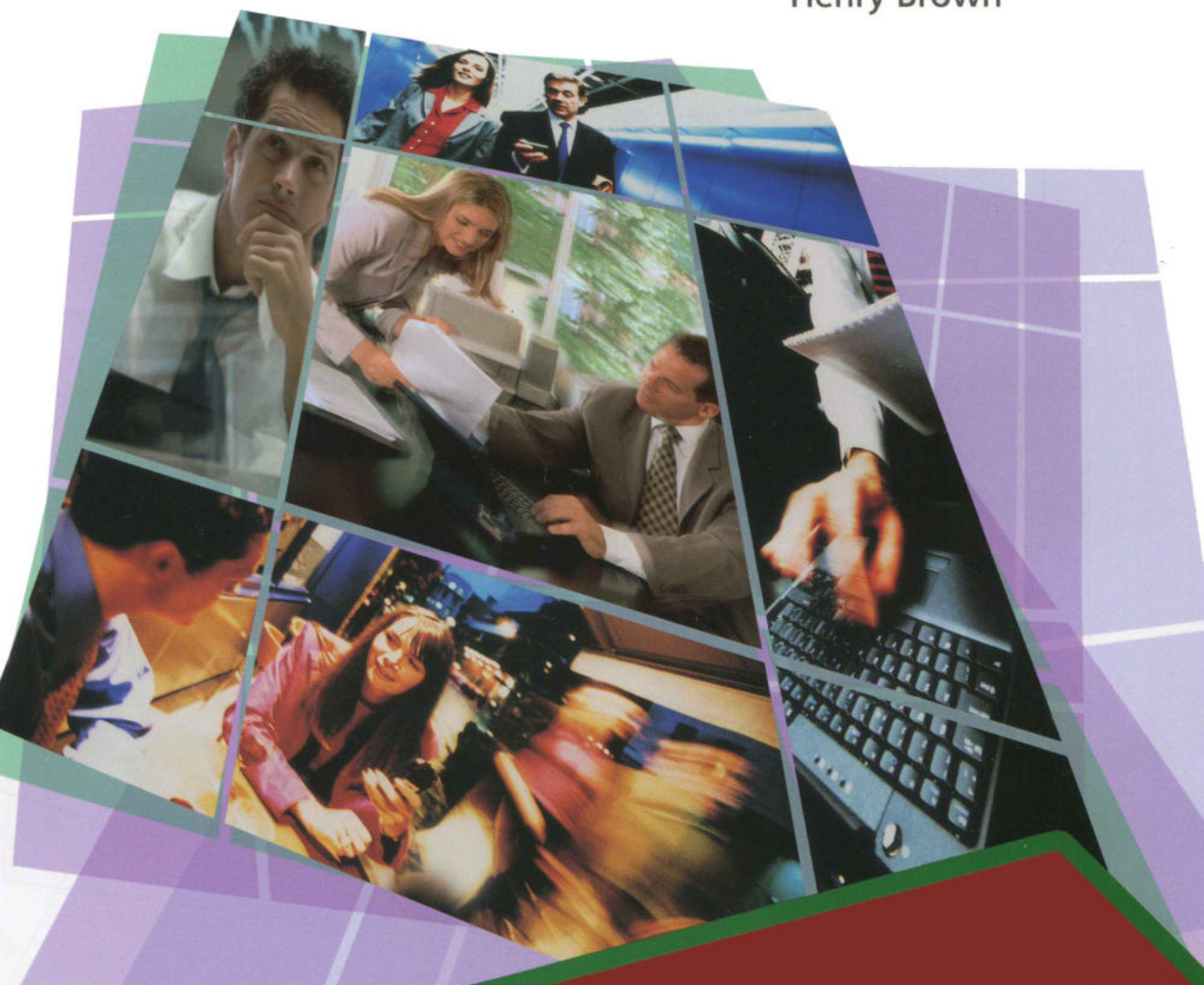


**CAREER
PATHS**

Management II

Virginia Evans - Jenny Dooley
Henry Brown



Express Publishing



Management II

Book
1

Virginia Evans
Jenny Dooley
Henry Brown



Express Publishing

Scope and Sequence

Unit	Topic	Reading context	Vocabulary	Function
1	Supply and Demand	Textbook	consumer, demand, determine, economics, good, inverse, quantity, spending, supply, trend	Asking about causes
2	Production	Magazine article	assembly line, implement, just-in-time production, lean manufacturing, manufacturer, output, production, raw materials, waste	Describing benefits
3	Quality Standards	Manual	blemish, defect, fail, flaw, inspect, pass, quality control, quality standards, recall, visual inspection	Asking for an opinion
4	Deadlines	Email	complete, deadline, due, extension, hard, meet, on time, soft, time limit, under the gun	Asking about progress
5	Benchmarks	Memorandum	apply, assess, analyze, benchmarking, best practice, compare, competitive benchmark, functional benchmark, internal benchmark, measure	Asking for clarification
6	Controlling Operations	Email	control, efficiency, factor, inventory management, minimize, operations, storage, strategic business unit, strategy, supply chain	Expressing reservation
7	Product Details	Advertisement	develop, dimension, distribute, durability, feature, make, model, quality, release, upgrade	Estimating time
8	Pricing	Email	account for, attract, cost, cover, mark up, price, price matching, pricing policy, recoup, wholesale	Asking about results
9	Sales	Manual	appointment, capitalize on, close, contact, effective, generate, influence, pitch, resistance, sales	Describing a similar experience
10	Sales Forecasts	Report	comparison, contract, estimate, existing, expect, past sales, predict, sales forecast, seasonal trend, volume	Advising caution
11	Shipping	Memo	arrive, deliver, freight, insure, overnight, service area, shipment, shipping, shipping carrier, standard mail, transport	Politely interrupting
12	Branding	Report	associate, brand, brand dilution, brand extension, branding, differentiate, familiar with, identity, prefer, recognize	Discussing risk
13	Marketing	Email	billboard, commercial, demographic, direct mailing, focus group, market research, marketing, niche, outlet, promotion, reach, target audience	Offering a compromise
14	Competition	Magazine article	advantage, break into, competition, competitor, edge, leader, minor player, monopoly, threat, transform, upstart	Bringing up an example
15	Customer Relations	Newsletter	apologize, customer base, customer relations, customer service, email list, loyalty, negative, positive, recommendation, rectify, satisfaction, survey, word-of-mouth	Making an apology

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1 Supply and Demand

Get ready!

1 Before you read the passage, talk about these questions.

- 1 What are some factors that increase demand for products?
- 2 What are some factors that can decrease supply of a product?

Economic Concepts

SUPPLY and
DEMAND



Supply and **demand** are two important ideas in **economics**. These concepts are very closely related.

The supply and demand for **goods** usually **determine** the price. For instance, say a company releases a new computer. Everyone wants it, but only a limited **quantity** is available. Demand is high and supply is low. In this scenario, the price is high. When **consumers** really want something, they'll pay more.

But the **inverse** relationship between supply and demand can show the opposite, too. **Trends** can change. Say a better computer comes out. The demand for the first computer drops suddenly. This means the supply increases. As a result, the price decreases. Customers won't **spend** a lot for products with low demand and high supply.



Reading

2 Read the textbook passage. Then, choose the correct answers.

- 1 What is the passage mainly about?
 - A types of goods affected by supply and demand
 - B explanations of recent trends in computer sales
 - C how supply and demand affect price
 - D why supply and demand increase together
- 2 What happens if demand for goods is high, but supply isn't?
 - A spending decreases
 - B price increases
 - C supply decreases
 - D demand drops
- 3 According to the passage, which of the following would NOT result in a lower price?
 - A the demand for a product drops quickly
 - B a product becomes available in larger quantities
 - C the supply for a popular product suddenly drops
 - D a more popular product is released by a competitor

Vocabulary

3 Match the words (1-6) with the definitions (A-F).

- | | | |
|---------------|---------------|--------------|
| 1 — economics | 3 — inverse | 5 — trend |
| 2 — demand | 4 — determine | 6 — quantity |

- A reversed, opposite
 B how much of an item is available
 C a study of how things are made, distributed, and used
 D to control or influence something
 E a general pattern
 F how much of an item is wanted

4 Read the sentences and choose the correct words.

- Since more people want this item, the store will increase its **supply/demand**.
- Trends/Consumers** spend less when the economy is bad.
- The store sells **goods/quantities** for home improvement projects.
- Stores want customers to increase **supply/spending**, so they promote special offers.

5 Listen and read the passage again. What happens when a lot of people want a particular item?

Listening

6 Listen to a conversation between a store manager and an assistant manager. Mark the following statements as true (T) or false (F).

- ___ Demand for the iSound mp3 player decreased.
- ___ Demand for the Musician's Choice product is high
- ___ The manager will stop selling the iSound player.

7 Listen again and complete the conversation.

Manager: Have you seen the 1 _____ ?

Assistant Manager: Yeah, demand for the iSound mp3 player really 2 _____.

Manager: Why did that happen?

Assistant Manager: Well, Musician's Choice released a similar item. Consumers want that one 3 _____.

Manager: I see. So we're stuck with 4 _____ of the iSound product.

Assistant Manager: 5 _____ we do?

Manager: Let's 6 _____ of the iSound player.

Speaking

8 With a partner, act out the roles below based on Task 7. Then, switch roles.

USE LANGUAGE SUCH AS:

*Demand for ... has really ...
 Why did that happen? What caused that?
 What should we do?*

Student A: You are a store manager. Talk to Student B about:

- this month's sales figures
- the cause of a change in demand for a product
- how your store will handle this

Student B: You are an assistant manager. Talk to Student A about the change in demand for a product at your store.

Writing

9 Use the conversation from Task 8 to fill out the sales report.



Sales Report

Product Name: _____

General trend in sales/demand: _____

Sales plan: _____

2 Production



assembly line



raw materials



manufacturer

Improve Production, Improve Business

Two years ago, Anderson Motor Bikes was failing. The motorcycle **manufacturer** was using an old-fashioned **assembly line**. **Output** was low and AMB kept losing money.

Today, AMB has turned itself around. **Production** is higher, and so are profits. What happened? AMB **implemented just-in-time production**. JIT allowed the company to identify problems.

President Brian Marshall said, "There was a lot of **waste** of **raw materials**. We had too many workers in some parts of the process. And there were too few in others. Now we're using **lean manufacturing**. We only keep around what we need."

Marshall said AMB has eliminated production waste. And now it is enjoying success.

Get ready!

1 Before you read the passage, talk about these questions.

- 1 What are some common problems in manufacturing?
- 2 What are some keys to effective manufacturing processes?

Reading

2 Read the magazine article. Then, mark the following statements as true (T) or false (F).

- 1 ☐ AMB switched to just-in-time production.
- 2 ☐ AMB increased profits without increasing production.
- 3 ☐ The company keeps extra raw materials on hand to prevent a drop in output.

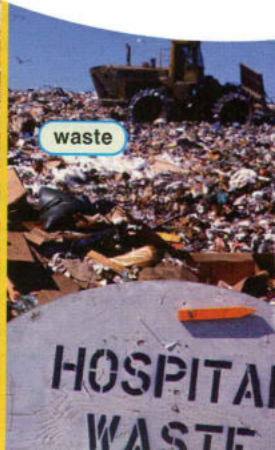
Vocabulary

3 Write a word or phrase that is similar in meaning to the underlined part.

- 1 A process that works to eliminate waste allowed the company to make its products more efficiently.
_ _ _ n _ a n _ _ _ t _ r _ _ _
- 2 Fun Times Toys put into action several new employee policies last year.
_ _ p _ e _ _ _ _ d
- 3 The process of making something for sale usually decreases after the holidays.
_ _ o d _ _ _ _ _



output



waste

HOSPITAL
WASTE

4 Read the sentence pairs. Choose which word or phrase best fits each blank.

1 manufacturer / output

A _____ decreased because the delivery of supplies was late.

B The company is a(n) _____ of computer parts.

2 just-in-time production / waste

A _____ is a problem in many factories.

B _____ is one way to improve the manufacturing processes.

3 raw materials / assembly lines

A Modern _____ use more machines than employees.

B Oil and coal are both _____ used in manufacturing.

5 Listen and read the article again. How did AMB improve its processes?

Listening

6 Listen to a conversation between a job interviewer and an applicant for a management position. Check (✓) the advantages of the manufacturing systems.

- 1 ☐ cutting production times
- 2 ☐ saving money
- 3 ☐ increasing quality
- 4 ☐ using raw materials wisely
- 5 ☐ finding production problems

7 Listen again and complete the conversation.

Interviewer: So what's your 1 _____ lean manufacturing and just-in-time production?

Applicant: Well, they're good for cutting down on waste. Which of course 2 _____.

Interviewer: Right ...

Applicant: But another benefit is that they 3 _____ quality.

Interviewer: That's really important. We want to produce the 4 _____ we can.

Applicant: Of course. With those methods you can identify 5 _____ quickly. And implement solutions.

Interviewer: Do you think there are any 6 _____?

Speaking

8 With a partner, act out the roles below based on Task 7. Then, switch roles.

USE LANGUAGE SUCH AS:

What do you think of ...?

... is good for ...

One benefit is ...

Student A: You are job interviewer. Ask Student B about:

- his or her opinion of a production process
- the benefits of that process
- the disadvantages of that process

Student B: You are a prospective employee. Talk to Student A about the pros and cons of his or her company's production process.

Writing

9 Use the conversation from Task 8 to fill out the email to a supervisor.

Dear _____,

Our current production process isn't working. There are many problems, including _____.

I think we should use _____ because _____.

In addition, _____.

Thanks,

Get ready!

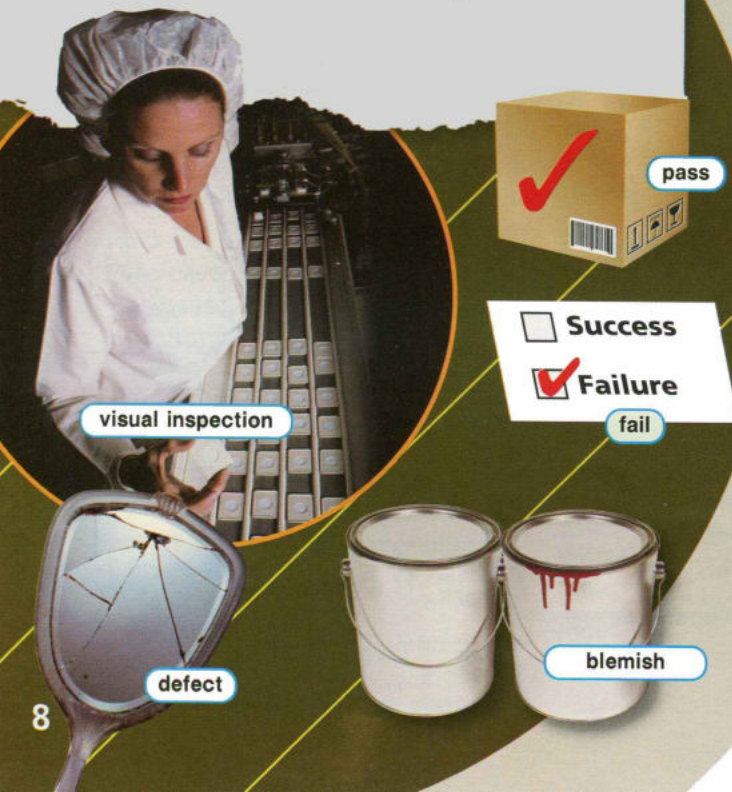
1 Before you read the passage, talk about these questions.

- 1 Why should manufacturers monitor the quality of their goods?
- 2 What are some ways to inspect product quality?

Quality Control on the Assembly Line

At Drive Right Car Parts, **quality control** begins with you. We want every product to meet **quality standards**. Even tiny **flaws** and **blemishes** reduce product value. Our car parts are in millions of vehicles. Flaws can result in safety problems. This can lead to costly product **recalls**.

A quality control team **inspects** all parts thoroughly. Most parts **pass**. But a few **fail**. When this happens, production essentially stops. We want to prevent delays. Every employee on the assembly line can help. Learn the standards for the parts you handle. Do a quick **visual inspection** of each one. If you see **defects**, notify your supervisor immediately. This way output and quality levels stay high.



Reading

2 Read the employee manual. Then, choose the correct answers.

- 1 What is the passage mostly about?
 - A the causes of product recalls
 - B the importance of quality control
 - C the most common product defects
 - D what to look for in a visual inspection
- 2 Which of the following is NOT listed as a potential effect of a product flaw?
 - A changes in assembly line methods
 - B safety issues in vehicles
 - C delays in manufacturing
 - D a decrease in product value
- 3 What do employees need to do when they suspect a flaw?
 - A tell their managers right away
 - B perform a visual inspection
 - C stop assembly line production
 - D notify the quality control team

Vocabulary

3 Fill in the blanks with the correct words or phrases from the word bank.

Word BANK

quality standards defect recall
passes inspect fail

- 1 The manufacturer found the _____ in thousands of items.
- 2 If the car _____ the safety tests, it will go into mass production.
- 3 The company issued a(n) _____ for an unsafe toy.
- 4 Four people _____ every item that the factory produces very closely.
- 5 All of the items meet the company's strict _____.
- 6 If products _____ the quality tests, there are production delays.

4 Read the sentence pairs. Choose the sentence that uses the underlined part correctly.

- 1 A There's a small blemish on the surface of the material.
B The recalls are kept in the excess inventory room.
- 2 A The company discards products that pass inspections.
B Quality control ensures that all products function properly.
- 3 A Workers discovered the flaw quickly.
B Rick fails items closely as they come off the assembly line.
- 4 A Sometimes, a visual inspection doesn't catch all problems.
B The defect really adds to the product's overall value.

5 Listen and read the employee manual again. Why does Drive Right Car Parts ask assembly line employees to do visual inspections?

Listening

6 Listen to a conversation between a factory owner and a factory manager. Mark the following statements as true (T) or false (F).

- 1 ___ The company had to issue a recall.
- 2 ___ The man would prefer not to hire any more employees.
- 3 ___ The woman suggests training existing employees on inspection techniques.

7 Listen again and complete the conversation.

Owner: We need to look at our 1 _____.

Manager: Yeah, our products have too many 2 _____.
We want to avoid a recall.

Owner: You're the factory manager. What 3 _____
_____ we should do?

Manager: Well, we could 4 _____ our production process.

Owner: I agree. Find where the 5 _____ are happening.

Manager: Right. What's 6 _____ on the problem?

Speaking

8 With a partner, act out the roles below based on Task 7. Then, switch roles.

USE LANGUAGE SUCH AS:

What do you think ...?

What's your take on ...?

In my opinion, we need to ...

Student A: You are a factory owner. Talk to Student B about:

- problems with your factory's products
- his or her suggestions for improvement
- what you think about the problem

Student B: You are a factory manager. Talk to Student A about quality control improvements.

Writing

9 Use the conversation from Task 8 to fill out the employee suggestion form.

Fun Toys, Inc

Employee Suggestion Form

What problems have you seen?

What are your suggestions for improvement?

1. Do more visual inspections. We need to hire more people for quality control.

2. _____

3. _____

4 Deadlines

September

	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

soft deadline

Project
Due
deadline



From: markp@industrialapplications.com

To: 'Employees'

Sent: Tuesday, May 15, 8:40 a.m.

Subject: Deadlines this week

Hello Everyone,

I want to remind everybody about our **deadlines** this week. We have two reports **due**. The Anderson report is due tomorrow. This project has a **hard** deadline. So, we're **under the gun** to **complete** it. Please send it to me as soon as possible. We have to finish this report **on time**.

The Smith report is due on Thursday. However, it has a **soft** deadline. Don't rush on this one. Try to finish the report within the **time limit**, but let me know if you can't. I can probably arrange an **extension**.

Thanks,

Mark Poole

Get ready!

① Before you read the passage, talk about these questions.

- 1 What are some challenges of meeting deadlines?
- 2 Describe a difficult deadline you had to meet.

Reading

② Read the email. Then, mark the following statements as true (T) or false (F).

- 1 ☐ The employees at this office have three deadlines this week.
- 2 ☐ The Anderson report cannot get an extension.
- 3 ☐ The office will lose a client if the Smith report is not completed on time.

Vocabulary

③ Fill in the blanks with the correct words or phrases from the word bank.

Word BANK

under the gun due meet
on time time limit complete

- 1 We really need to finish this project _____.
- 2 In order to _____ the deadline, we may have to work overtime.
- 3 Sam has to give his presentation in one hour, so he's really _____ to finish it.
- 4 The sales forecast is _____ on Tuesday morning.
- 5 I am not sure I can finish the project within the _____.
- 6 Please send your project to me as soon as you _____ it.

time limit

hard deadline

4 Read the sentence pairs. Choose which word best fits each blank.

1 hard / soft

- A The deadline on the aerospace article is _____, so take your time on it.
- B The optical study has a _____ deadline, so it can't be late.

2 deadline / extension

- A What is the _____ we have to complete this report by?
- B Since the network lost our data, can I get a(n) _____ on the sales report?

5 Listen and read the email again. How long do the employees have to complete the Smith report?

Listening

6 Listen to a conversation between a manager and an employee. Choose the correct answers.

- 1 What are the speakers mostly talking about?
- A the reason the employee can't meet deadlines
- B whether a project can be completed on time
- C why specific deadlines have been set
- D the importance of two different projects
- 2 What does the employee need to do to finish the sales report on time?
- A get an extension on it
- B finish the budget analysis
- C get the manager's assistance
- D stop working on other projects

7 Listen again and complete the conversation.

Manager: Hi, Bob. How are your projects 1 _____?

Employee: I'm worried about completing the sales report 2 _____.

Manager: When 3 _____?

Employee: It's due this Friday, and it has a 4 _____.

Manager: Do you think you'll be able to complete it?

Employee: Yes, but only if I focus on it completely. May I have 5 _____ on the budget analysis?

Manager: Sure. The budget analysis has a 6 _____.

Go ahead and focus your attention on the sales report.

Employee: Thank you, Ms. White.

Speaking

8 With a partner, act out the roles below based on Task 7. Then, switch roles.

USE LANGUAGE SUCH AS:

How is ... coming along?

Will you be able ...?

I'm worried about ...

Student A: You are an office employee. Talk to Student B about:

- when something is due
- hard and soft deadlines
- getting an extension

Student B: You are a manager. Talk to Student A about deadlines.

Writing

9 Use the conversation from Task 8 to fill out the following memo.

Re: Deadlines

MEMO

The budget analysis is no longer _____. I have granted you _____. You now have _____. Let me know if _____.

Have a nice day,
Ms. Abigail White

Get ready!

1 Before you read the passage, talk about these questions.

- 1 Why is it important for businesses to have standards?
- 2 Why should managers compare their company to similar ones?



MEMORANDUM

To: All Sales Team Members
From: Bob Walters, Manager

The corporate office recently **analyzed** industry **best practices** and **benchmarking**. As a result, the sales team has new objectives:

- increase sales by \$75 million
- bring in 800 new clients
- improve customer service

Leadership **compared** our sales figures to our competitors. In addition, they **measured** us against the Northwest branch. These **internal** and **competitive benchmarks** show that we lag behind. Our revenues and customer base are low.

To achieve these goals, sales representatives will receive more training. We have **assessed** sales techniques of top performers. You will learn how to **apply** those. In addition, new customer service techniques were developed through **functional benchmarks**. Our services will match those of leading companies.

