Give me 500 francs, then, and I'll draw the rest from my deposit account. This is the number.  
B: One moment, please. Yes that's all right, sir. How would you like it?  
A: Two notes of a thousand, please. Thank you. Good-bye.

**B)**

A: Good morning. I'd like to draw a thousand francs on account number C6/387/55, please.  
B: Is it your own account?  
A: Yes, here is my passport.  
B: Thank you. One moment, please. How would you like it?  
A: In hundreds, please. Thanks.  
B: Good morning, sir.

**C)**

A: I'd like to draw some money on my husband's account, please.  
B: Have you got power of attorney, madam?  
A: Yes.  
B: Do you know the number of the account?  
A: Yes. Here is my cheque book.  
B: How much would you like to draw?  
A: Two thousand francs, please.  
B: One moment, please, madam. Yes. That's all right. How would you like it?  
A: In thousands, please. Thank you.  
B: Thank you. Good afternoon, madam.

**Захарова Ирина Эрнстовна**

**Медведенко Галина Ивановна**

## АНГЛИЙСКИЙ ЯЗЫК

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и перевода профессионально-ориентированных  
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