Reading

2 Read the memorandum. Then, choose the correct answers.

- 1 What is the purpose of the memorandum?
 - A to report a drop in sales
 - B to explain a sales technique
 - C to show the team's sales figures
 - D to announce sales goals
- 2 Which of the following will the company NOT do?
 - A expand its client base
 - B get higher sales figures
 - C target competitors' clients
 - D improve how it handles customers
- 3 How will the sales team meet its objectives?
 - A by training on sales techniques
 - B by studying their competitors
 - C by analyzing internal benchmarks
 - D by working with the corporate office

Vocabulary

3 Match the words or phrases (1-6) with the definitions (A-F).

- | | |
|--------------|---------------------------|
| 1 __ measure | 4 __ best practice |
| 2 __ compare | 5 __ internal benchmark |
| 3 __ analyze | 6 __ functional benchmark |

- A the most successful way of doing something
- B to find similarities and differences in two or more things
- C a standard based on a comparison of parts of the same company
- D to look at something very carefully in order to understand it
- E a standard made by looking at others in the same industry
- F to estimate something based on a set of standards

benchmarking

CURRENT STATUS

GOAL

4 Write a word or phrase that is similar in meaning to the underlined part.

- To create standards set by competitors, the rival companies exchanged information.
_ o m _ _ _ i _ _ _
b _ _ _ h _ _ _ s
- The factory will put into use production methods that work well in other places.
a _ _ _ _
- The process of determining standards can improve how a business functions.
_ _ _ c _ m _ _ _ _ _
- The accounting department studied the company's expenses.
_ s _ e _ _ e _

5 Listen and read the memorandum again. How did the corporate office come up with the goals for the sales team?

Listening

6 Listen to a conversation between a manager and a new employee. Mark the following statements as true (T) or false (F).

- ___ The woman is uncertain about internal benchmarks.
- ___ The company got information directly from its competitors.
- ___ The company won't mimic companies outside of its industry.

7 Listen again and complete the conversation.

- Manager:** Gina, you had questions about the 1 _____ ?
- Employee:** Yeah ... what's 2 _____ competitive and functional benchmarks?
- Manager:** Um ... competitive benchmarks are based on a competitor's 3 _____ .
- Employee:** But how did our company 4 _____ about competitors?
- Manager:** We formed a 5 _____ to exchange information. It's actually fairly common.
- Employee:** I see. And can you 6 _____ functional benchmarks?

Speaking

8 With a partner, act out the roles below based on Task 7. Then, switch roles.

USE LANGUAGE SUCH AS:

What's the difference between ... and ...?
Those are based on ...
Can you explain ...?

Student A: You are a manager. Talk to Student B about:

- what benchmarks your company uses
- the difference between the benchmarks
- how information was obtained

Student B: You are a new employee. Talk to Student A about benchmarks mentioned in a company memorandum.

Writing

9 Use the conversation from Task 8 to fill out the email to an employee.

Hi Jim,

You asked about the differences between types of benchmarks. Here's a breakdown for you:

Internal benchmarks are _____.

Competitive benchmarks are _____.

Functional benchmarks are _____.

I hope that answers your question.

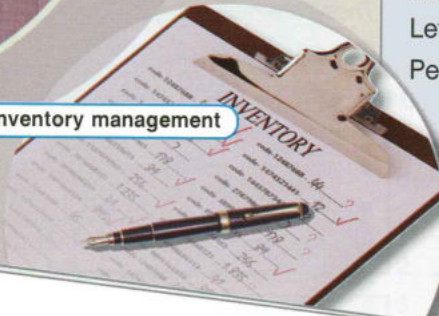
storage



operations



inventory management



TO: erica.robertson@furnituresupplyco.com

FROM: peter.morris@furnituresupplyco.com

Subject: Increasing Efficiency

Hi Erica,

The **efficiency** of our **strategic business unit** is pretty low right now. There are many contributing **factors**. We need to **control** our **operations** better.

I have a few **strategies** for our **supply chain**. First, let's reduce **storage**. We'll use the space to expand our production line. Then, let's implement a better production schedule. I think we can produce 400 chairs an hour. Right now, we're making 200.

Our **inventory management** needs to accommodate this change. Some software make predictions when you need to order supplies. So let's get a new program. This will be perfect, since we're **minimizing** storage.

Also, let's think about distribution, specifically reducing transport times. Maybe we can hire more drivers.

Let's talk later,

Peter



Get ready!

1 Before you read the passage, talk about these questions.

- What are the basic steps to produce an item and get it to a consumer?
- How can a business increase its efficiency?

Reading

2 Read the email. Then, complete the table using information from the email.

Business operation	Strategy for improvement
Storage	1 _____
Inventory management	2 _____
Distribution	3 _____

Vocabulary

3 Match the words or phrases (1-5) with the definitions (A-E).

- | | |
|----------------|-----------------------------|
| 1 — control | 4 — supply chain |
| 2 — operations | 5 — strategic business unit |
| 3 — minimize | |

- A to bring something down to its lowest level
 B the general activities involved in running a business
 C a profitable part of the company with a specific product or service
 D to make decisions that influence how something happens
 E the actions involved in producing goods and getting them to the customer

- 4 Fill in the blanks with the correct words or phrases from the word bank.

Word BANK

strategy storage efficiency
inventory management factor

- The bad economy was a major _____ in the loss of revenue.
- Excess inventory is in a separate building for _____.
- _____ involves keeping records of the supply levels.
- When the company hired more people, _____ on the production line increased.
- The current _____ is not working. The company needs a new plan.

- 5 Listen and read the email again. How will reducing storage affect operations?

Listening

- 6 Listen to a conversation between two managers. Mark the following statements as true (T) or false (F).

- ___ The woman is reluctant to reduce storage.
- ___ The company has too many supplies in storage.
- ___ New inventory software will make it easier to control production.

- 7 Listen again and complete the conversation.

Manager 1: So what do you think of my 1 _____, Erica?

Manager 2: Well, I don't know about 2 _____.

Manager 1: What's 3 _____?

Manager 2: I'm afraid we'll 4 _____ things. And we won't know about it on time.

Manager 1: But Erica, we have a lot of supplies – too many. Sometimes, they become 5 _____.

Manager 2: Well ... there is a lot of 6 _____.

Speaking

- 8 With a partner, act out the roles below based on Task 7. Then, switch roles.

USE LANGUAGE SUCH AS:

I don't know about ...

I'm afraid that ...

We have a lot of ...

We're wasting ...

Student A: You are a manager. Talk to Student B about:

- current efficiency problems
- how to improve operations
- the benefits of implementing changes

Student B: You are another manager. Talk to Student A about the concerns you have about changing operations.

Writing

- 9 Use the conversation from Task 8 to fill out the memorandum to employees.

Superior School Supplies, Inc.

Memorandum

It's time to increase our efficiency. Our strategic business unit will have many changes. In the next few months we will:

- _____
- _____
- _____

If you have any other suggestions, please let me know.

Operations Manager

7 Product Details

Ready to trade in your old phone?
Get a Satellite XK50 Smartphone!

TechWare just **developed** it's latest state-of-the-art device. It **features** a lightning-fast processor and a sleek design. It's lightweight, but it doesn't sacrifice **durability**! And it has tons of great **qualities**, including:

- An 8 megapixel camera
- Voice and face recognition
- A crystal-clear touch screen with **dimensions** of 5.5 inches by 2.75 inches
- 64GB of storage – take your pictures, music, and videos with you wherever you go!

With the Satellite XK50, you'll get all these **upgrades** and more!

TechWare **releases** its newest creation on July 1.

Global Wireless will **distribute** this **make** and **model** exclusively.

To order yours, visit www.globalwireless.com.

Get ready!

1 Before you read the passage, talk about these questions.

- 1 What types of information can you find in a product description?
- 2 What general qualities do people look for in products like electronic devices?

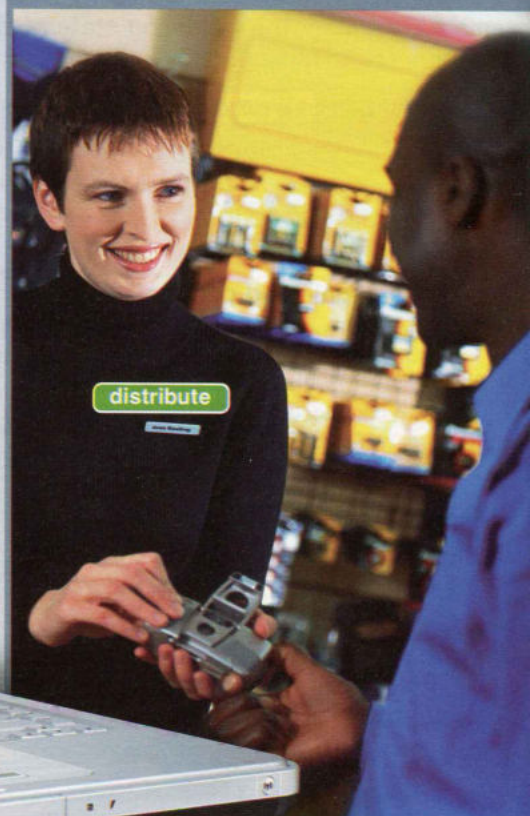
Reading

2 Read the advertisement. Then, complete the table.

Product Information	Details
Make/Model	1 _____
Dimensions/Storage	2 _____
How to get it	3 _____



upgrade
1990-2000-2013



Vocabulary

3 Match the words (1-5) with the definitions (A-E).

- 1 ___ make 4 ___ quality
2 ___ model 5 ___ develop
3 ___ feature

- A to possess a certain characteristic as an important element
B the brand or company that manufactures an item
C to create something new or make an existing thing better
D a characteristic of something
E a specific item that is distinctive from other items of the same type

4 Read the sentences and choose the correct word.

- 1 The company is **releasing/featuring** its newest video game next month.
2 Only one company can **develop/distribute** the product to customers.
3 The picture frame's **qualities/dimensions** are five inches by seven inches.
4 This truck is known for its **durability/model**. It will run for years and years.
5 The new phone has several **makes/upgrades** that make it easier to use.

5 Listen and read the advertisement again. What are the Satellite XK50's key features?

Listening

6 Listen to a conversation between two managers. Mark the following statements as true (T) or false (F).

- 1 ___ The Alloy 760 has had problems with durability.
2 ___ It will take about three months to fix the design problems.
3 ___ The woman expects to distribute the phone in December.

7 Listen again and complete the conversation.

- Manager 1:** So we're getting ready to 1 _____ the Alloy 760.
Manager 2: Yeah, when do you think it'll 2 _____?
Manager 1: Well, we're having some design problems. 3 _____ has been an issue.
Manager 2: 4 _____ will it take to fix it?
Manager 1: I think it'll be about a 5 _____.
Manager 2: Okay. But the other 6 _____ are working fine?
Manager 1: Yeah, they are.

Speaking

8 With a partner, act out the roles below based on Task 7. Then, switch roles.

USE LANGUAGE SUCH AS:

*When do you think the ... will be ready?
It'll be about ... / It will be ready around ...
How long will it take to ...?*

- Student A:** You are a manager at a cell phone manufacturer. Talk to Student B about:
- problems with an upcoming smartphone
 - upgrades on the new phone
 - when it will be ready

Student B: You are another manager at a cell phone manufacturer. Talk to Student A about the progress of a new smartphone.

Writing

9 Use the conversation from Task 8 to fill out the advertisement.

Ready for a new phone?

Get the _____!
This state-of-the-art smartphone features _____.
It has _____, _____, and _____.
This new _____.
Order one today!



Hi John,

You asked for my ideas on improving our **pricing policy**. As you know, our sales are decreasing steadily. I think we need to implement **price matching**. Both ABC Grocery and FoodMart are doing this. It's very popular with customers. We can **attract** new customers if we use it too. We may even get old ones back from them.

Price matching is expensive for us but we can **recoup** our losses. Let's **mark up** prices throughout the store. Right now, they are pretty close to **wholesale** prices. We're not making a huge profit. But FoodMart gradually increased its prices by 5%. That **accounted for** its price-matching losses. If we do so, we'll **cover** our **costs** and increase profits.

What do you think?

-Andrea



Get ready!

1 Before you read the passage, talk about these questions.

- 1 What are the benefits of a price matching policy?
- 2 How can a company set competitive prices?

Reading

2 Read the email. Then, choose the correct answers.

- 1 What is the purpose of the email?
 - A to suggest pricing policy changes
 - B to explain why sales have dropped
 - C to report on competitors' prices
 - D to criticize a price matching policy
- 2 What can you infer about ABC Grocery and FoodMart?
 - A They have been losing customers.
 - B They are the store's main competitors.
 - C Their profits have also been decreasing.
 - D Their prices are close to wholesale prices.
- 3 How will Fresh Food Market make up for its losses?
 - A by decreasing its wholesale orders
 - B by covering its current costs
 - C by getting rid of price matching
 - D by charging more for its products

Vocabulary

3 Match the words or phrases (1-5) with the definitions (A-E).

- | | |
|---------------|--------------------|
| 1 — cover | 4 — price |
| 2 — mark up | 5 — pricing policy |
| 3 — wholesale | |

- A The sale of items in large quantities
- B a strategy used to decide how much something costs
- C to raise the price of goods or services
- D to have the money necessary to pay for something or make up for a loss
- E the value of a good or service

- 4 Fill in the blanks with the correct words or phrases from the word bank.

Word BANK

recoup costs attract
account for price matching

- Online buyers _____ over half of the company's customers.
- Generally, stores only do _____ when a product is the same as the competitor's.
- They will _____ their losses by cutting expenses and raising prices.
- A company's _____ include the money used to buy raw materials.
- The store hopes to _____ new customers with its excellent service.

- 5 Listen and read the email again. What does Fresh Food Market hope to accomplish with price matching?

Listening

- 6 Listen to a conversation between a general manager and a store manager. Mark the following statements as true (T) or false (F).

- ___ Price matching has brought more customers to the store.
- ___ In addition to price matching, the store is raising prices.
- ___ Customers are not happy about the increased prices.

- 7 Listen again and complete the conversation.

General Manager: So how did it go with the new 1 _____?

Store Manager: Great so far. The customers love 2 _____.

General Manager: That's 3 _____. How are the sales figures doing?

Store Manager: They're actually increasing, even though we're matching our competitors. We're 4 _____ a lot more customers.

General Manager: That's fantastic news. 5 _____ have you done?

Store Manager: Well, we're 6 _____ some prices to cover our costs.

Speaking

- 8 With a partner, act out the roles below based on Task 7. Then, switch roles.

USE LANGUAGE SUCH AS:

How did it go with ...?

How is ... doing?

Great so far.

Student A: You are a general manager. Talk to Student B about:

- the new pricing policy in his or her store
- whether or not the policy has been successful
- other strategies the store is using

Student B: You are a store manager. Talk to Student A about the results of your store's pricing strategies.

Writing

- 9 Use the conversation from Task 8 to fill out the email to a supervisor.



Hello _____,

You asked for the results of our pricing changes. So far, we've made the following changes: _____

Since we made the changes, sales _____.

Customers _____.

In addition, the store _____.

Sincerely,



Effective Sales Techniques and Goals

Get ready!

- ① Before you read the passage, talk about these questions.

- 1 What skills do effective salespeople have?
- 2 What are some effective methods of selling products or services?

Reading

- ② Read the sales manual excerpt. Then, mark the following statements as true (T) or false (F).

- 1 ___ Salespeople should develop new pitches for each customer.
- 2 ___ Salespeople should avoid customers who display resistance.
- 3 ___ The manual recommends asking customers for contacts.

Effective salespeople never rely on bland sales **pitches**. Customers may show **resistance** towards large purchases. Your job is to overcome this resistance. Try **generating** a pitch specific to each customer. Find out why your customer is shopping for a car. Then, **capitalize on** his or her answer. Knowing each customer's needs will allow you to **influence** their decisions. This will help you **close** more deals.

Additionally, try to establish yourself as each customer's **contact** in the car sales industry. Often, this will result in **appointments** with prospective customers. Create new sales opportunities and you will generate more sales.

Vocabulary

- ③ Match the words (1-6) with the definitions (A-F).

- | | |
|---------------|------------------|
| 1 ___ sales | 4 ___ effective |
| 2 ___ close | 5 ___ influence |
| 3 ___ contact | 6 ___ resistance |

- A the field of attempting to sell goods
- B someone who can provide information or favors
- C an effort not to do something
- D something that achieves intended results
- E to finish a deal successfully
- F to affect a process or its outcome

- 4 Read the sentence pairs. Choose which word or phrase best fits each blank.

1 capitalize on / generate

- A The team used a new technique to _____ more sales.
B The salesperson tried to _____ the client's need for new equipment.

2 pitch / appointment

- A John tried out the new _____ on his last three customers.
B Paul made a(n) _____ to discuss a deal with a customer next week.

- 5 Listen and read the sales manual excerpt again. What should salespeople avoid?

Listening

- 6 Listen to a conversation between two salespeople. Choose the correct answers.

- 1 What are the speakers mainly discussing?
A how to attract more customers
B what guides customers' decisions
C how to generate more sales
D when to try to close a deal
- 2 What advice does the man offer?
A leave customers alone briefly
B develop better beginnings to pitches
C set a timeline for decisions
D try to close deals faster

- 7 Listen again and complete the conversation.

Salesperson 1: Hey, Jim. Can I 1 _____ on something?
Salesperson 2: Sure, Susan. 2 _____?
Salesperson 1: I'm having trouble 3 _____.
Salesperson 2: In what way?
Salesperson 1: Well, I start off well, but I can't seem to 4 _____.
Salesperson 2: You know, I had 5 _____ when I started. Have you tried giving customers a few moments alone?
Salesperson 1: No, does that work?
Salesperson 2: Sure. People 6 _____ more often when they feel they made the decision themselves.

Speaking

- 8 With a partner, act out the roles below based on Task 7. Then, switch roles.

USE LANGUAGE SUCH AS:

Can I ask your advice ...?
I can't seem to ...
I used to have the same ...

Student A: You are a salesperson. Talk to Student B about:

- a sales problem
- what is difficult for you
- what he or she recommends

Student B: You are a salesperson. Talk to Student A about improving his or her sales.

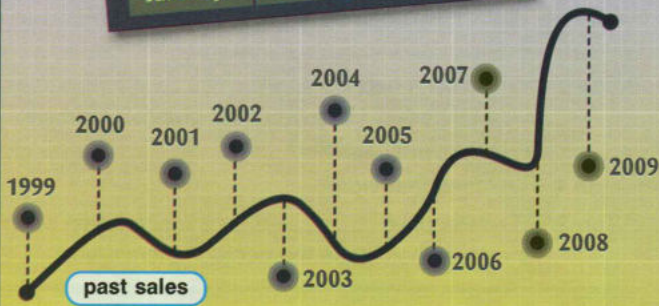
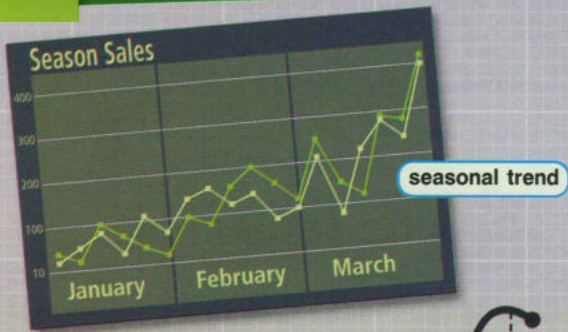
Writing

- 9 Use the conversation from Task 8 to fill out the memo.

Re: **Improving sales techniques**

Some of you have expressed difficulty _____. To those of you who are having difficulty, I would recommend giving _____ a few moments alone. This helps them feel like their _____ are their own. If you are having trouble developing effective _____, I recommend finding out more about the customer and basing _____ on their needs and lifestyles.

MEMO



SugarTech Inc.

June Sales Report

Our sales department recently reviewed **past sales** for the last few years. Their **comparison** revealed some trends. Consequently, we can **predict** sales in the **upcoming** months. Overall, our **sales forecast** looks poor in the near term. The data indicates our sales typically **contract** each summer. Apparently, consumers purchase smaller **volumes** of candy this time of year. Thus, we **estimate** sales will drop from **existing** levels by 8% next month.

However, we **expect** **seasonal trends** to be more favorable later. We always have high October sales. November sales are hard to predict. Some years sales increased, in others they declined. But December sales are always higher than November.

Get ready!

- 1 Before you read the passage, talk about these questions.

- What sorts of data are used to generate a sales forecast?
- What are sales forecasts used for?

Reading

- 2 Read the sales report. Then, choose the correct answers.

- What is the purpose of the report?
 - to request sales data for a forecast
 - to predict what sales will do in the future
 - to compare current and past sales trends
 - to recommend creating a sales forecast
- What can you infer about sales from the report?
 - Sales tend to reach their highest levels in the summer.
 - The company expects better sales for the rest of the year.
 - Sales this year look better than in previous years.
 - July sales will likely be lower than June sales.
- What is true of sales in November?
 - They have increased each year.
 - They are expected to contract.
 - They do not follow a trend.
 - They are higher than December sales.



Vocabulary

- 3 Fill in the blanks with the correct words or phrases from the word bank.

word BANK

expect
volumepast sales
comparisonexisting
estimate

- They used data from _____ to analyze how well products sold in different months.
- The company decided to use their _____ factories to assemble the product.
- A(n) _____ between the two products revealed that they were quite different.
- The disaster left the company with a large _____ of unusable merchandise.
- The employees didn't know what to _____ when the new manager took over.
- We were able to _____ future profits based on data from the last few months.-

4 Read the sentence pairs. Choose which word or phrase best fits each blank.

1 seasonal trend / sales forecast

- A** The _____ predicted an unpleasant year for the company.
- B** A _____ is a rise or fall in sales that occurs at the same time every year.

2 predict / contract

- A** The company expects sales figures to _____ following the holiday season.
- B** Analysts were unable to _____ the sudden stock market crash.

5 Listen and read the sales report again. What seasonal trends does the company experience?

Listening

6 Listen to a conversation between a salesperson and a manager. Mark the following statements as true (T) or false (F).

- 1 ___ The man believes that the sales report is accurate.
- 2 ___ The sales forecast predicts an increase in consumer sales.
- 3 ___ The speakers agree to delay spending more on advertising.

7 Listen again and complete the conversation.

Manager 1: Have you read the August 1 _____, Joan?

Manager 2: I have, Charles. Do you believe this 2 _____?

Manager 1: It seems accurate to me. I 3 _____ the same trends.

Manager 2: Hmm. I'm 4 _____ the drop in consumer sales. Is there any way to improve them?

Manager 1: We could try advertising more.

Manager 2: If we can get by on our 5 _____, we may not need to.

Manager 1: Well, just to be on the safe side, we 6 _____ do it anyway.

Manager 2: You're probably right.

Speaking

8 With a partner, act out the roles below based on Task 7. Then, switch roles.

USE LANGUAGE SUCH AS:

Do you believe this ...?

I'm worried about ...

We should probably ...

Student A: You are a manager. Talk to Student B about:

- whether a sales report is accurate
- the sales forecast
- what the company should do in response

Student B: You are a manager at a company. Talk to Student A about a sales report and its predictions.

Writing

9 Use the conversation from Task 8 to fill out the memo.

MEMO

Re: Sales Report

According to our _____, sales are expected to _____ in the next few months. Based on this _____, we recommend the following changes. First, we should _____ of our products. Consumers may buy our products if they are cheaper. Second, we should _____. With increased advertising, we should be able to _____ our sales a bit.

Memo

From: Steven Blake
To: Shipping personnel
Date: September 7
Subject: Shipping

Attention all shipping personnel,

According to our financial analysts, we spend too much on **shipping**. To save money, we will be changing some policies. First, we are switching to a new **shipping carrier**. Our new carrier can **deliver freight** at lower costs. Their **service area** is wider as well.

Second, we are changing our insurance policy. We will only **insure shipments** worth over \$1,000. Our delivery speeds are also changing. Please send all normal shipments through **standard mail**. Sometimes, shipments will have special priority. We will need to **transport** these shipments **overnight**. Such shipments are only authorized when shipments must **arrive** by the next day.

Get ready!

① Before you read the passage, talk about these questions.

- 1 What factors do people need to consider when shipping items?
- 2 What factors are important to you while choosing which shipping carrier to use?

Reading

② Read the memo. Then, mark the following statements as true (T) or false (F).

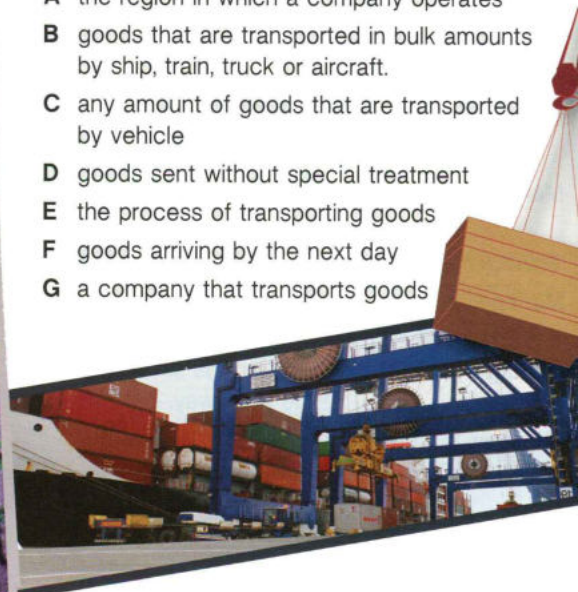
- 1 — The new shipping carrier is less expensive but it has a smaller area of service.
- 2 — The company is changing shipping carriers because too many shipments were damaged.
- 3 — The company will now insure shipments sent through standard mail.

Vocabulary

③ Match the words or phrases (1-7) with the definitions (A-G).

- | | |
|---------------|----------------------|
| 1 — freight | 5 — shipping carrier |
| 2 — shipment | 6 — standard mail |
| 3 — overnight | 7 — service area |
| 4 — shipping | |

- A the region in which a company operates
- B goods that are transported in bulk amounts by ship, train, truck or aircraft.
- C any amount of goods that are transported by vehicle
- D goods sent without special treatment
- E the process of transporting goods
- F goods arriving by the next day
- G a company that transports goods



4 Read the sentences and choose the correct words.

- 1 We waited all day for the package to **arrive/deliver**, but it never did.
- 2 He paid an extra fee to **overnight/insure** the shipment because it was fragile.
- 3 I hope that the company is able to **freight/deliver** the package on time.
- 4 Since the shipment is going overseas, they will probably **transport/insure** it by plane.

5 Listen and read the memo again. When are faster shipping speeds authorized?

Listening

6 Listen to a conversation between an employee and a manager. Choose the correct answers.

- 1 What are the speakers mainly discussing?
 - A which carrier they should use
 - B how to ship different items
 - C where items should be shipped
 - D how much to insure shipments for
- 2 What is true about the legal documents?
 - A They must be insured by the company.
 - B They will go through standard mail.
 - C They will be ready to ship the next day.
 - D They will arrive before the laptops.

7 Listen again and complete the conversation.

Employee: Sorry to 1 _____, but I have a quick question about shipping.

Manager: No problem, what's your question?

Employee: We have 2 _____ ready, how would you like to ship them?

Manager: What are they?

Employee: The first shipment is an order of 3 _____.

Manager: Send those through 4 _____, but be sure to insure them.

Employee: All right. The other shipment is a collection of 5 _____, mostly permits and contracts.

Manager: Those need to arrive by tomorrow evening. Ship them 6 _____.

Speaking

8 With a partner, act out the roles below based on Task 7. Then, switch roles.

USE LANGUAGE SUCH AS:

Sorry to bother you ...

How would you like ...?

Be sure to ...

Student A: You are an employee. Talk to Student B about:

- the contents of two shipments
- how they should be shipped
- whether they need to be insured

Student B: You are a manager. Talk to Student A about shipping.

Writing

9 Use the conversation from Task 8 to fill out the shipping order forms.

United Shipping Carrier

Shipment Order Form 1

Contents: _____

Shipping method: _____

Insurance: _____

United Shipping Carrier

Shipment Order Form 2

Contents: _____

Shipping method: _____

Insurance: _____

REPORT

To: Sandra Smith—CEO, Dress Up Threads

From: Collin Adams—Brand Studio Consultants

Get ready!

1 Before you read the passage, talk about these questions.

- 1 How can a company increase its brand recognition?
- 2 What happens if a company has too many product lines?

Reading

2 Read the report. Then, mark the following statements as true (T) or false (F).

- 1 — Customers generally prefer other brands over DUT.
- 2 — Customers appreciate the quality and style of DUT's products.
- 3 — Customers are familiar with DUT's shoes, but they want clothes.

Vocabulary

3 Write a word or phrase that is similar in meaning to the underlined part.

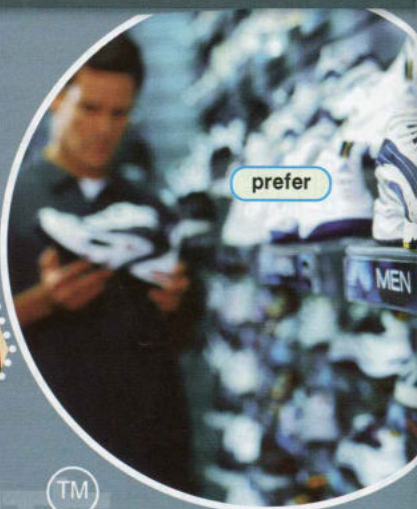
- 1 This company's name and image is very popular with teenagers.
_ r _ _ _
- 2 Customers like the company's tea products more than its coffee products.
_ _ e _ e _
- 3 Few people are aware of the company because it doesn't advertise.
_ a m _ _ _ r _ i _ _
- 4 Because of the process of adding a new product line to a brand, sales have increased.
_ _ _ n _ _ _ t _ n s _ _

Brand Studio researched Dress Up Thread's products and markets extensively. So far, your efforts at **branding** are successful. DUT has a distinct **identity**. Consumers **recognize** your logo, colors, and designs easily. They can easily **differentiate** between you and your competitors. They **associate** your products with luxury and style. What's more important, customers **prefer** DUT over similar **brands**. People know DUT has top-notch craftsmanship at fair prices.

How can DUT capitalize on this? Through **brand extension**. Customers are **familiar with** your fashionable clothing. But they want to see more products, starting with shoes, handbags, and jewelry. We recommend staying close to your original product line. This prevents **brand dilution**. If DUT avoids that, the new lines will be quite successful.



brand extension



prefer



brand dilution



differentiate

4 Read the sentence pairs. Choose which word or phrase best fits each blank.

1 recognize / associate

- A Customers don't _____ the brand because it's very new.
 B People _____ the company with high quality computers.

2 brand dilution / branding

- A Advertising and marketing are major parts of _____.
 B _____ can hurt all of a company's product lines.

3 differentiate / identity

- A The company is always changing, so it lacks a clear _____.
 B It's hard for customers to _____ one service from another.

5 Listen and read the report again. How can the company extend its brand and avoid dilution?

Listening

6 Listen to a conversation between a manager and a branding consultant. Check (✓) the disadvantages that are mentioned in the dialogue.

- 1 ☐ losing customers
- 2 ☐ being more expensive than making a new brand
- 3 ☐ taking sales from old products
- 4 ☐ confusing existing customers
- 5 ☐ weakening the brand's identity

7 Listen again and complete the conversation.

Manager: Do you think 1 _____ works?
Consultant: What do you 2 _____?
Manager: We make athletic shoes. But I want to make 3 _____, too.
Consultant: That sounds good. A new line will attract 4 _____.
Manager: Right. And it's 5 _____ creating a new brand.
Consultant: That's true. But you have to be careful. New products can take 6 _____ from old lines.

Speaking

8 With a partner, act out the roles below based on Task 7. Then, switch roles.

USE LANGUAGE SUCH AS:

You have to be careful.

Student A: You are a manager. Talk to Student B about:

- a new product line you want to create
- the advantages of brand extension
- the disadvantages of brand extension

Student B: You are a manager. Talk to Student A about shipping.

Writing

9 Use the conversation from Task 8 to fill out the manager's notes.

Notes

Brand Extension

Current product line: _____

Ideas for brand extension: _____

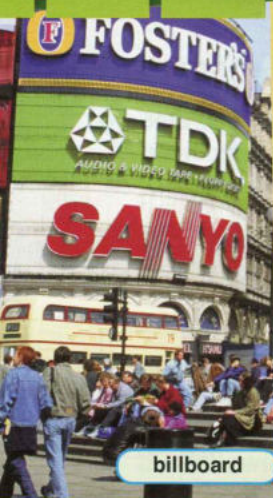
Benefits:

- _____
 - _____

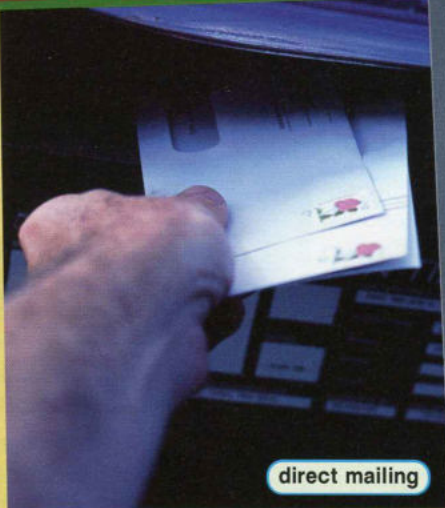
Risks

- _____
 - _____

13 Marketing



billboard



direct mailing



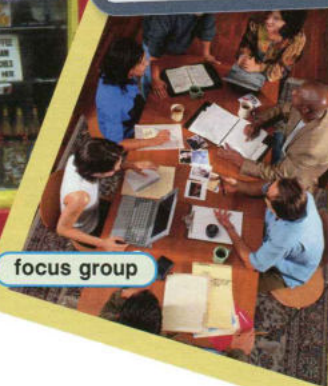
outlet

From: jill@andersonmarketing.com
To: mark@fantasticgizmos.com
Sent: December 1
Subject: Marketing methods

Mr. Jameson,

My team recently finished reviewing your products. We can now offer you our **marketing** recommendations. Your company's primary **niche** is consumer electronics. Consequently, your main **demographic** is 20 to 40 year old men. Using this information, we formed a **focus group**. The group responded best to online **promotions**. They also responded well to **billboards** and television **commercials**. The group intensely disliked **direct mailing**. According to our **market research**, online ads will **reach** your **target audience** best. Furthermore, they can link to the online **outlets** that sell your products. This should boost your sales considerably. Let us know how you want to proceed.

Thank you,
Jill Summers
Anderson Marketing, Inc.



focus group



demographic

Get ready!

1 Before you read the passage, talk about these questions.

- 1 What are some common methods of marketing a product?
- 2 How do companies choose how to market their products?

Reading

2 Read the email. Then, mark the following statements as true (T) or false (F).

- 1 — The company mainly sells electronics to male consumers.
- 2 — The focus group liked billboard advertising the least.
- 3 — Television commercials will reach the company's target audience best.

Vocabulary

3 Match the words or phrases (1-6) with the definitions (A-F).

- | | |
|---------------|---------------------|
| 1 — niche | 4 — focus group |
| 2 — promotion | 5 — direct mailing |
| 3 — marketing | 6 — target audience |

- A advertisements sent directly to homes
- B a particular segment of a market
- C the process of promoting and selling something
- D an activity that attracts attention to something
- E the intended viewers of an advertisement
- F a crowd of people brought together to share their opinions

4 Fill in the blanks with the correct words or phrases: *demographic, reach, billboard, market research, commercial, outlet.*

- 1 The company placed a large _____ on top of the apartment building.
- 2 The ads in the newspaper were able to _____ a large audience.
- 3 The music in that new _____ is extremely catchy.
- 4 The book was primarily intended for the teenage girl _____.
- 5 The product will be shipped to the _____ on June 14th.
- 6 The company based their decisions on _____.

5 Listen and read the email again. How did the marketing company gather their information?

Listening

6 Listen to a conversation between two managers. Choose the correct answers.

- 1 What is the main topic of the discussion?
 - A how to reduce advertising costs
 - B which method of advertising to use
 - C where to place billboard advertisements
 - D whether online ads are effective or not
- 2 Why does the woman dislike billboard advertising?
 - A It reaches a smaller audience.
 - B It costs more than she wants to spend.
 - C It does not contribute to online presence.
 - D It has not been proven effective yet.

7 Listen again and complete the conversation.

Manager 1: Hi. Have you read the 1 _____ suggestions yet?

Manager 2: Yes, I did. How should we proceed?

Manager 1: I liked their suggestion of using 2 _____.

Manager 2: Hmm. I'd prefer a more 3 _____, like billboards.

Manager 1: But billboard advertising is so old. Moreover, it won't contribute to our 4 _____.

Manager 2: Perhaps, but they've been effective in the past.

Manager 1: Well, why don't 5 _____ billboards and online ads?

Manager 2: That seems like a 6 _____.

Speaking

8 With a partner, act out the roles below based on Task 7. Then, switch roles.

USE LANGUAGE SUCH AS:

How should we ...?

I'd prefer ...

Why don't we ...?

Student A: You are a manager. Talk to Student B about:

- a marketing method
- his or her suggestion
- why you like one method more than the other

Student B: You are a manager. Talk to Student A about marketing methods.

Writing

9 Use the conversation from Task 8 to fill out the email.

From: mark@fantasticgizmos.com
To: jill@andersonmarketing.com
Sent: December 2
Subject: Re: Marketing methods

Dear Ms. Summers,

Based on your suggestions, we would like to try _____ through _____. We think this will be one of the most effective ways of _____ our _____. We would also like to try a traditional approach, such as _____. It might be less effective, but it will ensure people see our _____.

Thank you,
Mark Jameson

14 Competition

Against the Odds:

Toyland's Success Story

Toyland was once a **minor player** in toys. Today, it's an industry **leader**. The **upstart** transformed it, but how?

Toyland **broke into** the market in 2003. It expanded quickly. But **competition** was fierce. Toyland produced many toys, but they weren't the best. The company had no **edge**. By 2007, it was about to shut down.

A new CEO, Brenda Ortiz, entered the company. She recognized the **threats** from **competitors**. In response, she simplified Toyland. Ortiz shrunk her production facility and updated its equipment. This reduced costs, but doubled production. Ortiz also discontinued five product lines. Now, Toyland only makes toys for infants and toddlers. This has provided an **advantage**. The company has a near **monopoly** in that market. Profits have soared by 250% in just five years!

Get ready!

1 Before you read the passage, talk about these questions.

- What are some potential threats to a new business?
- What are the benefits of competition?

Reading

2 Read the magazine article. Then, choose the correct answers.

- What is the main subject of the article?
 - ways a failing company improved
 - how to handle threats from competitors
 - developing an edge in any industry
 - the pros and cons of monopolies
- Which of the following actions did the CEO NOT do?
 - create a competitive edge
 - stop production of many toys
 - increase Toyland's profits
 - expand the production facility
- What can be inferred about Toyland's products before 2007?
 - They were for many age groups.
 - They were high-quality toys.
 - They were very expensive.
 - They were not made for toddlers.



leader

HALF PRICE

threat

SALE 75%

Flavors Inc

Local Veg

Foods & Co

FRESCO'S

FRUITS Market

Veg Market

Vocabulary

3 Match the words or phrases (1-7) with the definitions (A-G).

- | | |
|---------------|-----------------|
| 1 — transform | 5 — threat |
| 2 — monopoly | 6 — break into |
| 3 — edge | 7 — competition |
| 4 — upstart | |

- to begin working in an industry
- a feature that makes a business or product better than others
- when two or more companies try to do better than the others
- a situation where one company has total control over an industry
- a new, often successful, business
- to make major changes to something
- something that can hurt a business

4 Write a word or phrase that is similar in meaning to the underlined part.

- The company is not doing well compared to businesses that offer similar goods.
_ _ m _ _ _ _ t _ r s
- Floral Fantasy's feature that makes it better than other companies is its low prices.
_ _ _ a n _ _ _ _
- The store was a company that performed at a low level, but it is growing.
m _ _ _ _ _ l _ _ e _
- Businesses try to copy the companies that outperform others in their industry.
_ e _ d _ _ _

5 Listen and read the article again. What problem did Toyland have before Ortiz stepped in?

Listening

6 Listen to a conversation between two managers. Mark the following statements as true (T) or false (F).

- ___ A new competitor just opened near the speakers' business.
- ___ The managers' store has an advantage because of its low prices.
- ___ The managers agree to increase advertising.

7 Listen again and complete the conversation.

Manager 1: There's a new supermarket down the street. Do you think it'll be a 1 _____?

Manager 2: No. It's a minor player. With our 2 _____, we've got a major advantage.

Manager 1: Yeah, but 3 _____ that locally-owned furniture store opened?

Manager 2: Oh ... Yeah, I do. Its competitors went 4 _____. Even the leaders.

Manager 1: Right. I think we need to 5 _____.

Manager 2: No, let's not do that yet. For right now, let's just increase our 6 _____.

Speaking

8 With a partner, act out the roles below based on Task 7. Then, switch roles.

USE LANGUAGE SUCH AS:

Do you think it's a threat?

Remember when ...?

I think we need to ...

Student A: You are a store manager. Talk to Student B about:

- a competitor that recently opened
- an example of competition between other companies
- how your store can beat the competition

Student B: You are a store manager. Talk to Student A about beating the competition.

Writing

9 Use the conversation from Task 8 to fill out the email to a supervisor.

Toyland

Hello _____,

A competitor recently opened in our industry. We can maintain our position as a leader. But we need to make some changes. Here are my suggestions:

Do you think any of these will work? Let me know.

Get ready!

1 Before you read the passage, talk about these questions.

- 1 Why is customer service important?
- 2 What can companies do to improve customer service?

satisfaction

Green Corp.

Company Newsletter – March 12th

Improving Customer Relations

Our success depends on **customer relations**. And good **customer service** is key to customer happiness. As our founder always said, “**satisfaction** breeds **loyalty**.” Happy customers often return. They also provide free **word-of-mouth** advertising. That’s why it’s important to **rectify** problems and **apologize** for mistakes. Great service can fix any **negative** experience.

That’s why we’d like to hear about customers’ experiences. So, we’re developing an **email list** based on our **customer base**. We’ll use it to send out surveys. These **surveys** will allow customers to give us **recommendations**.

As always, we like to honor exceptional employees. Our March employee of the month is Susan Reeds. Susan received 90% **positive** feedback last month. For her excellent service, Susan will receive a \$500 bonus.

word-of-mouth

customer relations

Reading

2 Read the newsletter excerpt. Then, mark the following statements as true (T) or false (F).

- 1 — The newsletter apologizes for mistakes made on customer accounts.
- 2 — The company received negative feedback from surveys.
- 3 — An employee was rewarded for creating a customer email list.

Vocabulary

3 Match the words or phrases (1-7) with the definitions (A-G).

- | | |
|----------------|------------------------|
| 1 — survey | 5 — recommendation |
| 2 — rectify | 6 — word-of-mouth |
| 3 — apologize | 7 — customer relations |
| 4 — email list | |

- A to fix a problem
- B an idea offered for consideration
- C a collection of names and addresses
- D shared between people through speech
- E a group of questions people can answer
- F to express sorrow for doing something wrong
- G the relationships between companies and customers

4 Read the sentence pairs. Choose which word or phrase best fits each blank.

1 customer service / customer base

- A The company rewards its _____ through its discounts.
- B Our business is committed to providing great _____.

2 loyalty / satisfaction

- A When customers feel _____ towards a business, they will support it.
- B The customer was angry because the job was not completed to his _____.

3 positive / negative

- A I had a _____ experience when the store would not refund my purchase.
- B Mary is great with customers because she always has a _____ attitude.

- 5 Listen and read the newsletter excerpt again. Why is the company developing an email list?

Listening

- 6 Listen to a conversation between a service representative and a customer. Choose the correct answers.

- What problem is the conversation about?
A a customer received the wrong order
B a product was broken when it arrived
C an order was shipped incorrectly
D a customer was overcharged
- What will the service representative probably do next?
A ship a new order to the customer
B refund the customer's shipping cost
C apologize for the company's error
D record the customer's complaint

- 7 Listen again and complete the conversation.

Service Rep: Thank you for calling 1 _____. How may I help you?

Customer: I have a complaint about an order.

Service Rep: 2 _____ is important to us. What's wrong with your order?

Customer: I paid for overnight shipping, but didn't receive my order for four days.

Service Rep: Let me 3 _____ on my company's behalf. We are very sorry.

Customer: Can you 4 _____ my shipping cost?

Service Rep: Certainly. I'll also include a 5 _____ on your next order. Just tell me your account info.

Customer: Thank you. My name is Greg Sanders, and my 6 _____ is 1384227-5.

Service Rep: Thanks, Mr. Sanders. I'll start that refund now.

Speaking

- 8 With a partner, act out the roles below based on Task 7. Then, switch roles.

USE LANGUAGE SUCH AS:

Thank you for calling ...

What's wrong with ...?

Let me apologize ...

Student A: You are a customer service representative. Talk to Student B about:

- the importance of satisfying the customer
- a problem with an order
- how you can rectify the problem

Student B: You are a customer. Talk to Student A about a problem with an order.

Writing

- 9 Use the conversation from Task 8 to fill out the complaint form.

Customer Complaint Form

Customer's complaint:

Actions taken by representative:

- _____

- _____

Was the conflict resolved?

Glossary

- account for** [V-T-U8] To **account for** something is to give reasons for or provide an explanation for something.
- advantage** [N-COUNT-U14] An **advantage** is a feature or quality that makes one person or company more likely to do better at something than others.
- analyze** [V-T-U5] To **analyze** is to study something extensively in an effort to describe or comprehend it.
- apologize** [V-I-U15] To **apologize** is to express sorrow to someone for doing something wrong.
- apply** [V-T-U5] To **apply** a process, rule, or technique is to use it.
- appointment** [N-COUNT-U9] An **appointment** is a planned meeting between two or more people at a specific time.
- arrive** [V-I-U11] To **arrive** is to reach a location at the end of a trip.
- assembly line** [N-COUNT-U2] An **assembly line** is a system of putting a product together in which the item passes through different stages. Each stage has a specific task and adds or completes some aspect of the product.
- assess** [V-T-U5] To **assess** something is to look at it carefully and make a judgment on it.
- associate** [V-T-U12] To **associate** one thing or person with another thing or person is to connect the two things.
- attract** [V-T-U8] To **attract** attention to something is to draw others' attention to it.
- benchmarking** [N-UNCOUNT-U5] **Benchmarking** is the process of determining the standards for one's business practice. This is done by examining the standards set by other companies within and outside of one's industry.
- best practice** [N-COUNT-U5] A **best practice** is a system that is successful more often than any other method of doing something.
- billboard** [N-COUNT-U13] A **billboard** is a large, outdoor board where advertisements are displayed.
- blemish** [N-COUNT-U3] A **blemish** is a mark that ruins how an item looks.
- brand** [N-COUNT-U12] A **brand** is a manufacturer's name and image, including its slogan and logo.
- brand dilution** [N-UNCOUNT-U12] **Brand dilution** is the overuse of a brand to the point where it does not reach its target market, loses its prestige, or decreases in quality and value.
- brand extension** [N-UNCOUNT-U12] **Brand extension** is the process of establishing a new product line under a well-established brand. Generally, the new product line goes into a different category from previous lines within the brand.
- branding** [N-UNCOUNT-U12] **Branding** is the creation of a consistent, favorable image of a product and its manufacturer in customers' minds.
- break into** [V-T-U14] To **break into** something is to enter something new, such as a specific industry.
- capitalize on** [V-T-U9] To **capitalize on** a situation is to use it to get an advantage or succeed at a goal.
- close** [V-T-U9] To **close** a deal is to complete it successfully.
- commercial** [N-COUNT-U13] A **commercial** is an advertisement that plays on television or radio.
- compare** [V-T-U5] To **compare** two or more things is to look at them and find their similarities and differences.
- comparison** [N-COUNT-U10] A **comparison** is a statement that describes how two items are similar to and different from each other.
- competition** [N-UNCOUNT-U14] **Competition** is the efforts or process of two or more companies to perform better than the others.
- competitive benchmark** [N-COUNT-U5] A **competitive benchmark** is a standard set by comparing a business' practice to those of a competitor.

competitor [N-COUNT-U14] A **competitor** is a business that offers the same services or sells the same products as another company.

complete [V-T-U4] To **complete** a project is to finish it entirely.

consumer [N-COUNT-U1] A **consumer** is a person or group of people who buy and use a particular good or service.

contact [N-COUNT-U9] A **contact** is a person who can provide someone else with information or favors.

contract [V-I-U10] To **contract** is to become smaller or less numerous.

control [V-T-U6] To **control** something is to make and implement decisions that will make it exactly as needed.

cost [N-COUNT-U8] A **cost** is the amount of money paid for something. It is the base amount used in determining how much an item should be marked up.

cover [V-T-U8] To **cover** something is to possess the amount of money needed to do it.

customer base [N-COUNT-U15] A **customer base** is the group of people a business sells goods or services to.

customer relations [N-UNCOUNT-U15] **Customer relations** are the relationships companies develop through interaction with their customers.

customer service [N-UNCOUNT-U15] **Customer service** is the assistance a company provides for its customers.

deadline [N-COUNT-U4] A **deadline** is a given time by which something must be done.

defect [N-COUNT-U3] A **defect** is an imperfection or problem with something that makes it less effective or useful.

deliver [V-T-U11] To **deliver** something is to take it from a sender to a recipient.

demand [N-UNCOUNT-U1] **Demand** is the level of need for a product or service.

demographic [N-COUNT-U13] A **demographic** is a portion of the population that a company wants to sell products to.

determine [V-T-U1] To **determine** is to decide or control something.

develop [V-T-U7] To **develop** something is to create or improve it after working on it for a period of time.

differentiate [V-I or T-U12] To **differentiate** is to see the variations between two things.

dimension [N-COUNT-U7] A **dimension** is a measurement of an item's length, height, or width.

direct mailing [N-UNCOUNT-U13] **Direct mailing** is advertising by mailing advertisements directly to people at home.

distribute [V-T-U7] To **distribute** goods is to sell and deliver them to a store or individual customer.

due [ADJ-U4] If a project is **due** by a certain time, it must be completed by that time.

durability [N-UNCOUNT-U7] **Durability** is the quality of being able to last for a long time and withstand wear and tear.

economics [N-UNCOUNT-U1] **Economics** is an area of study that focuses on how goods and services are made, distributed, and consumed.

edge [N-UNCOUNT-U14] An **edge** is a feature or quality that makes one person or company more likely to do better at something than others.

effective [ADJ-U9] If an action is **effective**, it achieves its intended results.

efficiency [N-UNCOUNT-U6] **Efficiency** is the ability to do a task well, using the minimum amount of time, resources, or effort.

email list [N-COUNT-U15] An **email list** is a list of names and email addresses that a person or organization can use to send information to a large amount of people.

estimate [V-T-U10] To **estimate** an amount is to find the amount through guessing or calculation.

Glossary

existing [ADJ-U10] If something is **existing**, it is currently in the state in which it is described.

expect [V-T-U10] To **expect** an event is to think that it will happen.

extension [N-COUNT-U4] An **extension** is additional time that is given to finish a piece of work.

factor [N-COUNT-U6] A **factor** is an element that influences how something happens.

fail [V-I or T-U3] To **fail** is to be unsuccessful in meeting performance or quality standards in a test or inspection.

familiar with [ADJ-U12] If a person is **familiar with** something, he or she has seen it before and has knowledge of it.

feature [V-T-U7] To **feature** a particular characteristic is to have it as an important aspect.

flaw [N-COUNT-U3] A **flaw** is an imperfection or problem with something that makes it less effective or useful.

focus group [N-COUNT-U13] A **focus group** is a group of people who are brought together to discuss their opinions on a subject.

freight [N-UNCOUNT-U11] **Freight** is a collection of goods transported in bulk by boat, train, truck or aircraft.

functional benchmark [N-COUNT-U5] A **functional benchmark** is a standard set by comparing one's core business processes, such as billing or human resource processes, to those of another company in the same industry.

generate [V-T-U9] To **generate** something is to produce it.

good [N-COUNT-U1] A **good** is an item that is sold.

hard [ADJ-U4] If a deadline is **hard**, it must be completed on time.

identity [N-COUNT-U12] An **identity** is all the essential characteristics of something that show what it is and how it is different from other things.

implement [V-T-U2] To **implement** something is to carry out a plan or put it into action.

influence [V-T-U9] To **influence** an action is to affect the way it happens or the outcome.

inspect [V-T-U3] To **inspect** something is to check it very carefully, usually in order to make sure that it is up to standards.

insure [V-T-U11] To **insure** something is to pay a fee so that someone will be compensated if items are damaged or destroyed.

internal benchmark [N-COUNT-U5] An **internal benchmark** is a standard set by comparing practices in similar parts of the same organization.

inventory management [N-UNCOUNT-U6] **Inventory management** is a system used to track and handle supplies and resources needed for business operations. It involves keeping a list of the materials available and the materials used.

inverse [ADJ-U1] If a relationship between two things is **inverse**, it has been reversed.

just-in-time production [N-UNCOUNT-U2] **Just-in-time production** is a production technique that involves reducing waste by producing only what is necessary at the moment it is necessary. Signals are used to indicate when materials, labor, or equipment is needed.

leader [N-COUNT-U14] A **leader** is a company that performs better than all others in the same industry.

lean manufacturing [N-UNCOUNT-U2] **Lean manufacturing** is a manufacturing process that focuses on eliminating waste in the production process and adding value to a product for consumers.

loyalty [N-UNCOUNT-U15] **Loyalty** is reoccurring support that a person gives to someone or something when he or she has positive feelings for it.

make [N-COUNT-U7] A **make** is the company or brand that produces a particular product.

manufacturer [N-COUNT-U2] A **manufacturer** is a maker of a product.

mark up [V-T-U8] To **mark up** the price of an item is to increase it.

market research [N-UNCOUNT-U13] **Market research** is information that is collected to determine what kinds of goods and services people like to buy.

marketing [N-UNCOUNT-U13] **Marketing** is the process of promoting and selling goods or services.

measure [V-T-U5] To **measure** something is to estimate or judge it based on certain criteria.

meet [V-T-U4] To **meet** a deadline is to finish a task on time.

minimize [V-T-U6] To **minimize** something is to reduce it to its lowest possible level.

minor player [N-COUNT-U14] A **minor player** is a company that performs at a lower level than other similar companies. Its activities are unlikely to hurt another company's business interests.

model [N-COUNT-U7] A **model** is a specific item, often a machine or a vehicle, that is different from others of the same type.

monopoly [N-COUNT-U14] A **monopoly** is a business condition in which one company dominates an industry or business sector.

negative [ADJ-U15] If something is **negative**, it is bad or unpleasant.

niche [N-COUNT-U13] A **niche** is a specific section of a market.

on time [ADV-U4] If a task is completed **on time**, it is completed within the expected amount of time.

operations [N-COUNT-U6] **Operations** are the activities that are necessary to do business.

outlet [N-COUNT-U13] An **outlet** is a market where a particular product is sold.

output [N-COUNT-U2] **Output** is the quantity of something that has been produced.

overnight [ADV-U11] If someone does something **overnight**, he or she completes it during a single night.

pass [V-I or T-U3] To **pass** is to successfully go through a test or inspection.

past sales [N-UNCOUNT-U10] **Past sales** are the total of sales that were made in the past.

pitch [N-COUNT-U9] A **pitch** is what a salesperson says to get someone to buy something. It often involves a description of the product or service.

positive [ADJ-U15] If something is **positive**, it is good or pleasant.

predict [V-T-U10] To **predict** an event is to say when and if you think the event will happen in the future.

prefer [V-T-U12] To **prefer** is to like one thing more than another.

price [N-COUNT-U8] A **price** is the monetary value of an item. It is the amount customers pay for the item.

price matching [N-UNCOUNT-U8] **Price matching** is a customer service policy in which a company gives customers an equal or lower price on an item than a competitor's price on the same product.

pricing policy [N-COUNT-U8] A **pricing policy** is the guidelines a company uses to decide the prices for what it sells.

production [N-UNCOUNT-U2] **Production** is the act of making something, often an item that will be sold to consumers.

promotion [N-UNCOUNT-U13] **Promotion** is an activity that attracts people's attention to something.

quality [N-COUNT-U7] A **quality** is a trait or characteristic.

quality control [N-UNCOUNT-U3] **Quality control** is a system or process that ensures the quality of manufactured goods against a set list of requirements.

Glossary

- quality standards** [N-COUNT-U3] **Quality standards** is an established system that describes the level of quality expected to be met in manufactured goods against a set list of requirements.
- quantity** [N-COUNT-U1] A **quantity** is a measurable amount of an item.
- raw materials** [N-COUNT-U2] **Raw materials** are materials that have not been used to make something yet.
- reach** [V-T-U13] To **reach** people is to gain their attention through some means.
- recall** [N-COUNT-U3] A **recall** is an instance when a company asks customers to return a product because of a major flaw or other problem with it.
- recognize** [V-T-U12] To **recognize** something is to be able to identify it because you have previously acquired knowledge of it.
- recommendation** [N-COUNT-U15] A **recommendation** is an idea or plan that is offered for consideration.
- recoup** [V-I or T-U8] To **recoup** is to get back or make up for something that was lost.
- rectify** [V-I-U15] To **rectify** a problem is to correct it.
- release** [V-T-U7] To **release** an item is to make it accessible to the public by putting it on sale.
- resistance** [N-UNCOUNT-U9] **Resistance** is an effort not to do something.
- sales** [N-UNCOUNT-U9] **Sales** is the act or field of trying to sell goods or services to people.
- sales forecast** [N-COUNT-U10] A **sales forecast** is an estimation of future sales for a business.
- satisfaction** [N-UNCOUNT-U15] **Satisfaction** is the feeling of pleasure that someone gets when they get something they want.
- seasonal trend** [N-COUNT-U10] A **seasonal trend** is a rise or drop in sales activity due to predictable climate or calendar changes.
- service area** [N-COUNT-U11] A **service area** is the region in which a service can be provided.
- shipment** [N-COUNT-U11] A **shipment** is any amount of goods transported from one place to another by vehicle.
- shipping** [N-UNCOUNT-U11] **Shipping** is the process of transporting goods from one place to another.
- shipping carrier** [N-COUNT-U11] A **shipping carrier** is a company that provides shipping services.
- soft** [ADJ-U4] If a deadline is **soft**, it may be moved further into the future.
- spending** [N-UNCOUNT-U1] **Spending** is the money used by consumers, a government, or an organization.
- standard mail** [N-UNCOUNT-U11] **Standard mail** is mail that does not require special treatment or fast delivery.
- storage** [N-UNCOUNT-U6] **Storage** is the act of putting something away for later use.
- strategic business unit** [N-COUNT-U6] A **strategic business unit** is a profitable section of a company that focuses on one specific product line or service with its own target market.
- strategy** [N-COUNT-U6] A **strategy** is a well thought out plan or way of doing something.
- supply** [N-UNCOUNT-U1] **Supply** is the amount of an item that is on hand.
- supply chain** [N-COUNT-U6] A **supply chain** is the entire system of entities and actions that participate in the process of manufacturing and selling an item to a customer. The supply chain includes suppliers, manufacturers, distributors, and retailers.
- survey** [N-COUNT-U15] A **survey** is a list of questions meant to be answered by a group of people.

- target audience** [N-COUNT-U13] A **target audience** is the specific group of people that an advertisement or message is meant for.
- threat** [N-COUNT-U14] A **threat** is something that can hurt someone else.
- time limit** [N-COUNT-U4] A **time limit** is the amount of time in which something must be done.
- transform** [V-I or T-U14] To **transform** is to change something completely, often in an effort to improve it.
- transport** [V-T-U11] To **transport** something is to move it from one place to another.
- trend** [N-COUNT-U1] A **trend** is a general pattern or direction.
- under the gun** [ADJ-U4] If someone is **under the gun**, he or she only has a short amount of time to complete a task.
- upgrade** [N-COUNT-U7] An **upgrade** is an advance or improvement in the performance or functions of an item.
- upstart** [N-COUNT-U14] An **upstart** is a new company, often one that is becoming successful very quickly.
- visual inspection** [N-COUNT-U3] A **visual inspection** is an examination of something using one's senses, rather than special equipment.
- volume** [N-COUNT-U10] A **volume** is an amount or quantity of something.
- waste** [N-UNCOUNT-U2] **Waste** is material that is leftover after a process has been completed. Waste is usually unusable.
- wholesale** [ADJ-U8] If a price is **wholesale**, it is based on the sale of large quantities of an item to another business, such as a retail store.
- word-of-mouth** [ADJ-U15] If information is spread through **word-of-mouth**, it is shared between people through speech.



Management II

Book
2

Virginia Evans
Jenny Dooley
Henry Brown



Express Publishing

Scope and Sequence

Unit	Topic	Reading context	Vocabulary	Function
1	Management Style 1	Performance review	authoritarian, breathe down (someone's) neck, consider, demanding, harsh, heavy-handed, impose, limiting, management style, micromanage, subordinate, unilateral	Describing potential effects
2	Management Style 2	Questionnaire results	approachable, boss, communicate, consult, contribute, deal with, lack, loyalty, motivation, paternalistic, turnover, value	Describing personal experience
3	Management Style 3	Magazine article	arrive at, bottom-up, consensus, debate, delay, democratic, empower, morale, participation, satisfaction, steer, streamline, top-down	Giving a warning
4	Starting a Business	Advice column	break even, business plan, contribution, gross, initial, legal structure, license, location, permit, profit, sales revenue, start up	Proposing a plan
5	Business Strategy	Pamphlet	branch out, distribution channel, dominate, foothold, formulate, industry leader, profitability, resource allocation, stabilize, strategic goal, strategy	Agreeing with an opinion
6	Business Models	Article	assemble, bait and hook model, business model, charge, distributor model, factory, franchise model, infrastructure, manufacture, organization, pay-as-you-go, razor and blade model, utility model	Changing topics
7	Costs and Expenses	Website	activity-based costing, cost driver, direct costs, direct labor, direct materials, expense, fixed costs, fixed overhead, indirect costs, variable costs, variable overhead	Defining a term
8	Income and Assets	Memo	accounts payable, accrued expenses payable, bill, bonus, carry over, estimate, income tax payable, invoice, loan period, owe	Asking for clarification
9	Budgets	Email	allot, budget, cash budget, estimate, forecast, fund, invest, long-term, master budget, operating budget, short-term, slash	Asking for an opinion
10	Balance Sheets	Balance sheet & letter	accounts payable, accounts receivable, assets, balance sheet, fixed assets, intangible assets, inventory, liabilities, owner's equity, property and equipment (P&E)	Asking about needs
11	P&L Reports	P&L report & letter	cost of goods sold, cost of sales, depreciation, gross profit, income statement, net profit, net sales, overhead, profit and loss account, revenue	Bringing up a problem
12	Cash Flow Statements	Textbook	activity, bill, cash distributions, cash equivalents, cash flow, cumulative, dividends, generate, inflows, near-term, outflows, proceeds	Expressing relief
13	The Break-even Point	Chapter	break-even point, loss zone, margin, margin ratio, minimum, optimal, profit zone, reduce, set, slump, tighten	Delivering bad news
14	Taxes	Website	corporate tax, excise tax, flat tax, income tax, property tax, sales tax, tax, tax bracket, tax break, tax evasion, taxes, value added tax (VAT)	Making a suggestion
15	Bookkeeping Cycle	Memo	accounting database, adjust, closing procedures, credit card slip, end-of-period procedures, fiscal year, journal, purchase invoice, record, salary roster, source document, time card, transaction, up-to-date	Talking about progress

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Get ready!

1 Before you read the passage, talk about these questions.

- What are some qualities of good managers?
- What behaviors should managers avoid?



Joe's Electric Performance Review

Date: 02/15

Manager's Name: Allen Hart

Reviewer: Francine Neil

Page: 2/3

Area for improvement: Mr. Hart meets project deadlines and his team is productive. His **subordinates**, however, have complained about his **management style**. He can come across as **demanding** and **authoritarian**. Others remark that he is too **heavy-handed**. Many feel that he **micromanages**. This is cause for concern. We want our employees to feel comfortable approaching their managers. We want employees to feel valued.

Mr. Hart must avoid **imposing unilateral** decisions on his team. It is **limiting** and decreases morale. Most importantly, he must listen to his employees. He should also think about his tone of voice and body language. He should not speak in a **harsh** or aggressive manner. Finally, he needs to give employees more autonomy. They deserve his trust. We strongly urge Mr. Hart to **consider** this feedback. His employees will be more efficient, as well. No one works well with a manager **breathing down their neck**.

Reading

2 Read the performance review. Then, choose the correct answers.

- What is the main idea of the passage?
 - to list an employee's successes on past projects
 - to discuss a team's performance over a specific time period
 - to give advice about how an employee can address his weaknesses
 - to recognize an employee's excellent management style
- Which of the following is NOT one of the manager's traits?
 - He is heavy-handed.
 - He micromanages.
 - He can seem demanding.
 - He is unorganized.
- According to the review, what is the most important thing Mr. Hart can do to improve his management style?
 - listen to his employees
 - give his employees more autonomy
 - watch his body language
 - give his employees less responsibility

Vocabulary

3 Match the words or phrases (1-8) with the definitions (A-H).

- | | |
|--------------------|------------------------|
| 1 ___ heavy-handed | 5 ___ management style |
| 2 ___ consider | 6 ___ unilateral |
| 3 ___ impose | 7 ___ micromanage |
| 4 ___ subordinate | 8 ___ authoritarian |

- a management style that is characterized by demanding total obedience and not respecting personal freedom
- to give something close thought
- to be overly involved in employees' daily work
- impatient, rude, or inconsiderate
- the way in which a manager interacts with his or her employees
- to force something to happen or be put into effect
- inconsiderate of the opinion of the group
- a person who works for or under someone else

4 Read the sentence pairs. Choose which word or phrase best fits each blank.

1 harsh / demanding

- A A _____ manager asks his or her employees to do too much.
 B He thought that his punishment was rather _____ considering what he'd done wrong.

2 limiting / breathing down his neck

- A Our boss does not let us make any decisions. He is very _____.
 B Tom's manager is always _____ when a deadline is approaching.

5 Listen and read the performance review again. Why should the manager take the advice?

Listening

6 Listen to a conversation between an owner and a manager. Mark the following statements as true (T) or false (F).

- 1 ___ The man's management style decreases his team's productivity.
 2 ___ The woman worries that employees will stop working so hard.
 3 ___ The man agrees to be a little more demanding.

7 Listen again and complete the conversation.

Owner: Yes, you do. Your employees tell me that 1 _____. Some even say you're harsh.

Manager: I know I can seem that way. But if I lay off, they might stop 2 _____.

Owner: I don't think you're giving them enough credit. You have to trust them.

Manager: You think they'll do their work even if I'm not 3 _____?

Owner: Try listening to them and showing them you 4 _____.

Manager: 5 _____ that will work.

Owner: It's 6 _____. You might be surprised.

Speaking

8 With a partner, act out the roles below based on Task 7. Then, switch roles.

USE LANGUAGE SUCH AS:

*You need to work on ...
 But if I ..., they might ...
 Try ...*

Student A: You are a manager. Talk to Student B about:

- your performance review
- what you need to work on
- why you're hesitant to change

Student B: You are a business owner. Talk to Student A about his or her management style.

Writing

9 Use the conversation from Task 8 to fill out the performance review.

Joe Meyer

Quarter 1 Performance Review

Area for improvement: The employee needs to work on his _____.

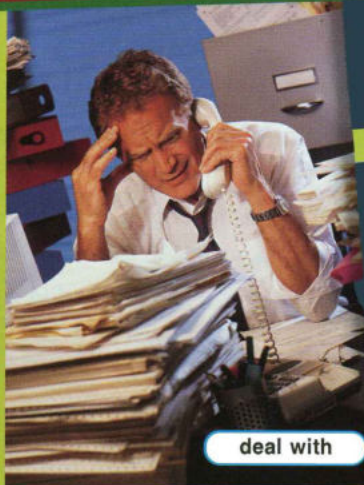
His employees say that he is too _____ and _____.

They also say that he _____.

This is not good for the company. One suggestion is that the employee starts trying to _____. This should help his employees feel better.



boss



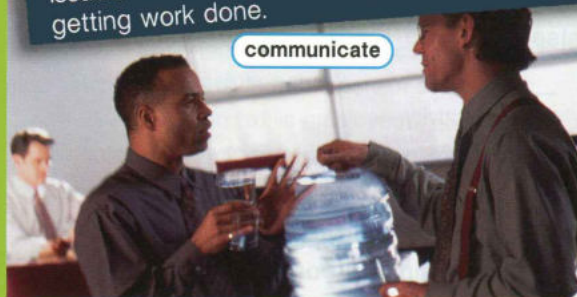
deal with

What Kind of Manager Are You?

RESULT: Parenting Manager

Your answers indicate that you are a parenting manager. Often **paternalistic**, you treat employees like young children. While this means you are **approachable** and kind, it can lead to problems. You are overly concerned with making your employees like you. This can increase **loyalty** and potentially decrease **turnover**. On the other hand, it can also **contribute** to a **lack of motivation**. If you do not **communicate** expectations and consequences clearly, employees might not do their best work.

Tips: Work on your assertiveness. Do not worry so much about acceptance from your employees. They will **value** your honest and clear feedback. The good thing about your style is that you do not intimidate your employees. They should feel comfortable **consulting** with you about any problems. Be careful of your easy-going nature, though. It may appear to others that you are incapable of **dealing with** tough issues. An excellent **boss** balances being liked and getting work done.



communicate

Get ready!

1 Before you read the questionnaire results, talk about these questions.

- 1 What are some different management styles?
- 2 Do you think it's more important for managers to be liked by their employees or for them to be productive?

Reading

2 Read the questionnaire results. Then, choose the correct answers.

- 1 What is the purpose of the passage?
 - A to define different management styles
 - B to recommend a management style
 - C to explain an increasingly popular management style
 - D to discuss strengths and weaknesses of a particular management style
- 2 Which of the following is NOT an effect of the parenting management style?
 - A Employee loyalty can be increased.
 - B The manager can seem incapable of dealing with tough issues.
 - C Employee turnover can be increased.
 - D The manager is approachable to his or her employees.
- 3 What should the manager work on?
 - A his or her assertiveness
 - B being more approachable
 - C gaining acceptance from his or her employees
 - D increasing employees' loyalty to reduce turnover

Vocabulary

3 Match the words or phrases (1-8) with the definitions (A-H).

- | | |
|-------------|------------------|
| 1 — loyalty | 5 — approachable |
| 2 — lack | 6 — motivation |
| 3 — boss | 7 — deal with |
| 4 — consult | 8 — value |

- A to hold something in high esteem
- B a person in charge of other people
- C the force that causes people to want to do something
- D to confer with others about a particular issue
- E to take care of or handle something
- F a deficit
- G easy to talk to, not intimidating
- H condition of feeling dedicated to someone

4 Write a word that is similar in meaning to the underlined part.

- 1 Good managers clearly make known their expectations to their employees.
_ _ _ m _ n _ _ _ t _
- 2 A bad manager can add to an employee's frustration.
c _ _ t _ _ b _ _ _
- 3 Losing old employees and replacing them with new ones can reduce productivity.
_ u _ _ _ v _ r
- 4 This manager has a fatherly, but somewhat controlling management style.
_ a _ _ r _ _ _ i _ _ _ c

5 Listen and read the questionnaire results again. What is one concern with this type of management style?

Listening

6 Listen to a conversation between an interviewer and an interviewee. Mark the following statements as true (T) or false (F).

- 1 _ The man is applying for a management position.
- 2 _ The woman thinks that punishing employees decreases productivity.
- 3 _ Keeping employees happy is the woman's top priority.

7 Listen again and complete the conversation.

- Interviewer:** Great! Well, first off, tell me about your **1** _____.
- Interviewee:** I try to treat my employees with **2** _____. I'm concerned about their happiness.
- Interviewer:** That's always a good thing. How do you avoid seeming **3** _____, though?
- Interviewee:** Well, I've found that it's always a good idea to clearly **4** _____.
- Interviewer:** I see. So how do **5** _____ keeping employees happy and getting work done?
- Interviewee:** They know there are **6** _____ for poor performance.

Speaking

8 With a partner, act out the roles below based on Task 7. Then, switch roles.

USE LANGUAGE SUCH AS:

Tell me about ...
I've found that ...
How do you avoid ...?

Student A: You are an interviewer. Talk to Student B about:

- his or her management style
- the potential problems of that style
- how he or she avoids those potential problems

Student B: You are interviewing for a management position. Talk to Student A about your management style.

Writing

9 Use the conversation from Task 8 to fill out the letter of recommendation.

Dear Mr. Roberts,

I am writing to give my recommendation for Mrs. Gibson. She is an excellent manager. She does an amazing job at _____.

In addition, she is able to _____.

very well. She never has any problems with _____.

In my opinion, she would be a great asset to your team.

Sincerely,
 Gina Smith

Get ready!

- 1 Before you read the passage, talk about these questions.
- 1 What are some ways managers can increase employees' morale?
 - 2 What are some costs and benefits of allowing all employees to have a say when making decisions?

Management Review Magazine

DEMOCRATIC MANAGEMENT STYLE

Being the best manager possible will increase **morale** and **empower** employees. But how do you do it?

Many agree that a **democratic** management style is best. Democratic managers take time to consult with all employees about all decisions. In fact, this style of communication is not only **top-down**, but also **bottom-up**. This means everyone's **participation** is valued. It also helps when different departments of an organization have different information. Everyone is able to contribute, so everyone's knowledge is put to use.

A word of caution is necessary. Often, it takes some time to **arrive at** a decision. It can be difficult to reach a **consensus** with so many different people involved. This could **delay** beginning a project.

Managers might be tempted to **steer** people in a certain direction to resolve the **debate** more quickly.

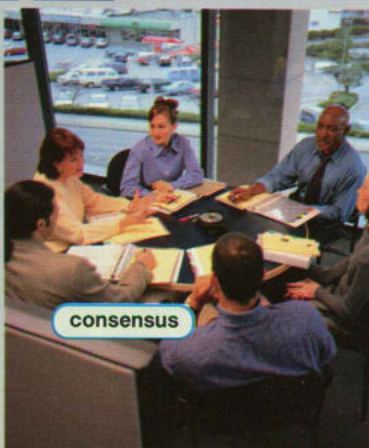
However, a good manager can **streamline** the process by changing the outcome. This will increase everyone's work **satisfaction**.



debate



satisfaction



consensus

Reading

- 2 Read the magazine article. Then, choose the correct answers.
- 1 What is the purpose of the passage?
 - A to compare two management styles
 - B to describe a specific management style
 - C to explain how a specific management style developed
 - D to warn of financial risks associated with poor management styles
 - 2 Which of the following is NOT listed as a benefit of the democratic management style?
 - A Productivity can increase because of increased efficiency.
 - B Employees' opinions are heard and valued.
 - C The collective knowledge of an organization is put to use.
 - D Everyone gets to participate in making company decisions.
 - 3 What can good managers do to avoid losing too much time while making decisions?
 - A set time limits on the decision-making process
 - B try to streamline the decision-making process
 - C move forward without a consensus
 - D make top-down decisions

Vocabulary

- 3 Match the words (1-8) with the definitions (A-H).

- | | |
|-------------|--------------------|
| 1 __ morale | 5 __ empower |
| 2 __ delay | 6 __ top-down |
| 3 __ steer | 7 __ bottom-up |
| 4 __ debate | 8 __ participation |

- A the act of taking part in something
- B an exchange of viewpoints about a particular topic
- C to guide something in a particular direction
- D going from higher-level employees to lower-level employees
- E to give someone the ability to do something
- F something that postpones an event
- G the condition of a person or group of people in terms of motivation and emotion
- H going from lower-level employees to higher-level employees

- 4 Fill in the blanks with the correct words or phrases from the word bank.

Word BANK

consensus democratic arrive at
streamline satisfaction

- The committee was able to _____ an agreeable conclusion.
- In order to increase efficiency, the employee was asked to _____ the process.
- Finally the team reached a(n) _____.
- The employees were happy when their manager adopted a more _____ management style.
- When everyone's opinion is considered, _____ increases.

- 5 Listen and read the magazine article again. What is one potential problem with a democratic management style?

Listening

- 6 Listen to a conversation between an owner and a manager. Mark the following statements as true (T) or false (F).

- ___ The man suggests a change in management style.
- ___ The woman thinks a new management style can increase productivity.
- ___ The woman doesn't think the new style is worth the risk.

- 7 Listen again and complete the conversation.

Manager: Well, I was reading about different management styles. I think we should start being a little 1 _____ around here.

Owner: You mean encouraging more employee input before 2 _____?

Manager: Exactly! I think it'll really 3 _____.

Owner: Yes, and it certainly will make them feel more 4 _____. That could be a good thing.

Manager: I agree totally. I want my employees to 5 _____ of their work.

Owner: That's admirable, Keith. Be careful, though. This kind of management style can 6 _____.

Speaking

- 8 With a partner, act out the roles below based on Task 7. Then, switch roles.

USE LANGUAGE SUCH AS:

I think we should ...

Be careful.

Be prepared for ...

Student A: You are a manager. Talk to Student B about:

- adopting a different management style
- concerns about the style
- the problems the style could create

Student B: You are a business owner. Talk to Student A about a new management style.

Writing

- 9 Use the conversation from Task 8 to fill out the report.

Johnson and Pegg Management Consulting Firm Report for Griggs Manufacturing

Based on our observations, our team recommends that you adopt a _____ management style. The benefits of this style are that it can _____. Be careful, though. A potential problem is that this style can _____.

Thank you for your business.
Erick Johnson



*Ask
Bruce*

the small business expert!

Dear Bruce,

My friend is planning a computer **start up** company. He'd like me to join him. Do you have any advice?

Computer Expert, Business Novice

Dear Computer Expert,

Owning your own business can be rewarding but it's also very hard! First, you need a **business plan**. In this document, you outline your business goals. You also state the potential demand for your services.

Remember, **location** is important. You need to decide which **legal structure** is right for you, too. Think about taxes and liability to choose one. Ensure you have any necessary **licenses** or **permits**. Every place is different, so it's important to check. Finally, don't get discouraged. Your **sales revenue** might not be enough to make a **profit** at first. You'll be lucky to **break even**. Even your **gross** income—before taxes and other **contributions** have been removed—may not be enough to cover your **initial** costs. Good luck!

Get ready!

1 Before you read the passage, talk about these questions.

- 1 What should people do before starting their own business?
- 2 What are some costs and benefits of starting a business?

Reading

2 Read the advice column. Then, choose the correct answers.

- 1 What is the purpose of the passage?
 - A to discuss different kinds of businesses
 - B to give tips about creating a business
 - C to suggest a particular business legal structure
 - D to give advice on obtaining permits and licenses
- 2 Which of the following is NOT recommended in the article?
 - A make a business plan
 - B pick a location
 - C decide on a legal structure
 - D determine initial costs
- 3 According to the passage, why is a business plan important?
 - A It records potential demand and goals.
 - B It allows people to get the required permits.
 - C It helps the business to break even.
 - D It determines what kind of taxes the business owner will pay.

Vocabulary

3 Match the words or phrases (1-8) with the definitions (A-H).

- | | |
|----------------|-----------------------|
| 1 ___ permit | 5 ___ legal structure |
| 2 ___ profit | 6 ___ break even |
| 3 ___ initial | 7 ___ sales revenue |
| 4 ___ location | 8 ___ business plan |

- A the place where something exists in the physical world
- B the way a business is organized legally
- C a document that gives someone permission to do something
- D occurring at the beginning
- E the amount of money made from selling products
- F the amount of money left over after expenses have been paid
- G to neither gain nor lose any money
- H a statement of a set of business goals

4 Read the sentences and choose the correct words or phrases.

- 1 The restaurant needs a **license/profit** to serve liquor.
- 2 The business's **permit/gross** income was higher than last year.
- 3 The business owner made a **contribution/sales revenue** to a savings account.
- 4 The woman wanted to invest in a **start up/break even**.

5 Listen and read the advice column again. Why might a new business owner get discouraged?

Listening

6 Listen to a conversation between two business people. Mark the following statements as true (T) or false (F).

- 1 ☐ The bank wants the speakers to come up with a marketing plan.
- 2 ☐ The man will look for a location for the business.
- 3 ☐ The woman will plan the marketing strategy.

7 Listen again and complete the conversation.

Businessman: Hey, Dora. I just got 1 _____ with the bank.

Businesswoman: Oh really? What did they say?

Businessman: Well, they liked our 2 _____. But before they can give us the loan, they want us to do a few more things.

Businesswoman: 3 _____ do they need?

Businessman: They need 4 _____ and a marketing strategy.

Businesswoman: Okay, how soon do you think we can 5 _____?

Businessman: Let's split them up. 6 _____ for a suitable location, I'll work on the marketing plan.

Speaking

8 With a partner, act out the roles below based on Task 7. Then, switch roles.

USE LANGUAGE SUCH AS:

What else do they need?

If you'll ... I'll ...

Where should I start?

Student A: You are a business person. Talk to Student B about:

- things you need to do for a start up
- how to divide up the tasks
- how to start the tasks

Student B: You are a business person. Talk to Student A about what you need to get done for your business.

Writing

9 Use the conversation from Task 8 to fill out the email.



To: dora.kingston@GeoCorp.com
From: greg.conner@GeoCorp.com
Subject: Information for the bank

Dora,

As we talked about earlier, the bank liked our _____

This is good news, however they still need _____

I think if you will _____

then I can _____

Let's have everything done by the end of the week.

Thanks,

Greg

Get ready!

① Before you read the passage, talk about these questions.

- 1 What can people do to make their business more profitable?
- 2 What are the benefits of developing a business strategy?

Come to the **Palace Hotel** on Saturday!

Business expert John Bosley will be there.

He is leading a seminar on

business strategy.

You won't want to miss this!

Learn how to **dominate** your competition and become an **industry leader**!

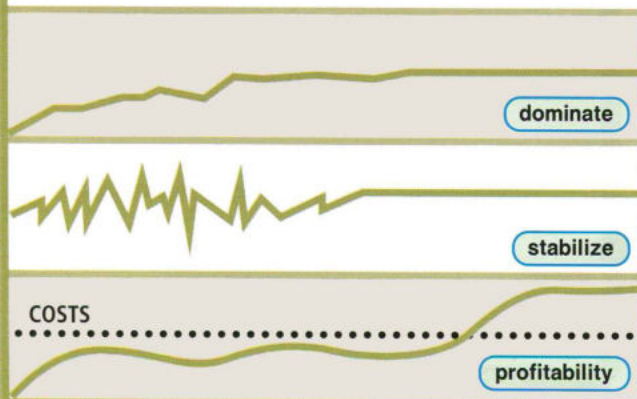
- Mr. Bosley will tell you when to **branch out**. He can help you gain a **foothold** in a new market.
- He will also teach you how to **formulate strategic goals**. Meeting these goals increases your business's **profitability**.
- Mr. Bosley will discuss different **distribution channels**, too. You'll gain valuable knowledge.

He'll also talk about how to **stabilize** your company's assets.

Mr. Bosley's area of expertise is **resource allocation**. He'll explain how to best invest time and energy.

You can't afford to miss out on this opportunity.

He has a lot to share!



Reading

② Read the pamphlet. Then, choose the correct answers.

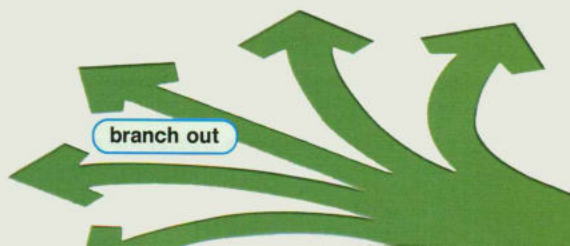
- 1 What is the purpose of the passage?
 - A to give advice on forming a business strategy
 - B to define different types of goals
 - C to advertise a business strategy seminar
 - D to explain when a business should branch out
- 2 Why should a business branch out?
 - A to make new goals
 - B to reach a new market
 - C to stabilize assets
 - D to create a new business strategy
- 3 What is Mr. Bosley's area of expertise?
 - A increasing profitability
 - B formulating goals
 - C stabilizing assets
 - D resource allocation

Vocabulary

③ Match the words or phrases (1-8) with the definitions (A-H).

- | | |
|---------------|--------------------------|
| 1 — dominate | 5 — profitability |
| 2 — strategy | 6 — industry leader |
| 3 — stabilize | 7 — strategic goal |
| 4 — foothold | 8 — distribution channel |

- A the state of earning more than what is spent in costs
- B to become steady
- C an objective set as part of a large strategic plan
- D to control something
- E a manner through which things are shipped and sold
- F the most important or influential entity in a field
- G a plan designed with a specific purpose in mind
- H a solid place from which someone can make additional gains



4 Read the sentence pairs. Choose which word or phrase best fits each blank.

1 branch out / dominate

- A Big box stores will soon _____ the rest of their competitors.
B I think we need to _____ to reach new customers.

2 formulate / stabilize

- A I sure hope our stock will _____ this quarter.
B At the meeting, we will _____ some goals.

3 resource allocation / profitability

- A The CEOs met to talk about how to increase the company's _____.
B To make better use of our assets, we need to pay closer attention to _____.

5 Listen and read the pamphlet again. Why is it a good idea to make strategic goals?

Listening

6 Listen to a conversation between two managers. Mark the following statements as true (T) or false (F).

- 1 ___ The woman wants to reach the downtown market.
2 ___ The woman worries that the man's plan is too expensive.
3 ___ The speakers agree to open five new stores.

7 Listen again and complete the conversation.

Manager 1: We need to reach the 1 _____. Our stores on the east side are doing well. It's time to expand.

Manager 2: That's just 2 _____. We could gain a lot of new customers.

Manager 1: Definitely. I also think we should talk about 3 _____ goals.

Manager 2: That's a great idea. We could 4 _____ opening two new stores this year and five more next year.

Manager 1: Hmm. Adding two stores would be expensive, but it's 5 _____. But five more after that seems like too much.

Manager 2: Well, the extra business from the first two will 6 _____ the cost.

Speaking

8 With a partner, act out the roles below based on Task 7. Then, switch roles.

USE LANGUAGE SUCH AS:

I think it's time for ...
That's just what I thought!
... would be expensive, but ...

Student A: You are a manager. Talk to Student B about:

- a seminar you attended
- ideas to try from the seminar
- how to implement those ideas

Student B: You are a manager. Talk to Student A about a business strategy seminar you both attended.

Writing

9 Use the conversation from Task 8 to fill out the feedback form.

Palace Hotel and **John Bosley** would like to thank you for attending the Business Strategy Seminar. Please take a moment to answer the following questions regarding your experience.

1. What ideas or concepts did you learn about today?

2. How likely will you be to implement these ideas into your business and why?

Thanks for your feedback. It is much appreciated.

Get ready!

- ① Before you read the passage, talk about these questions.
- 1 What are some different types of business models?
 - 2 Why are there different kinds of business models?

SMALL BUSINESS TIMES

What business model is right for you?

The **organization** of your business makes a huge difference. There are many different ways to go. If you're starting a business, you need to examine your options.

Consider the **franchise model** if you'd like extra support. The **infrastructure** is already there. Often, you receive training. This is not a good option, however, if you desire independence.

Another option is the **razor and blades model** (also known as the **bait and hook model**). This model requires that you provide a product at a low price. Then, you **charge** more for complementary products.

The **distributor model** involves delivering goods from the **factory** to customers. You do not actually **manufacture** or **assemble** products.

If you use the **utility model** you charge customers right away for services provided. Often, online music and movie stores use this model.

With the **pay-as-you-go** model, consumers pay for services as they use them. No contracts are involved. Many cell phone companies operate this way.

factory

distributor model

charge

assemble

Reading

- ② Read the article. Then, choose the correct answers.

- 1 What is the purpose of the passage?
 - A to explain changes in business models over time
 - B to describe different business models
 - C to recommend using more than one business model
 - D to identify weaknesses in several business models
- 2 Which of the following is NOT an advantage of the franchise model?
 - A increased independence
 - B extra support
 - C preexisting infrastructure
 - D provided training
- 3 Which business model requires customers to pay more for related items after an initial purchase?
 - A the razor and blades model
 - B the franchise model
 - C the pay-as-you go model
 - D the utility model

Vocabulary

- ③ Match the words or phrases (1-8) with the definitions (A-H).

- | | |
|-------------------|--------------------------|
| 1 __ factory | 5 __ bait and hook model |
| 2 __ assemble | 6 __ distributor model |
| 3 __ manufacture | 7 __ infrastructure |
| 4 __ organization | 8 __ utility model |

- A the basic organizational structure of a business
- B to put something together
- C a model in which low-priced goods are paired with high-priced complementary goods
- D a place where items are made and assembled
- E a model in which consumers pay for items or services as they use them
- F to create or make something
- G the way in which something is put together, or organized
- H a model in which a business delivers goods to customers

4 Fill in the blanks with the correct words or phrases from the word bank.

Word BANK

charge business model pay-as-you-go
razor and blades model franchise model

- 1 Low-cost printers and high-cost ink are an example of the _____.
- 2 _____ is a business model where consumers pay for services as they use them.
- 3 Before you decide on a _____, make sure you evaluate your business's needs.
- 4 A business should _____ a fair price for its products or services.
- 5 Many restaurants and convenience stores are examples of the _____.

5 Listen and read the article again. What is the razor and blades model?

Listening

6 Listen to a conversation between a professor and student. Mark the following statements as true (T) or false (F).

- 1 ___ The man is confused about the distributor model.
- 2 ___ The woman thinks the franchise model is the safest way to start a business.
- 3 ___ The man gives an example of the utility model.

7 Listen again and complete the conversation.

Student: Okay, so what's the 1 _____ then?

Professor: The utility model, on the 2 _____, doesn't rely on a preexisting name.

Student: Oh yeah, I remember. That's the one where your customers just pay you for 3 _____ they make, right?

Professor: Yes, exactly. They 4 _____ for the use of certain things, like a song or an article.

Student: A lot of 5 _____ use that model, right?

Professor: Yes, 6 _____.

Speaking

8 With a partner, act out the roles below based on Task 7. Then, switch roles.

USE LANGUAGE SUCH AS:

I'm confused about ...
On the other hand ...
Oh, I remember.

Student A: You are a student. Talk to Student B about:

- confusion about business models
- the differences between two models
- the benefits and uses of each model

Student B: You are a professor. Talk to Student A about two business models.

Writing

9 Use the conversation from Task 8 to fill out the assignment.

BUSINESS 101

Business models

In a short paragraph, please describe the difference between two different business models discussed in class.

HOME

ABOUT US

SERVICES

CONTACT

ACCOUNTING FAQs

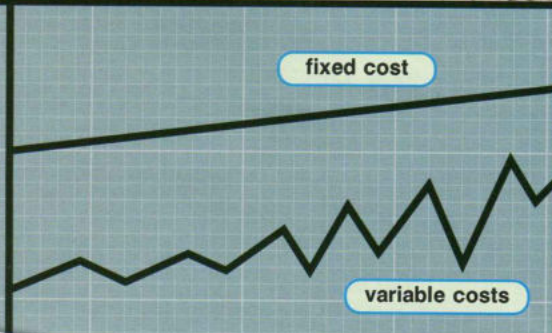
COSTS



direct labor



direct materials



Q: What is the difference between **direct costs** and **indirect costs**?

A: Direct costs are **expenses** for particular projects. For example, the price of lumber for a specific job is a direct cost. Lumber would be considered **direct materials**. The labor used to work on the specific job would be **direct labor**. Indirect costs are expenses for the organization in general. Paying the electric bill for your office is an indirect cost. Direct costs are more likely to be **variable costs** while indirect costs are more likely to be **fixed costs**.

Q: What is overhead?

A: Overhead refers to all the costs of running a business. **Variable overhead** changes based on business activity. **Fixed overhead** stays the same regardless of the amount of business.

Q: What is a **cost driver**?

A: A cost driver is an activity that results in a cost. It is an important concept in **activity-based costing**. For more information on activity-based costing click [here](#).

Get ready!

1 Before you read the passage, talk about these questions.

- 1 What is the difference between a fixed cost and a variable cost?
- 2 What are some different expenses?

Reading

2 Read the information on the website. Then, choose the correct answers.

- 1 What is the purpose of the passage?
 - A to provide ways to reduce costs
 - B to compare different kinds of costs
 - C to note common accounting cost errors
 - D to explain how to use activity-based costing
- 2 Which of the following is NOT a direct cost?
 - A the cost of lumber for a construction job
 - B the cost of labor to fulfill a contract
 - C the cost of heating and cooling an office
 - D the cost of permits for a particular project
- 3 Which is more likely to be a fixed cost?
 - A concrete for construction
 - B employee salaries
 - C a new set of computers
 - D an electric bill

Vocabulary

3 Match the words or phrases (1-8) with the definitions (A-H).

- | | |
|-----------------|----------------------|
| 1 — expense | 5 — variable cost |
| 2 — fixed cost | 6 — indirect cost |
| 3 — direct cost | 7 — direct materials |
| 4 — cost driver | 8 — direct labor |

- A a cost that changes depending on the state of business
- B work performed by employees that is expended for a particular project
- C a cost that directly applies to a specific project
- D something that causes a cost to occur
- E a cost that does not vary based on the state of business
- F a cost that applies to business operations in general
- G resources required to complete a specific project
- H something paid in exchange for receiving goods or services

4 Read the sentence pairs. Choose the sentence that uses the underlined part correctly.

- 1 A The managers want to reduce the company's variable overhead.
B A company credit card bill is an example of a direct cost.
- 2 A One kind of costing model is activity-based costing.
B Fixed costs vary depending on the amount of business.
- 3 A Direct materials are materials that are used to conduct general business throughout the company.
B Fixed overhead refers to expenses related to running the business that don't change or vary.

5 Listen and read the information on the website again. What is overhead?

Listening

6 Listen to a conversation between a business owner and an accountant. Mark the following statements as true (T) or false (F).

- 1 ___ The woman's business is not breaking even.
- 2 ___ The man suggests that the woman should decrease her overhead.
- 3 ___ The woman already calculated her fixed expenses.

7 Listen again and complete the conversation.

Accountant: Well, what seems to be 1 _____?

Business owner: I'm just having trouble making ends meet. I'm barely 2 _____.

Accountant: Well, the easiest thing to do is to decrease 3 _____.

Business owner: 4 _____?

Accountant: You know, the 5 _____ it takes you to run your business. That's overhead.

Business owner: Oh, I see. Somehow I need to 6 _____ those expenses.

Speaking

8 With a partner, act out the roles below based on Task 7. Then, switch roles.

USE LANGUAGE SUCH AS:

What's that?

You know, it's ...

Oh, I see.

Student A: You are a business owner. Talk to Student B about:

- the problem facing your business
- what you should do to fix it
- the meaning of accounting terms

Student B: You are an accountant. Talk to Student A about how to improve his or her business.

Writing

9 Use the conversation from Task 8 to fill out the email.

To: Linda.P@smallbiz.com
From: Barry.Green@APlusAccounting.com
Subject: Today's meeting

Hi Linda,

This is just a recap of what we talked about today. I mentioned that you need to _____. You agreed that this was a good idea and said you would _____. Remember, your *fixed overhead* includes _____ and your *variable overhead* includes expenses like _____. As soon as you have that together, please let me know.

Thanks,
Barry

Get ready!

1 Before you read the passage, talk about these questions.

- What are different sources of income for a business?
- Why must a business need to keep track of its bills?

carry over

loan period

bonus

invoice

MEMO

From: accounting@JayRobotics.com
To: GM@JayRobotics.com

Mr. Roberts,

I just wanted to let you know where we stand this quarter. In **accounts payable** we have \$50,000. This includes all **invoices**, even those that have been **billed** to us but not paid. Also, employees are scheduled to receive **bonuses** next month. This figure reflects that.

We have \$15,000 in **accrued expenses payable**. We **estimated** the interest on our loans and included that figure. As you know, we requested an extension of our **loan period** from the bank. This lowered the monthly interest payment. This figure also includes expenses that have been incurred but not yet billed.

We have \$9,500 in **income tax payable**. This is based on how much we **owed** the government last quarter. We were able to **carry over** a loss from last year. This was deducted from our taxable income for this year.

Please get in touch with any questions.

Thanks,
Angela

Reading

2 Read the memo. Then, choose the correct answers.

- What is the purpose of the memo?
 - to account for a sudden drop in the company's income
 - to explain why the company needs to extend its loan period
 - to summarize the company's financial obligations
 - to notify a manager of an accounting error
- Which of the following is NOT included in accounts payable?
 - billed invoices
 - unpaid taxes
 - unpaid invoices
 - unpaid employee bonuses
- What was deducted from the business's taxable income?
 - the amount paid in bonuses
 - the amount paid in interest
 - the amount paid in taxes
 - the amount of a loss

Vocabulary

3 Match the words or phrases (1-8) with the definitions (A-H).

- | | |
|--------------|------------------------------|
| 1 — bonus | 5 — loan period |
| 2 — invoice | 6 — accrued expenses payable |
| 3 — estimate | 7 — income tax payable |
| 4 — owe | 8 — accounts payable |

- the amount a business owes in taxes
- to make an educated guess
- the amount of time a person or business has to pay off a debt
- the amount of money a company owes based on billed expenses
- the amount of money a company owes based on expected expenses that have not yet been billed
- an extra amount of money given to an employee
- to have an obligation to pay someone back
- a document outlining an exchange and requesting payment

4 Read the sentences and choose the correct words or phrases.

- 1 The production company **billed/estimated** the store for the tomato shipment.
- 2 The bank said the business could not extend its **invoice/loan period** any longer.
- 3 The business **owed/carried over** a loss from last year so it could be deducted from its taxable income this year.
- 4 The employee received a **bonus/accounts payable** for his excellent performance.

5 Listen and read the memo again. What is accrued expenses payable?

Listening

6 Listen to a conversation between a manager and an accountant. Mark the following statements as true (T) or false (F).

- 1 ☐ The loan interest is recorded as accounts payable.
- 2 ☐ The woman says the loss was actually good for the company.
- 3 ☐ The woman expects the company will owe less than last year.

7 Listen again and complete the conversation.

Manager: Hi, Angela. I got your email and had a 1 _____.

Accountant: Sure, Mr. Roberts. 2 _____?

Manager: I'm unsure about where the loan interest goes. Is it recorded as 3 _____ or accrued expenses payable?

Accountant: Yeah, this can get confusing. The interest owed on a loan is part of 4 _____. Interest accrues every month, but we only pay it twice a year.

Manager: Oh, okay. Even though we don't pay it every month we still have to record that it's 5 _____.

Accountant: Exactly. Accrued expenses payable records all the expenses we add up. That includes the ones that aren't 6 _____.

Speaking

8 With a partner, act out the roles below based on Task 7. Then, switch roles.

USE LANGUAGE SUCH AS:

*I'm unsure about
Is it recorded as ... or ...?
Is there anything else?*

Student A: You are a manager. Talk to Student B about:

- a question about an email you received
- clarifying between two categories
- what a certain term means

Student B: You are an accountant. Talk to Student A about an email you sent.

Writing

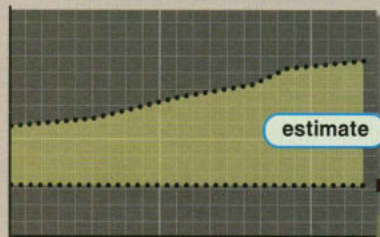
9 Use the conversation from Task 8 to fill out the email.

From: GM@JayRobotics.com
To: accounting@JayRobotics.com
Subject: Today's conversation

Angela,

Thanks for talking with me today. I just wanted to clarify what you told me. Interest payments are part of _____. Unpaid bills and invoices are part of _____. And taxes we owe are _____. Let me know if this is correct.

Jay Roberts



SALES
RESEARCH
MARKETING



Get ready!

1 Before you read the passage, talk about these questions.

- 1 What is a budget?
- 2 Why is budgeting a good idea?

Reading

2 Read the email. Then, choose the correct answers.

- 1 What is the purpose of the passage?
 - A to give suggestions for a new budget
 - B to explain different kinds of budgets
 - C to notify employees of budget changes
 - D to recommend slashing the budget
- 2 Which of the following is NOT recommended by the accountant?
 - A spend more on advertising
 - B open a new location
 - C reduce labor expenses
 - D rework the master budget
- 3 Why should the company look for investors?
 - A so they can spend more for advertising
 - B so they can get funding for a new store
 - C so they can create a new labor force
 - D so they can rework the budget

To: GM@HobbsAutoSales.com
From: K.Howard@HobbsAutoSales.com
Subject: Budget for the next fiscal year

Hi Jan,

As requested, here are my recommendations for next year's **budget**. We need to rework the **master budget**. It is outdated. That includes reexamining our **operating budget** and **cash budget**.

For the coming year, sales are **forecast** to be significantly lower than last year. Some executives think that we should **slash** labor expenses. This might be a good **short-term** solution. We have a good team, though. Laying people off does not seem like a suitable **long-term** plan. When business picks up again, we would need to rehire. Instead, I suggest we **allot** more to advertising. Some **estimates** indicate that this could be very profitable.

Finally, I would like to propose opening a new location. Our competitors are losing business, too. This could knock them out. I know that cash is tight right now. We should look for people who want to **invest** in our company. They could help **fund** the new store.

Thanks,
Kevin

Vocabulary

3 Match the words (1-8) with the definitions (A-H).

- | | |
|------------|----------------|
| 1 _ slash | 5 _ short-term |
| 2 _ budget | 6 _ long-term |
| 3 _ invest | 7 _ forecast |
| 4 _ fund | 8 _ estimate |

- A to reduce something greatly
- B an educated guess about something
- C to supply with money
- D lasting for a relatively short time
- E to provide resources to something with the expectation of making money later
- F lasting for a relatively long time
- G to predict how something will act in the future
- H a document outlining expected income and expenses of an organization

4 Read the sentence pairs. Choose which word or phrase best fits each blank.

- 1 slash / invest
- A The owner asked his brother if he would like to _____ in his company.
- B We could _____ expenses if we sold one of our buildings.
- 2 master budget / cash budget
- A The company's _____ is concerned with cash flow.
- B The accountants worked on a new _____ for the upcoming year.
- 3 forecast / fund
- A Sales are _____ to be higher this year.
- B How will we _____ our new factory?
- 4 operating budget / estimate
- A Here is my _____ of the cost of the project, but the real total could be more.
- B Before we decide to buy this, we need to consult the _____ to see if we can afford it.

5 Listen and read the email again. Why doesn't the manager want to lay people off?

Listening

6 Listen to a conversation between a manager and an accountant. Mark the following statements as true (T) or false (F).

- 1 ___ The man wants to reduce labor costs.
- 2 ___ The woman suggests pay cuts.
- 3 ___ The speakers agree to close a store.

7 Listen again and complete the conversation.

Manager 1: We have to get this 1 _____. I have a few ideas.

Manager 2: Great, let's 2 _____.

Manager 1: We're spending way too much on labor. I know it's hard, but I think we're going to have to 3 _____.

Manager 2: I really hate to do that. But I agree our 4 _____ are very high.

Manager 1: They are. We have to get them 5 _____.

Manager 2: What about 6 _____? Do you think that would help?

Manager 1: With the amounts we'd have to cut, I think the employees would rather be laid off.

Speaking

8 With a partner, act out the roles below based on Task 7. Then, switch roles.

USE LANGUAGE SUCH AS:

What do you think?

What about ...?

Do you think ...?

Student A: You are a manager. Talk to Student B about:

- balancing the budget
- different ideas for balancing the budget
- what he or she thinks about the ideas

Student B: You are a manager. Talk to Student A about ideas for balancing the budget.

Writing

9 Use the conversation from Task 8 to fill out the memo.

MEMO

ATTN: Budget Committee

Today I met with my fellow manager. We discussed several options for reducing costs.

1. _____

2. _____

3. _____

There are pros and cons to each. We can talk more at length soon.

Thanks,

Cynthia

Balance Sheet

Assets		Liabilities	
Current assets	\$1,900	Current liabilities	
Cash	\$35,200		
Accounts Receivable		Accounts Payable	
			\$27,500
Inventory		Wages Payable	\$9,500
	\$26,500	Taxes payable	\$15,000
Total current assets	\$63,600	Short-term debt	\$40,000
Property and Equipment (P&E)		Total current liabilities	\$92,000
Land	\$4,200	Long-term debt	\$150,000
Equipment	\$175,800	Total Liabilities	\$242,000
Total P&E	\$180,000	Owner's Equity	
Intangible Assets			\$27,600
	\$26,000	Total liabilities and owner's equity	\$269,600
Total assets	<u>\$269,600</u>		

ROW

Roark and Wilson

Accounting Firm
1330 W Henderson StOscar Fisher
Quick Delivery Inc.
4580 N Oak Ave

Mr. Fisher,

Here is the **balance sheet** you requested. As you can see, you have \$269,600 in total **assets**. This includes your **fixed assets** in the form of your **property and equipment (P&E)**. It also includes current assets, like your **inventory**. Please note your **accounts receivable**, as well. You also have \$26,000 in the form of **intangible assets**.

You have \$242,000 in total **liabilities**. This figure includes your short and long-term debt. Also included is **accounts payable**.

You have \$27,600 in **owner's equity**.

If you need anything else or have any questions, please feel free to contact me.

Thanks,
Phyllis Jones CPA

Get ready!

- ① Before you read the passage, talk about these questions.

- What kind of information is included on a balance sheet?
- What are balance sheets used for?

Reading

- ② Read the balance sheet and letter. Then, choose the correct answers.

- What is the purpose of the letter?
 - to request information for a balance sheet
 - to summarize the man's financial status
 - to explain a sudden change in equity
 - to correct an accounting error
- Which of the following is NOT a current asset?
 - cash
 - inventory
 - accounts receivable
 - intangible assets
- Which of the following is a liability?
 - accounts receivable
 - accounts payable
 - property and equipment
 - inventory

Vocabulary

- ③ Match the words or phrases (1-8) with the definitions (A-H).

- | | |
|-----------------|-----------------------|
| 1 — P&E | 5 — balance sheet |
| 2 — assets | 6 — fixed assets |
| 3 — inventory | 7 — owner's equity |
| 4 — liabilities | 8 — intangible assets |

- debts and expenses
- the portion of a company's assets belonging to the owner after all liabilities are accounted for
- anything of value that can be converted into cash
- nonmaterial assets
- physical things of value that are not easily converted into cash
- property and equipment
- a supply of saleable goods held by a company
- a document that lists a business's assets, liabilities, and owner's equity

4 Read the sentences and choose the correct words or phrases.

- 1 **Accounts receivable/P&E** is the amount that is owed to the business by other companies or customers.
- 2 We need to track our **balance sheets/inventories** more often to make sure we don't have too much shrink.
- 3 The business's debts are also called its **assets/liabilities**.

5 Listen and read the balance sheet and letter again. What kind of information is needed to complete a balance sheet?

Listening

6 Listen to a conversation between a manager and an accountant. Mark the following statements as true (T) or false (F).

- 1 ___ The woman needs to know the value of the company's inventory.
- 2 ___ The man's company owns multiple buildings.
- 3 ___ The woman already knows the company's short term debt.

7 Listen again and complete the conversation.

Accountant: Great, thanks, Oscar. I need some additional information from you to complete your company's 1 _____.

Manager: No problem. What do you 2 _____?

Accountant: Let's see. First, I need to know the value of the 3 _____ your company owns.

Manager: All right. We own 4 _____, so that's \$400,000 right there. Plus our fleet, which is worth another \$250,000.

Accountant: \$650,000 5 _____, then?

Manager: Yeah, that's it. What else can I 6 _____?

Speaking

8 With a partner, act out the roles below based on Task 7. Then, switch roles.

USE LANGUAGE SUCH AS:

What do you need to know?

First, I need...

What else can I help you with?

Student A: You are a manager. Talk to Student B about:

- your company's balance sheet
- your company's property and equipment
- your company's short and long term debt

Student B: You are an accountant. Talk to Student A about a balance sheet.

Writing

9 Use the balance sheet, letter and conversation from Task 8 to fill out the balance sheet.

Balance Sheet

Assets		Liabilities	
Current assets	\$ 1,300	Current liabilities	
	\$ 45,000		\$ 25,000
	\$ 24,500		\$ 8,300
			\$ 12,400
			\$ 42,000
Total current assets	\$ 70,800	Total current liabilities	\$ 87,700
	\$ 3,400		\$ 142,000
	\$ 164,500	Total	\$ 229,700
Total	\$ 167,900		
	\$ 22,000		\$ 31,000
	\$ 260,700	Total	\$ 260,700

Get ready!

1 Before you read the passage, talk about these questions.

- 1 What happens if a business's revenue does not cover its expenses?
- 2 What are profit and loss accounts for?

Happy Town Gifts

P & L Account – First Quarter

Revenue	
Sales	\$1,400,000
Discounts	(\$350,000)
Net Sales	\$1,050,000
Cost of sales	\$775,000
Gross Margin	\$275,000
Expenses	
Wages	\$75,000
Production	\$95,000
Materials	\$120,000
Distribution	\$55,000
Depreciation	\$45,000
Total Expenses	(\$390,000)

Dear Mr. Hopkins,

Here is your profit and loss account for this quarter. As you can see, you have a bit of a problem. Your revenue includes your sales for this quarter, which was \$1,400,000. We subtracted the discounts given on these sales. This gives us a **net sales** figure of \$1,050,000. The **cost of goods sold** (indicated in the document as **cost of sales**) was \$775,000. This leaves you with a gross **margin** of \$275,000.

Unfortunately, you'll see on this **income statement** that your total expenses add up to \$390,000. You spent \$75,000 in wages, \$120,000 on materials, and a total of \$150,000 on production and distribution combined. As you can see, your **gross profit** is \$115,000. This does not even include your **overhead** or any other expenses. Your **net profit** will be lower than this.

Please call me to schedule a meeting. We need to correct this situation right away.

Sincerely,
Amanda Roberts, CPA

Reading

2 Read the P&L report and letter. Then, choose the correct answers.

- 1 What is the purpose of the letter?
 - A to correct problems in the P&L account
 - B to identify a mistake in a previous P&L account
 - C to warn a businessman of a financial problem
 - D to compare profits and losses from two quarters
- 2 What was the company's largest expense?
 - A distribution
 - B wages
 - C materials
 - D production
- 3 Why does the CPA expect the net profit to be lower than the gross profit?
 - A the gross profit doesn't include overhead expenses
 - B the net profit includes labor expenses
 - C more wages to be paid before calculating the net profit
 - D cost of sales was not removed from the gross profit

Vocabulary

3 Match the words or phrases (1-8) with the definitions (A-H).

- | | |
|---------------|----------------------|
| 1 — revenue | 5 — net profit |
| 2 — margin | 6 — income statement |
| 3 — overhead | 7 — cost of sales |
| 4 — net sales | 8 — depreciation |

- A the difference between revenue and total expenses
- B income a company receives through normal business
- C a summary of a company's financial position
- D the difference between a product's price and its cost of production
- E the amount of money a company makes for selling its products, after taking into account discounts, returns, and damages
- F a figure that details the expense associated with selling goods
- G the cost of running a business not related to the actual products
- H the allocation of the cost of an asset to the period in which its benefits are used

4 Write a word or phrase that is similar in meaning to the underlined part.

- The accountant drafted a document outlining the company's financial position that showed revenues, costs, and expenses.
p _ _ _ i _ a _ _ l _ _ s _ c _ _ _ n _ t
- Somehow we need to reduce the amount it costs to produce, distribute, and transport our products.
_ o _ _ _ f g _ _ d _ s _ l _
- What is the difference between total income and costs of production?
g _ _ s _ _ r _ f _ t

5 Listen and read the P&L report and letter again. Why is the company in trouble?

Listening

6 Listen to a conversation between a manager and an accountant. Mark the following statements as true (T) or false (F).

- ___ The woman calls to schedule an appointment.
- ___ The woman entered the sales numbers incorrectly.
- ___ The man provided the wrong figure for his company's paid wages.

7 Listen again and complete the conversation.

Accountant: Hi Mr. Hopkins. Do you have a minute to talk about the 1 _____ account I sent over?

Manager: Of course. I just received it. It looks like 2 _____.

Accountant: That's actually why I'm calling. There's a 3 _____ wrong with the figures.

Manager: Oh, really? 4 _____?

Accountant: Well, it looks like somehow we entered in your 5 _____ incorrectly.

Manager: That's going to make a difference.

Accountant: Yes, it's a big difference. The correct number is 6 _____ than what's on your statement.

Speaking

8 With a partner, act out the roles below based on Task 7. Then, switch roles.

USE LANGUAGE SUCH AS:

There's a couple of things wrong with ...

What's the problem?

There's one more thing.

Student A: You are a manager. Talk to Student B about:

- a P&L account
- errors in the P&L account
- what he or she needs to do to fix the errors

Student B: You are an accountant. Talk to Student A about a P&L account.

Writing

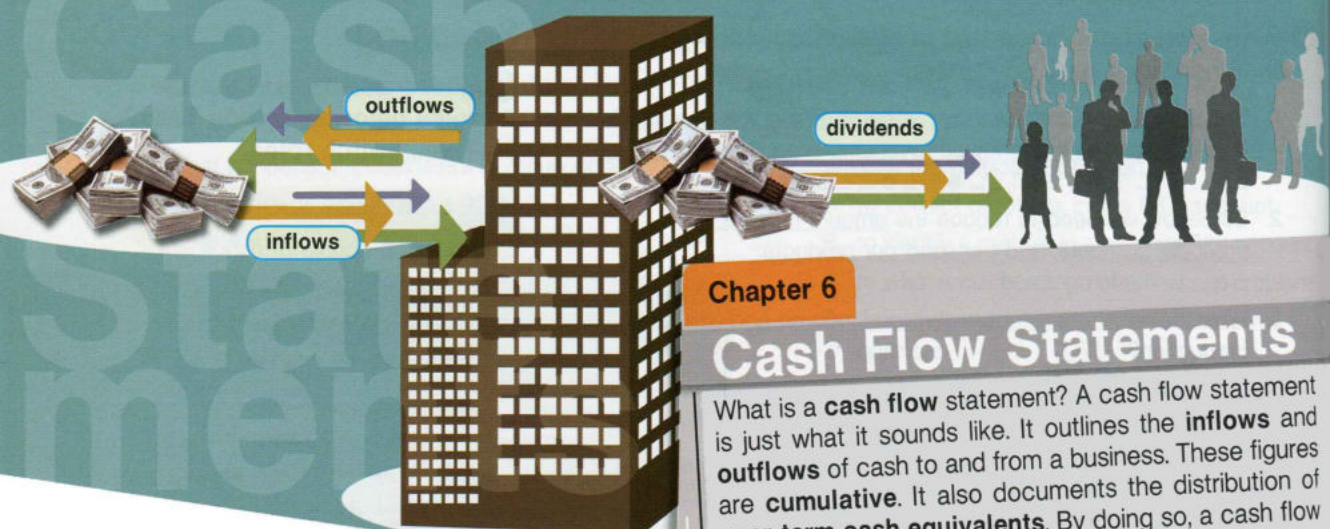
9 Use the conversation from Task 8 to fill out the email.

From: a-roberts@R&RAccounting.com
To: K.Hopkins@HappyTownGifts.com
Subject: P&L Account

Mr. Hopkins,

I apologize, but the P&L account I sent over this afternoon had several errors. First, _____. Secondly, _____. I am very sorry for these errors. If you could please supply me with _____. I will send you the corrected statement shortly.

Amanda Roberts, CPA



Chapter 6

Cash Flow Statements

What is a **cash flow** statement? A cash flow statement is just what it sounds like. It outlines the **inflows** and **outflows** of cash to and from a business. These figures are **cumulative**. It also documents the distribution of **near-term cash equivalents**. By doing so, a cash flow statement helps people determine how likely a company is to succeed.

Most cash flow statements have three parts. These parts reflect three **activities** a business engages in: financing activities, investing activities, and operating activities. All three have the ability to **generate** cash or other **proceeds**. They all can also result in cash outflow. Paying **dividends** through **cash distributions** is an example of outflow due to financing activities. Operating activities generate cash inflows through the sale of products. Investing activities cause cash flow when a company buys or sells an asset.

Get ready!

1 Before you read the passage, talk about these questions.

- 1 What information goes into a cash flow report?
- 2 Who would want to know about a business's cash flow?

Reading

2 Read the textbook chapter. Then, choose the correct answers.

- 1 What is the purpose of the passage?
 - A to show how to create a cash flow statement
 - B to explain what cash flow statements are
 - C to recommend methods of creating cash inflows
 - D to describe how to use information in cash flow statements
- 2 What is true of financing activities?
 - A They are related to selling, distributing, and producing products.
 - B They can include buying or selling an asset.
 - C They are a type of operating activity.
 - D They can result in cash inflow or outflow.
- 3 Which of the following is an example of an operating activity?
 - A the sale of products
 - B payment of dividends
 - C buying an asset
 - D making cash distributions

Vocabulary

3 Match the words or phrases (1-8) with the definitions (A-H).

- | | |
|---------------|------------------------|
| 1 — bill | 5 — cash equivalents |
| 2 — activity | 6 — cash distributions |
| 3 — generate | 7 — cash flow |
| 4 — dividends | 8 — proceeds |

- A payments to an investor in the form of cash
- B to create something
- C the amount of cash coming into and going out of a business
- D short-term investment securities with high credit value
- E an action of a business
- F payments made at specific intervals to stockholders
- G money gained from a transaction
- H something that must be paid

4 Read the sentence pairs. Choose which word or phrase best fits each blank.

- 1 cumulative / near-term

A The record is _____,so it reflects account activity from the start of business through today.
B The distribution was in the form of a _____ cash equivalent.
- 2 bill / inflow

A The cash made from selling goods is an example of a(n) _____.
B They sent the company a(n) _____ for the service they provided.
- 3 cash flow / dividend

A Did you create a _____ statement for this quarter?
B The company had to pay the stockholder his _____.
- 4 activity / outflow

A When they paid the supplier it was an example of cash _____.
B Selling an asset is an investing _____.

5 Listen and read the textbook chapter again. What information does a cash flow statement provide?

Listening

6 Listen to a conversation between a manager and an accountant. Mark the following statements as true (T) or false (F).

- 1 ___ The woman lost her copy of the cash flow statement.
- 2 ___ The company's inflows are up.
- 3 ___ The company has been paying more dividends.

7 Listen again and complete the conversation.

Manager: Hi, Keith. Can I 1 _____ a minute?
Accountant: Sure. What can I 2 _____ ?
Manager: I have a meeting with the shareholders in an hour. I really need to get this quarter's 3 _____.
Accountant: Oh yeah, you'll need that. Here it is. Take a look at it and see if you have 4 _____.
Manager: Oh great! I 5 _____ it wasn't ready.
Accountant: I just finished it a few minutes ago. Sorry, I didn't realize there was a shareholders meeting or I would've 6 _____.

Speaking

8 With a partner, act out the roles below based on Task 7. Then, switch roles.

USE LANGUAGE SUCH AS:

I really need ...
It looks like ...
Thanks a lot!

Student A: You are a manager. Talk to Student B about:

- a cash flow statement
- why you need it
- a change in cash flow

Student B: You are an accountant. Talk to Student B about a cash flow statement.

Writing

9 Use the conversation from Task 8 to fill out the memo.

memo
Cash Flow Statements
Shareholders Meeting Today!
Hello,
I need a copy of this quarter's _____ because _____.
I need to _____.
Please indicate all _____.
Thanks a lot.
Rachel

profit zone

loss zone

break-even point



slump

Get ready!

1 Before you read the passage, talk about these questions.

- 1 What can you infer about a business at the break-even point?
- 2 How can a business reduce costs?

Reading

2 Read the chapter. Then, choose the correct answers.

- 1 What is the purpose of the passage?
 - A to give advice about getting your business to the break-even point
 - B to explain how to determine the break-even point
 - C to discuss the negative aspects of the break-even point
 - D to describe the break-even point and how to move past it
- 2 Which of the following is NOT suggested as a way to increase profit?
 - A reduce prices
 - B examine the margin ratio
 - C lower the minimum price
 - D evaluate the profit margin
- 3 What is true of the margin ratio?
 - A It indicates how efficiently a business is spending.
 - B It gets larger as a business spends more.
 - C It shows how profitable a business is.
 - D It gives a business's sales numbers.

CHAPTER 9:

THE BREAK - EVEN POINT

The break-even point is the point at which your business's revenue matches its expenses exactly. The good news? You're out of the **loss zone**! The bad news? You're not in the **profit zone**. What do you do now?

There are several ways to increase profit. Start by evaluating your prices. Are they **set** at an **optimal** level? Sometimes you might have to **reduce** prices to improve sales. If you're experiencing a sales **slump**, this is worth a shot. Of course, you still have to make a profit. Make sure that you don't lower your prices too much. The **minimum** price is the lowest amount you can charge and still make money.

Look at your **margin ratio** and profit **margins**. This can help you see how efficiently you're spending money. The higher the ratio, the more efficient you are. **Tighten** all unnecessary spending.

Be careful, though. Breaking even is still better than losing money. Don't make any bad decisions in your haste to get to the profit zone!

Vocabulary

3 Match the words or phrases (1-8) with the definitions (A-H).

- | | |
|-------------|----------------------|
| 1 — tighten | 5 — profit zone |
| 2 — optimal | 6 — loss zone |
| 3 — reduce | 7 — break-even point |
| 4 — slump | 8 — margin ratio |

- A to restrict something
- B the area in which a business is spending more than it earns
- C ideal or best-fitting
- D to lower something
- E the point at which a business neither makes a profit nor a loss
- F a time period with below average sales
- G area in which a business is earning more than it spends
- H a comparison of a company's profit to the cost of its goods sold

- 4 Fill in the blanks with the correct words from the word bank.

Word BANK

margin minimum optimal reduce

- 1 Let's try to _____ costs this quarter.
- 2 \$3.00 is the absolute _____ we can charge for that item.
- 3 What does our profit _____ look like?
- 4 Do you think this is the _____ price for this item?

- 5 Listen and read the chapter again. What should you be careful of once you reach the break-even point?

Listening

- 6 Listen to a conversation between a manager and an accountant. Mark the following statements as true (T) or false (F).

- 1 ___ The company is below the breaking-point.
- 2 ___ The man suggests looking for a new supplier.
- 3 ___ Some of the company's equipment is outdated and unproductive.

- 7 Listen again and complete the conversation.

Accountant: Hey, Jim. Did you see this 1 _____?

Manager: No, I haven't yet. How 2 _____?

Accountant: 3 _____ it's not good. This slump we're in pushed us below the 4 _____.

Manager: That's awful. I was afraid that would happen. What are we going to do?

Accountant: I think we need to look for a 5 _____.

Manager: Hmm. That's a good idea. If we could find something cheaper it would really 6 _____.

Speaking

- 8 With a partner, act out the roles below based on Task 7. Then, switch roles.

USE LANGUAGE SUCH AS:

I'm afraid ...

What are we going to do?

I also think ...

Student A: You are an accountant. Talk to Student B about:

- how close the company is to the break-even point
- your ideas about how to cut costs
- his or her ideas on how to cut costs

Student B: You are a manager. Talk to Student A about the break-even point.

Writing

- 9 Use the conversation from Task 8 to fill out the email.

To: Management@SeaCorp.net

From: Accounting@SeaCorp.net

Subject: Current sales slump

As you all know, the current sales slump has caused us to fall below the _____. This is concerning. We need to come up with ways to cut costs. I propose we _____.

We should also _____. We need to make sure _____. Finally, we can _____.

Thanks. Let's talk more soon.
Sherri

Get ready!

1 Before you read the passage, talk about these questions.

- What are the benefits and drawbacks for a business of paying taxes?
- What kind of taxes do you have to pay in your country?

TAX FACTS.com

We know that taxes can be confusing sometimes. Luckily, we're experts and we're here to help. Here's a breakdown of common taxes.

- **Sales tax** is a kind of **flat tax** collected for the sale of retail goods. It's similar to a **value added tax (VAT)**, but a VAT is built into an item's price.
- **Income tax** is a tax levied on people's income. The government taxes people at different rates. This depends on their **tax bracket**.
- **Property taxes** are levied on people's property. Higher value properties are taxed at a higher rate, generally.
- **Corporate taxes** are levied on the profits of corporations. Corporations are treated like separate entities and are thus also taxed at different rates, depending on their profits.
- **Excise taxes** are taxes on certain nonessential goods, like fuel and communications.

All these **taxes** are important to the functioning of the government. There are legitimate **tax breaks** out there. Be careful, though. You don't want to cross the line into **tax evasion**. In all cases, you should contact a certified accountant to walk you through this, sometimes tricky, process.

Reading

2 Read the website. Then, choose the correct answers.

- What is the purpose of the passage?
 - to tell people how to find legal tax breaks
 - to encourage people to pay their taxes
 - to help people file their yearly taxes
 - to explain different kinds of taxes
- What is the difference between a sales tax and a VAT?
 - Sales tax is only charged for nonessential items.
 - VAT is typically lower than sales tax.
 - Sales tax changes with income levels.
 - VAT is included in a product's price.
- Which of the following does NOT change rates?
 - property tax
 - sales tax
 - income tax
 - corporate tax

Vocabulary

3 Match the words or phrases (1-8) with the definitions (A-H).

- | | |
|----------------|---------------------|
| 1 — sales tax | 5 — property tax |
| 2 — flat tax | 6 — value added tax |
| 3 — tax break | 7 — corporate tax |
| 4 — income tax | 8 — tax evasion |

- a tax levied on land and buildings owned by an individual
- a tax levied on the profits of a company that is classified as an individual
- a tax that is the same for everyone
- a tax that reflects the difference between something's price and the cost to make it
- the act of illegally avoiding paying taxes
- a tax levied when retail goods are sold
- a tax levied on people's wages and salaries
- something that reduces the amount of taxes a person has to pay

4 Read the sentence pairs. Choose the sentence that uses the underlined part correctly.

- 1 A When he got a raise, the man entered a higher tax bracket.
B The man had to pay income tax on his house.
- 2 A Property tax is an example of a value added tax.
B Taxes on fuel are excise taxes.
- 3 A The government collects taxes to pay for things.
B Tax evasion is a legal break on taxes.

5 Listen and read the website again. Which taxes are based on how much money a person or a business makes?

Listening

6 Listen to a conversation between a manager and an accountant. Mark the following statements as true (T) or false (F).

- 1 ☐ The woman wants to reduce the amount of property taxes the company has to pay.
- 2 ☐ The man suggests that the company provide health insurance to employees.
- 3 ☐ The company got a tax break for being energy efficient.

7 Listen again and complete the conversation.

Manager: Hi, Stan. I've been reviewing 1 _____.
I'm a little surprised about how much we're paying in taxes.

Accountant: It does seem like a lot of money, doesn't it?

Manager: I'll say! I know we can't do much about our 2 _____.
But what about those 3 _____?

Accountant: There are some 4 _____ we can get.

Manager: Oh really? Can you tell me a little bit more 5 _____?

Accountant: Of course. The government offers tax credits to businesses. For example, we can get a credit if we start supplying our employees with 6 _____.

Speaking

8 With a partner, act out the roles below based on Task 7. Then, switch roles.

USE LANGUAGE SUCH AS:

What if we ...?

We should also consider ...

How would that help?

Student A: You are an accountant. Talk to Student B about:

- the amount of taxes the company pays
- ways to reduce this amount
- how your suggestions would work

Student B: You are a manager. Talk to Student A about your company's taxes.

Writing

9 Use the conversation from Task 8 to fill out the proposal.

To: All Managers

I am writing to propose ways in which we can reduce the amount we pay in taxes. I've researched a few ideas. First,

_____.

Second, _____.

Finally, _____.

We might be able to save quite a lot of money.

Thanks,
Stan Harrison

MEMO MEMO

ATTN: Reminder of end-of-period procedures!

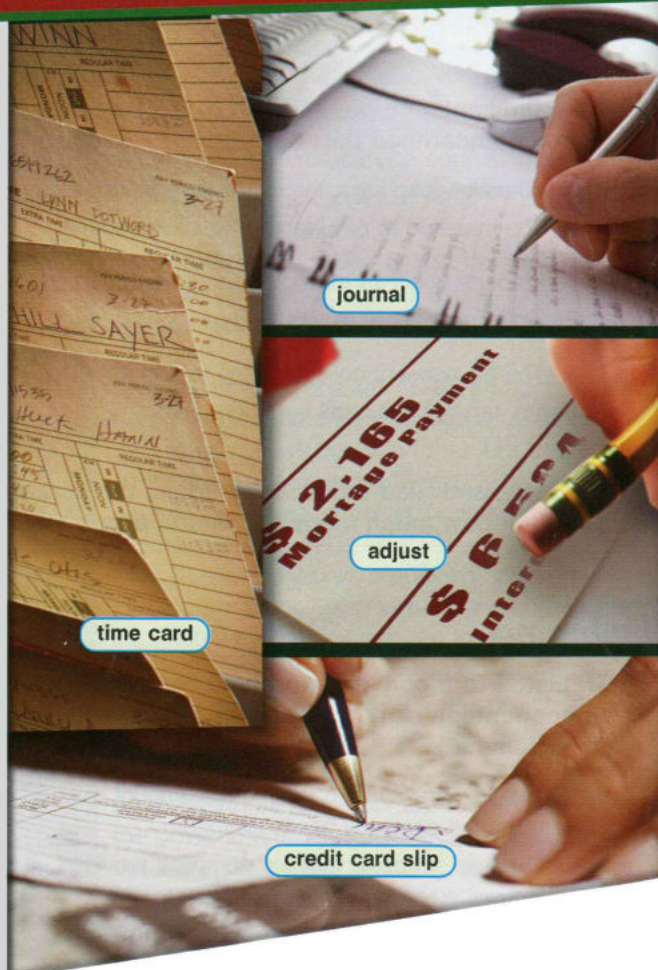
All employees,

The end of the **fiscal year** is upon us. This means that I have a lot to do! I have to follow some very strict **closing procedures** before I can close this year's books. Please remember the following:

- Turn in all **source documents**. These are things like **credit card slips**, **purchase invoices**, and employee payment info. I need these by Friday so I can ensure everything is **recorded** correctly and **up-to-date**.
- I have a **salary roster** for salaried employees. Managers, please ensure your hourly employees' **time cards** are turned in. After I've closed the **journal** I can't **adjust** any entries. I need these by Wednesday at the latest.

Those are the two main things I need from all of you. Also, please remember that this is a huge job. I have to check all the **transactions** in the **accounting database**. Have patience with me during this important time!

Regards,
Gareth



Get ready!

1 Before you read the passage, talk about these questions.

- 1 Why is it a good idea to keep original copies of important documents?
- 2 Why is it important to review financial records regularly?

Reading

2 Read the memo. Then, mark the following statements as true (T) or false (F).

- 1 ☐ A time card is a source document.
- 2 ☐ Adjustments can only be made when the journal is open.
- 3 ☐ The accountant found an incorrect transaction in the accounting database.

Vocabulary

3 Match the words or phrases (1-8) with the definitions (A-H).

- | | |
|--|---|
| 1 ☐ journal | 5 ☐ source document |
| 2 ☐ adjust | 6 ☐ accounting database |
| 3 ☐ fiscal year | 7 ☐ end-of-period procedures |
| 4 ☐ time card | 8 ☐ credit card slip |

- A a ledger containing financial information for a business
- B steps that must be taken at the end of a financial period
- C to change something
- D an original copy
- E a document that shows the hours an employee worked
- F a central location where all financial data for a company are stored
- G a receipt for a purchase made with a credit card
- H a time period businesses use to determine their financial statements

4 Fill in the blanks with the correct words or phrases from the word bank.

WordBANK

transactions record up-to-date

purchase invoice salary roster closing procedures

- Before closing the books, the accountant must follow the _____.
- After the company finalized the deal, the supplier provided them with a(n) _____.
- Make sure those figures are _____.
- The accountant had to _____ all the information from the time sheets.
- I had to consult the _____ to see how much money people earned this year.
- Credits and debits are examples of _____.

5 Listen and read the memo again. Why does the employee ask for all source documents?

Listening

6 Listen to a conversation between an owner and an accountant. Mark the following statements as true (T) or false (F).

- What procedure has the man completed?
A filing source documents C entering credit card receipts
B confirming payroll numbers D adjusting sales totals
- Why will the woman email the man a salary roster?
A the man lost his original copy
B the sales department has not turned theirs in
C the man's copy might not be up-to-date
D the woman found an error on the original

7 Listen again and complete the conversation.

Owner: Hi Gareth. How's your team doing on the 1 _____ procedures?

Accountant: We're making good progress. We've 2 _____ with all the credit card slips and purchase invoices.

Owner: Great! You're not missing any 3 _____, then?

Accountant: I don't think so. Everything has been sent in. I just have to 4 _____.

Owner: All right, good. What 5 _____?

Accountant: I'm still waiting on the sales department's 6 _____.

Speaking

8 With a partner, act out the roles below based on Task 7. Then, switch roles.

USE LANGUAGE SUCH AS:

How's your team doing on ...?
I just have to ...
I'm still waiting on ...

Student A: You are an accountant. Talk to Student B about:

- end-of-period procedures
- what you have completed
- what you still need to complete

Student B: You are a business owner. Talk to Student A about end-of-period procedures.

Writing

9 Use the conversation from Task 8 to fill out the email.

To: Maggie.Fox@Xentron.com
From: Gareth.Richards@Xentron.com
Subject: End-of-year procedures

Hi Ms. Fox,

This is just a quick update on our progress on the end-of-year procedures.

We've finished _____

We still need to _____

Thanks,
Gareth

Glossary

- accounting database** [N-COUNT-U15] An **accounting database** is a computer program in which all of a company's financial data are stored.
- accounts payable** [N-UNCOUNT-U8] **Accounts payable** is the amount of money that a business owes its creditors and suppliers at a particular point in time.
- accounts receivable** [N-UNCOUNT-U10] **Accounts receivable** is money owed to a company for products sold on credit, and can be seen as an asset.
- accrued expenses payable** [N-UNCOUNT-U8] **Accrued expenses payable** refers to expenses that are owed and have not been paid, and for which an invoice does not necessarily exist.
- activity** [N-COUNT-U12] An **activity** is the action of a business or a thing that a business does.
- activity-based costing** [N-UNCOUNT-U7] **Activity-based costing** is a costing model that assesses how much particular products or projects cost a company based on the resources they use.
- adjust** [V-T-U15] To **adjust** something is to change it.
- allot** [V-T-U9] To **allot** something is to divide it up amongst different categories or entities.
- approachable** [ADJ-U2] If someone is **approachable**, he or she is easy to talk to and not intimidating.
- arrive at** [V-T-U3] To **arrive at** a decision is to come to a conclusion about a particular issue, usually after some discussion.
- assemble** [V-T-U6] To **assemble** something is to put it together.
- assets** [N-COUNT-U10] **Assets** are anything of value that can be converted into cash or otherwise invested to gain profit.
- authoritarian** [ADJ-U1] If someone is **authoritarian**, he or she values strict obedience to authority and does not value personal freedom.
- bait and hook model** [N-UNCOUNT-U6] The **bait and hook model** is a business model in which one product is offered at a very low price to encourage the sale of accessories or other complementary products which are priced very highly.
- balance sheet** [N-COUNT-U10] A **balance sheet** is a document that shows an analysis of a business's assets, liabilities, and owner's equity.
- bill** [N-COUNT-U12] A **bill** is something that must be paid.
- bill** [V-T-U8] To **bill** someone for a service or goods is to ask for payment.
- bonus** [N-COUNT-U8] A **bonus** is a payment above what is normally earned, often given for good performance.
- boss** [N-COUNT-U2] A **boss** is someone who is in charge of other people.
- bottom-up** [ADJ-U3] If communication is **bottom-up**, it is directed from lower level employees toward their supervisors.
- branch out** [V-I-U5] To **branch out** is to expand into other areas not previously explored.
- break even** [V-IT-U4] To **break even** is to make the same amount of money as was spent. The business does not make a profit or a loss.
- break-even point** [N-UNCOUNT-U13] The **break-even point** is the point at which a business neither makes a profit nor incurs a loss. Revenue matches expenses exactly.
- breathe down (someone's) neck** [V-PHRASE-U1] To **breathe down someone's neck** is to constantly remind someone of an obligation in a harassing or rude manner.
- budget** [N-COUNT-U9] A **budget** is a document that outlines the expected income and expenses for an organization during a specific period of time.
- business model** [N-COUNT-U6] A **business model** is a plan for the operation of a business, including its operations, functions, and its revenues and expenses.
- business plan** [N-COUNT-U4] A **business plan** is a statement of a business's goals, why these are reasonable goals, and how the business will reach these goals.
- carry over** [V-T-U8] To **carry over** something is to transfer it from one time period to another.

cash budget [N-COUNT-U9] A **cash budget** is a document used for planning and controlling cash inflow and outflow during a certain period.

cash distributions [N-COUNT-U12] **Cash distributions** are payments to an investor in the form of cash.

cash equivalents [N-COUNT-U12] **Cash equivalents** are short-term investment securities that have high credit value.

cash flow [N-COUNT-U12] **Cash flow** refers to the amount of cash coming into and going out of a business.

charge [V-T-U6] To **charge** someone is to ask them to give you a certain amount of money in exchange for a product or service.

closing procedures [N-COUNT-U15] **Closing procedures** are steps that must be taken before the accounting books are closed after being reconciled.

communicate [V-T or IT-U2] To **communicate** is to exchange information verbally or in writing with another person or group of people.

consensus [N-COUNT-U3] A **consensus** is a mutually agreed upon decision.

consider [N-T-U1] To **consider** something is to give it close thought.

consult [V-I-U2] To **consult** is to confer with another person or group of people for advice.

contribute [V-T or IT-U2] To **contribute** is to bring or give something.

contribution [N-COUNT-U4] A **contribution** is something that someone gives to someone else for a specific purpose.

corporate tax [N-COUNT-U14] A **corporate tax** is a tax that a corporation has to pay based on their profits.

cost driver [N-COUNT-U7] A **cost driver** is anything that results in a cost.

cost of goods sold [N-UNCOUNT-U11] **Cost of goods sold** is the expense figure for the costs of inventory that a company has sold over a given period.

cost of sales [N-UNCOUNT-U11] **Cost of sales** is the expense figure for the costs of inventory that a company has sold over a given period. These costs include material purchases, production costs, and the transport of all goods sold.

credit card slip [N-COUNT-U15] A **credit card slip** is a receipt for a purchase made with a credit card. Usually the seller retains the slip with the customer's signature on it.

cumulative [ADJ-U12] If something is **cumulative**, it increases as more continues to be added to it.

deal with [V-T-U2] To **deal with** something is to take care of or handle it.

debate [N-COUNT-U3] A **debate** is an exchange of viewpoints regarding a single issue in which each side tries to convince the others of its validity.

delay [N-COUNT-U3] A **delay** is something that postpones an event or occurrence.

demanding [ADJ-U1] If someone is **demanding**, he or she has high expectations of others and insists that things get done a certain way.

democratic [ADJ-U3] If a manager is **democratic**, he or she emphasizes everyone's role in decision making and allows all employees to have a voice before a final consensus is reached.

depreciation [N-UNCOUNT-U11] **Depreciation** is the allocation of the cost of an asset to the accounting period when its benefits are used.

direct costs [N-COUNT-U7] **Direct costs** are costs of things that precisely benefit a specific project.

direct labor [N-UNCOUNT-U7] **Direct labor** is labor that has been expended on a specific project.

direct materials [N-UNCOUNT-U7] **Direct materials** are materials that precisely benefit a specific project.

distribution channel [N-COUNT-U5] A **distribution channel** is a method of supplying a company's goods to consumers.

distributor model [N-UNCOUNT-U6] The **distributor model** is a business model in which a business delivers goods from a manufacturer to a customer.

dividends [N-COUNT-U12] **Dividends** are amounts of money that must be paid at certain frequencies by a company to the people who own stock in the company.

Glossary

- dominate** [V-T-U5] To **dominate** something is to be in control of it or to be the most important part of it.
- empower** [V-T-U3] To **empower** someone is to give them the ability to make their own decisions and take responsibility for their own actions.
- end-of-period procedures** [N-COUNT-U15] **End of period procedures** are steps that must be taken at the end of certain designated time periods to ensure that all records are correct for that time period.
- estimate** [V-I-U8] To **estimate** is to make a logical guess about something based on available information.
- estimate** [N-COUNT-U9] An **estimate** is an educated guess or prediction about something.
- excise tax** [N-COUNT-U14] An **excise tax** is a tax that is based on the sale or consumption of certain consumer goods, usually ones that are considered non-essential.
- expense** [N-COUNT-U7] An **expense** is something that one person or organization has to pay to another in return for some kind of good or service.
- factory** [N-COUNT-U6] A **factory** is a place in which goods are manufactured and assembled.
- fiscal year** [N-COUNT-U15] A **fiscal year** is a time period businesses use to determine their financial statements and does not necessarily coincide with the calendar year.
- fixed assets** [N-COUNT-U10] **Fixed assets** are physical things of value that are used for production of goods but are not easily converted to cash, such as property, factories, and machinery.
- fixed costs** [N-COUNT-U7] **Fixed costs** are costs for things that do not fluctuate depending on business.
- fixed overhead** [N-UNCOUNT-U7] **Fixed overhead** includes the expenses necessary to the operation of a business but not clearly associated with particular projects that stay the same regardless of business conditions.
- flat tax** [N-COUNT-U14] A **flat tax** is a tax that is the same for everyone and doesn't take into consideration how much money a person makes.
- foothold** [N-COUNT-U5] A **foothold** is a solid place from which additional gains can be made.
- forecast** [V-T-U9] To **forecast** something is to predict how it will act in the future.
- formulate** [V-T-U5] To **formulate** something is to create it in a clear and systematic way.
- franchise model** [N-COUNT-U6] The **franchise model** is a business model in which an established business allows others to make use of its name, infrastructure, and business plan by purchasing and operating an instance of that business.
- fund** [V-T-U9] To **fund** something is to supply it with money, usually for a clear reason.
- generate** [V-T-U12] To **generate** something is to create it.
- gross** [ADJ-U4] If income is **gross**, it is the amount of income before any taxes or other contributions have been taken out of it.
- gross profit** [N-UNCOUNT-U11] **Gross profit** is the difference between total income, or revenue, and the costs of production, before accounting for overhead and other expenses.
- harsh** [ADJ-U1] If someone is **harsh**, he or she does not treat others with kindness and is critical, impatient, and rude.
- heavy-handed** [ADJ-U1] If someone is **heavy-handed**, he or she is unnecessarily forceful, oppressive, or domineering.
- impose** [V-T or IT-U1] To **impose** is to force some policy, procedure, or rule to be put into action even if it is unwanted.
- income statement** [N-COUNT-U11] An **income statement** is a statement of a company's financial position that is compiled at the end of an accounting period to show all revenues, costs, and expenses over that period of time.
- income tax** [N-COUNT-U14] An **income tax** is a tax that is levied on people's income and varies based on the total amount of income a person makes.
- income tax payable** [N-UNCOUNT-U8] **Income tax payable** is the amount of money that an organization owes to the government at a particular time.
- indirect costs** [N-COUNT-U7] **Indirect costs** are costs for things that do not clearly benefit a specific project but are used by the organization in general.

industry leader [N-COUNT-U5] An **industry leader** is the most important or influential entity in a particular field.

inflows [N-UNCOUNT-U12] **Inflows** are sums of money that come into a business.

infrastructure [N-UNCOUNT-U6] **Infrastructure** is the basic organizational structure of a system or group.

initial [ADJ-U4] If something is **initial**, it is at the beginning.

intangible assets [N-COUNT-U10] **Intangible assets** are nonmaterial assets, such as copyrights, customer lists, knowledge, and business connections.

inventory [N-COUNT-U10] An **inventory** is a supply of saleable goods held in stock by a company.

invest [V-T-U9] To **invest** in something is to provide resources to it with the expectation that these resources will be returned in the future.

invoice [N-COUNT-U8] A **invoice** is a document provided to a buyer from a seller indicating how much money the buyer owes the seller for the goods or services provided.

journal [N-COUNT-U15] A **journal** includes financial information for a business, including all debits and credits into and out of all accounts.

lack [N-UNCOUNT-U2] A **lack** of something refers to a deficit of that particular attribute.

legal structure [N-COUNT-U4] A **legal structure** is a way of organizing a business that determines the sort of taxes a business will have to pay, issues of liability, and other legal concerns. Examples include sole proprietorship, LLC, and general partnership.

liabilities [N-COUNT-U10] **Liabilities** are a business's legal obligations, such as debts and expenses.

license [N-COUNT-U4] A **license** is a legal document that gives permission to perform a certain function, such as driving or operating a business.

limiting [ADJ-U1] If someone is **limiting**, he or she restricts others from acting freely.

loan period [N-COUNT-U8] A **loan period** is the amount of time that a loan is intended to last. At the end of the loan period, the debt should be paid in full.

location [N-COUNT-U4] A **location** is a specific place.

long-term [ADJ-U9] If something is **long-term**, it relates to things that will last for a relatively long time.

loss zone [N-UNCOUNT-U13] The **loss zone** is an area in which a business fails to be profitable and instead suffers losses.

loyalty [N-UNCOUNT-U2] **Loyalty** is the condition of feeling dedicated or devoted to a person, idea, or entity.

management style [N-COUNT-U1] A **management style** is a way in which a manager conducts him or herself in relation to his or her employees and their work.

manufacture [V-T-U6] To **manufacture** something is to create it.

margin [N-COUNT-U11] A **margin** is the difference between the price a product sells for and its production costs.

margin [N-COUNT-U13] A **margin** refers to a yield, gain, or profit.

margin ratio [N-COUNT-U13] The **margin ratio** is a ratio of a company's profit to the cost of goods it has sold in a particular time period.

master budget [N-COUNT-U9] A **master budget** is a document that contains all the budgets of an organization, is used for planning, and sets precise goals for sales, production, or other concerns.

micromanage [V-T or IT-U1] To **micromanage** is to be overly involved in the daily business of employees and not allow them to make decisions on their own.

minimum [N-UNCOUNT-U13] The **minimum** is the lowest level of something.

morale [N-UNCOUNT-U3] **Morale** is the state of a person or group of people regarding their enthusiasm, willingness, excitement, and ability to perform certain tasks.

motivation [N-UNCOUNT-U2] **Motivation** is an internal or external force that causes people to initiate some behavior.

near-term [ADJ-U12] If something is **near-term**, it is short-term or going to happen soon.

Glossary

- net profit** [N-UNCOUNT-U11] **Net profit** is the measure of a business's profitability, or the difference between revenue and total expenses.
- net sales** [N-UNCOUNT-U11] **Net sales** is the amount of money a business receives for its products or services, after accounting for discounts, returns, and damaged goods.
- operating budget** [N-COUNT-U9] The **operating budget** is a budget that estimates income and expenses based on projected sales during a specific period.
- optimal** [ADJ-U13] If something is **optimal**, it is ideal or perfect.
- organization** [N-UNCOUNT-U6] **Organization** is the way in which something is put together or organized.
- outflows** [N-UNCOUNT-U12] **Outflows** are sums of money that leave a business.
- overhead** [N-UNCOUNT-U11] **Overhead** is all the costs associated with business operations, but not directly related to the products themselves.
- owe** [V-T-U8] To **owe** someone something is to be under obligation to repay him or her in exchange for something he or she gave you.
- owner's equity** [N-UNCOUNT-U10] **Owner's equity** is the portion of a company's assets owned by the owner of a company after all liabilities have been accounted for.
- participation** [N-UNCOUNT-U3] **Participation** is the act of taking part in something.
- paternalistic** [ADJ-U2] If someone is **paternalistic**, he or she limits others' autonomy presumably for their own good and for the good of others.
- pay-as-you-go** [N-UNCOUNT-U6] **Pay-as-you-go** is a business model in which consumers pay for services in advance of receiving them. Seen primarily in the cell phone market, consumers purchase air time for their phones as needed, unlike traditional cell phone plans in which a contract exists.
- permit** [N-COUNT-U4] A **permit** is a legal document that gives permission to perform a certain function.
- proceeds** [N-UNCOUNT-U12] **Proceeds** are money that a person or business gains from a transaction.
- profit** [N-COUNT-U4] A **profit** is an amount of money left over when all expenses have been paid.
- profit and loss account** [N-COUNT-U11] A **profit and loss account** is a statement of a company's financial position that is compiled at the end of an accounting period to show all revenues, costs, and expenses over that period of time.
- profit zone** [N-UNCOUNT-U13] The **profit zone** is an area in which a business is profitable.
- profitability** [N-UNCOUNT-U5] **Profitability** is the state of being profitable, or making money.
- property and equipment (P&E)** [N-UNCOUNT-U10] **Property and Equipment (P&E)** are fixed assets such as factories, machinery, and other physical means of production that are not easily converted to cash.
- property tax** [N-COUNT-U14] A **property tax** is a tax that is levied on people's property.
- purchase invoice** [N-COUNT-U15] A **purchase invoice** is a document provided to the buyer following the purchase of some goods or services and details about what was purchased and what kind of payment is owed.
- razor and blade model** [N-UNCOUNT-U6] The **razor and blade model** is a business model in which one product is offered at a very low price to encourage the sale of accessories or other complementary products which are priced very highly.
- record** [V-T-U15] To **record** something is to write it down and make note of it.
- reduce** [V-T-U13] To **reduce** costs is to lower them.
- resource allocation** [N-UNCOUNT-U5] **Resource allocation** is the process of deciding where to invest or spend valuable items.
- revenue** [N-UNCOUNT-U11] **Revenue** is income that a company receives through normal business operations such as the sale of its product.
- salary roster** [N-COUNT-U] A **salary roster** is a list that gives names and salaries of all employees in an organization.

sales revenue [N-UNCOUNT-U4] **Sales revenue** is the amount of money a business makes from the exchange of its goods or services for cash during a specific time period.

sales tax [N-UNCOUNT-U14] **Sales tax** is a tax levied on sales of items.

satisfaction [N-UNCOUNT-U3] **Satisfaction** is the meeting of one's needs or wants, and the feeling that comes along with it.

set [V-T-U13] To **set** a price is to decide how much money to charge for a particular item or service.

short-term [ADJ-U9] If something is **short-term**, it relates to things that will last for a relatively short time.

slash [V-T-U9] To **slash** something is to greatly decrease it.

slump [N-COUNT-U13] A **slump** is a time period in which less sales are made than normal.

source document [N-COUNT-U15] A **source document** is the original document in the accounting or bookkeeping cycle, such as a cash receipt, a cancelled check, or a time sheet.

stabilize [V-T-U5] To **stabilize** assets is to convert them into a form that is less likely to lose value over time.

start up [N-COUNT-U4] A **start up** is a company that is recently established and in a period of research and development.

steer [V-T-U3] To **steer** something is to guide it in a particular direction.

strategic goal [N-COUNT-U5] A **strategic goal** is something that a person or business wants to accomplish as part of their strategic plan.

strategy [N-COUNT-U5] A **strategy** is a plan or course of action intended to lead to a certain goal.

streamline [V-T-U3] To **streamline** a process is to make it more efficient.

subordinate [N-COUNT-U1] A **subordinate** is a person who works underneath or for an authority figure.

tax [V-T-U14] To **tax** someone is to require a payment to the government based on wages earned or profits made.

tax bracket [N-COUNT-U14] A **tax bracket** is a set of incomes in a given range that are taxed at the same rate.

tax break [N-COUNT-U14] A **tax break** is something that cuts down on the total amount of money a person or business has to pay for taxes.

tax evasion [N-UNCOUNT-U14] **Tax evasion** is the act of avoiding paying taxes in a dishonest or illegal manner.

taxes [N-COUNT-U14] **Taxes** are payments required by the government usually taken out of wages or profits.

tighten [V-T-U13] To **tighten** something, like a budget, is to restrict it.

time card [N-COUNT-U15] A **time card** is a record of the hours an employee has worked during a certain time period and is generally recorded and submitted by the employees themselves.

top-down [ADJ-U3] If communication is **top-down** it is directed from higher-level employees toward their subordinates.

transaction [N-COUNT-U15] A **transaction** is the process of buying or selling something and money is exchanged.

transform [V-T or IT-U5] To **transform** something is to change it.

turnover [N-UNCOUNT-U2] **Turnover** refers to the number of people that a company goes through due to hiring, firing, and resignations.

unilateral [ADJ-U1] If something is **unilateral**, it is enforced or decided by only one person and does not necessarily have the consensus of the group.

up-to-date [ADJ-U15] If something is **up-to-date**, it is current.

utility model [N-UNCOUNT-U6] The **utility model** is a business model in which consumers pay for services received.

value [V-T-U2] To **value** something is to hold it in high esteem and care about it.

value added tax (VAT) [N-UNCOUNT-U14] **Value added tax** is a tax levied on goods that reflects the difference between its cost of production and its price.

variable costs [N-COUNT-U7] **Variable costs** are costs of things that can and do fluctuate depending on business.

variable overhead [N-UNCOUNT-U7] **Variable overhead** refers to the expenses necessary to the operation of a business but not clearly associated with particular projects, and it fluctuates depending on business conditions.



Management II

Book
3

Virginia Evans
Jenny Dooley
Henry Brown



Express Publishing

Scope and Sequence

Unit	Topic	Reading context	Vocabulary	Function
1	Business Relationships	Article	bid, buyout, divestment, friendly takeover, hostile takeover, offer, parent company, takeover, target, tender offer, white knight	Talking about possibility
2	E-commerce	FAQs page	access, checkout, e-commerce, encrypted, FAQ, lock out, log in, password, PIN, privacy policy, reset, security question, shopping cart, SSL connection, username	Asking for repetition
3	Internet Security	Article	antivirus software, back up, compliance, firewall, network, online, PCI DSS, quarantine, scan, secure, setting, spam, virus, website analysis	Listing paired items
4	Project Management 1	Email	adapt, assess, execute, face, milestone, phase, proactive, problem solving, progress report, project management, setback, stick to, track	Giving a compliment
5	Project Management 2	Product review	component, constraint, duration, Gantt chart, predecessor, project management software, resource, scope, task, timeline, waterfall model, WBS	Relating a similar experience
6	Risk Management	Letter	averse, chance, contingency plan, continuity, course of action, crisis, insurance, mitigate, potential, public relations, risk, risk management, threat	Stating agreement
7	Fraud 1	Article	bribe, charge, cook the books, corruption, embezzlement, falsify, forgery, fraud, insider trading, launder, misappropriation, payoff, trial	Bringing up past experiences
8	Fraud 2	Article	chargeback, copyright, credit card fraud, cumulative, download, fraudulent, illegal, individual, industry, intellectual property, return, stolen, store credit	Stressing a point
9	Preventing Shrinkage	Employee handbook	discount, fullest extent, hold accountable, internal, pilfer, policy, prevent, prosecute, security camera, security tag, shoplifting, shrinkage, theft, unauthorized	Delivering bad news
10	Bankruptcy	Email	bankruptcy, call in, creditor, debt, declare, file, go bankrupt, last resort, liquidate, option, protect, receiver, receivership, restructure	Asking about the future
11	Downsizing	Article	axe, close, contract, downsize, downturn, pink slip, plant, recession, severance, shrink, slash, stave off, workforce	Talking about necessities
12	Evaluations	Employee evaluation form	address, annual, assess, deficiency, dependable, evaluation, exceed, exceptional, expectation, grade, job performance, meet, prove to be, requirement, rubric	Setting goals
13	Business Ethics	Blog	abuse, business ethics, child labor, environmental damage, human rights, impact, pollution, priority, put (something) before, social responsibility, sweatshop, transparency, unethical, working conditions	Describing significant changes
14	Workplace Conflict 1	Introduction	complaint, conflict, counsel, defuse, escalate, grievance, intervene, lose-lose, mediate, mediator, moderate, party, resolution, voice, win-win	Expressing appreciation
15	Workplace Conflict 2	Handbook	argument, burden, clique, confront, demand, dismissal, gossip, grounds for, insubordinate, passive-aggressive, personal, personality, refuse, run its course, vent	Giving advice

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Get ready!

① Before you read the passage, talk about these questions.

- 1 What are some positive and negative ways that companies interact?
- 2 What are some common ways that companies transfer ownership?

"Buyer Beware" -by Milton Solis

Recent economic and political shifts have many investors looking for alternatives to investment in oil and gas. Though we, here at *Money Matters* recommend diverse investments, alternative energy continues to be risky.

Let's look briefly at the case of a company like Northern Windpower, known as NWE to most investors. When NWE first made a public stock offering, it was very successful. However, after just six short months, it is now the **target** of a **hostile takeover** by National Gas. If National Gas succeeds in this **takeover**, a **divestment** of all of Northern Windpower's assets is likely. National Gas will probably dissolve NWE after the **buyout**. This will also harm its **parent company**, Energy Solutions.

NWE still has a few options before they are forced to accept the **offer** made by National Gas. It is possible that another company will make an offer for a **friendly takeover**. A **white knight** would allow Northern Windpower to continue its operations. Further, political activists are raising money to attempt to make a **tender offer**.

However, the success of these efforts is uncertain. Of course, all investment involves risk. However, we at *Money Matters* suggest taking particular care when investing in new industries. Their instability makes them particularly vulnerable.



Reading

② Read the article. Then, choose the correct answers.

- 1 What is the main idea of the article?
 - A The oil and gas industries are likely to face hostile takeovers.
 - B White knights are important.
 - C The takeover shows that new industries are risky investments.
 - D Northern Windpower is taking over National Gas.
- 2 According to the article, which of the following is NOT true?
 - A Activists are working to provide NWE with a solution.
 - B National Gas intends to dissolve Energy Solutions.
 - C Energy Solutions owns stock in NWE.
 - D A white knight could solve NWE's problem.
- 3 What does the author recommend?
 - A Use caution when investing in alternative energy.
 - B Transfer investments away from oil and gas.
 - C Invest in new industries like wind power.
 - D Wait until after the buyout to buy NWE stock.

Vocabulary

③ Fill in the blanks with the correct words or phrases: *divestment*, *parent company*, *friendly takeover*, *target*, *hostile takeover*, *bid*, *white knight*.

- 1 Our company was the _____ of a powerful buyer.
- 2 If they make a higher _____, we will accept it.
- 3 It was a _____, and the executives kept their positions.
- 4 We need a _____ to step in, or we'll have to sell to our competitor.
- 5 Our _____ sometimes makes decisions that are not in our best interest.
- 6 After the _____, the company was shut down by its buyers.
- 7 The advisor suggested _____ when he discovered the company's illegal activities.

4 Read the sentence pairs. Choose which word or phrase best fits each blank.

1 buyout / offer

- A The _____ they made was unacceptable.
B The _____ reduced the board by three members.

2 tender offer / takeover

- A After the _____, several employees were fired by the new owners.
B I sold my stock after an investment firm made a _____.

5 Listen and read the article again. Why do many investors avoid investing in new industries?

Listening

6 Listen to a conversation between two managers. Mark the following statements as true (T) or false (F).

- 1 ___ The speakers work for a company facing a takeover.
2 ___ The man expresses concern about the instability of their industry.
3 ___ Source Staffing was bought out by a competitor.

7 Listen again and complete the conversation.

Manager 1: Did you read that article in *Money Matters* this week about Northern Windpower?

Manager 2: No. Why?

Manager 1: Apparently, they are facing a hostile takeover.

Manager 2: Really? I thought they were 1 _____.

Manager 1: They were a few months ago, but 2 _____ things changed.

Manager 2: What do you think happened?

Manager 1: They lost some important government subsidies. That 3 _____ some investors.

Manager 2: Is there any chance they can recover?

Manager 1: It doesn't 4 _____. But they can always hope for a white knight.

Manager 2: Stories like that make me nervous. What do 5 _____ would happen if we lost some big investors like that?

Manager 1: There's 6 _____ that would happen. We are in a much more stable industry.

Speaking

8 With a partner, act out the roles below based on Task 7. Then, switch roles.

USE LANGUAGE SUCH AS:

What do you think ...?
There's no way that ...
I guess ...

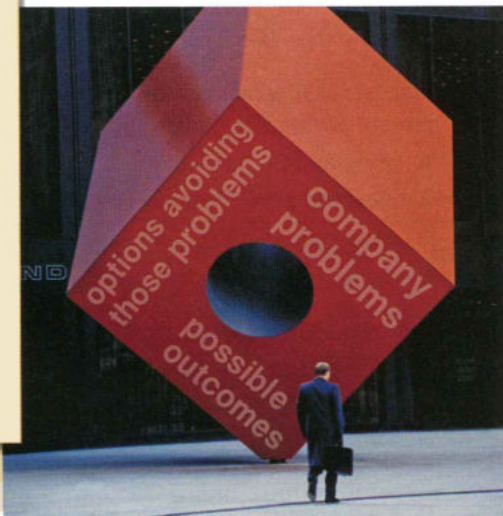
Student A: You are a manager. Talk to Student B about:

- problems at another company
- whether your company might face those problems
- plans for the future

Student B: You are a manager. Talk to Student A about your company's future.

Writing

9 Use the reading passage and conversation to write an email to a coworker. Include: problems your company is facing, options for avoiding those problems, and what outcomes you think are possible.



Knitting Pretty

You have been locked out
of your account
Contact customer services
to reset your password

lock out

LOG IN

Username

login

username

Password

password

Get ready!

1 Before you read the passage, talk about these questions.

- 1 Why is security information important in e-commerce?
- 2 What are some ways online retailers can protect customers' information?

Reading

2 Read the FAQs. Then, choose the correct answers.

- 1 What should users do if they can't remember their password?
 - A They should login using an encrypted username.
 - B They should reset their PIN by calling customer service.
 - C They should send an email to customer service.
 - D They should answer security questions to verify their identity.
- 2 Which is NOT a method the company uses to protect private information?
 - A using an SSL connection
 - B providing a link to its privacy policy
 - C requiring passwords and security questions
 - D encrypting users' information
- 3 Why should users avoid guessing their passwords?
 - A it can cause shopping carts to be emptied
 - B it will reset their password
 - C it can cause their access to be restricted
 - D it will encrypt their private information



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Online Shopping FAQs

We want your **e-commerce** experience to be as enjoyable as shopping in our stores. We've answered some common questions below to help.

Question: Can I buy gift cards from Knitting Pretty online?

Answer: Yes. Just add a gift card to your **shopping cart**. You will be able to indicate the amount you'd like to put on the card at **checkout**.

Question: Why do I need an account to make online purchases?

Answer: With an account, you can **log in** using your individual **username** and **password**. Logging in allows you to use an **SSL connection**. Your private information is **encrypted**, and no one else can **access** it.

Question: What if I forget my password?

Answer: If you forget your password, click on the "forgot my password" link. We will ask you three **security questions**. Do not try to guess your password. If you enter an incorrect password three times, you will be locked out of your account. If you get **locked out**, you may call customer service to **reset** your password. They will ask you security questions and email you a temporary **PIN**.

Question: Will Knitting Pretty share my information with other companies?

Answer: We will never share your information without your permission. Please see our **privacy policy** for details.

Vocabulary

3 Match the words (1-7) with the definitions (A-G).

- | | |
|----------------|-------------------|
| 1 — PIN | 5 — checkout |
| 2 — password | 6 — encrypted |
| 3 — e-commerce | 7 — shopping cart |
| 4 — username | |

- A business carried out online
- B secret or inaccessible
- C the place where items are bought
- D place where items to be purchased are stored
- E a numerical access code
- F a secret phrase allowing access
- G a person's label while using a website

- 4 Read the sentence pairs. Choose which word or phrase best fits each blank.

1 locked out / reset

- A If you enter the wrong password again, you'll be _____.
- B You will need to call for your password to be _____.

2 access / log in

- A You have to _____ before you can post on the message board.
- B You need a password to _____ private information.

3 SSL / FAQ

- A This website uses a(n) _____ connection for encryption.
- B Please visit our _____ page before you call with questions.

4 security question / privacy policy

- A I had to respond to a _____ before I could delete my account.
- B The company's _____ says they will not sell my information.

- 5 Listen and read the FAQs again. What is the purpose of security questions?

Listening

- 6 Listen to a conversation between a customer and an employee. Mark the following statements as true (T) or false (F).

- 1 _____ The woman is calling to change her username.
- 2 _____ The man asks for the woman's password.
- 3 _____ The woman's account will not be accessible until the next day.

- 7 Listen again and complete the conversation.

Representative: Hello, you've reached Knitting Pretty customer service. How may I help you?

Customer: Hi. I was 1 _____ buy some yarn online, but I forgot my password. I thought maybe I was just typing it wrong, so I tried a few times. Now I'm locked out of my account.

Representative: No problem, ma'am. I just need to get 2 _____ information from you. What is your username?

Customer: MarlaWilliams99.

Representative: I'm sorry, I didn't 3 _____. What was the number?

Customer: 99.

Representative: Thank you. Okay, I've 4 _____ your account. It looks like you entered the incorrect password three times. Users are automatically locked out if that happens.

Customer: 5 _____ fix it?

Representative: Sure. I just need you 6 _____ a few security questions. What was the name of your first pet?

Customer: Snowball.

Speaking

- 8 With a partner, act out the roles below based on Task 7. Then, switch roles.

USE LANGUAGE SUCH AS:

You've reached ...
I didn't get that ...
I need you to ...

Student A: You are a customer service representative. Talk to Student B about:

- problems with his or her account
- why he or she has been locked out
- security questions

Student B: You are a customer at an online retailer. Talk to Student A about accessing your account.

Writing

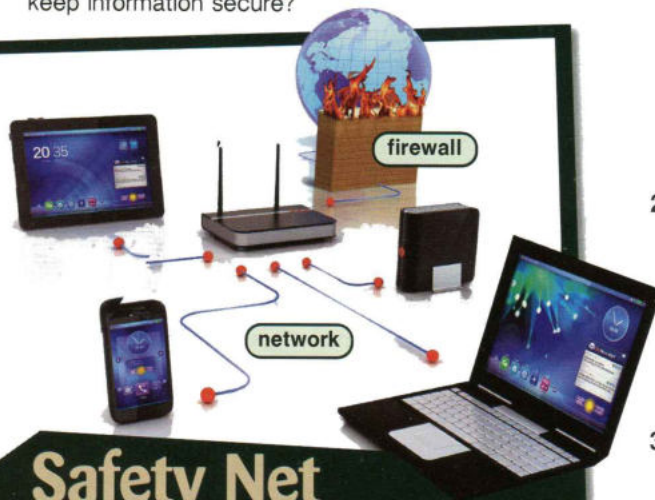
- 9 Use the reading passage and conversation to write two more FAQs for Knitting Pretty's website. Include: tips for choosing a password and suggestions for choosing security questions.

3 Internet Security

Get ready!

1 Before you read the passage, talk about these questions.

- 1 How does assuring internet security help businesses succeed?
- 2 How does antivirus software help businesses keep information secure?



Safety Net Internet Security

E-commerce is a cornerstone of modern business. Companies doing business on the web need to ensure the security of their clients' information. But they also need to protect their own computers and data. At Safety Net, we are committed to helping **online** retailers succeed. We do so by providing the following services.

Antivirus software: Antivirus software is your most important line of defense against **viruses** and other threats. Safety Net anti-virus protection **scans** all downloads. It also automatically **quarantines** suspicious files. A **firewall** is also included with the software.

Spam protection: Safety Net customers may also sign up for **spam** protection through most email clients. Simply activate the Protect My Inbox feature. The program will automatically change your email **settings**, allowing Safety Net to scan your emails.

Backup files: Sign up for our automatic online backup system to protect your files from unforeseen threats. Once a day, this program **backs up** all of your files. It then uploads them to secure online storage. If you purchase our business package, we provide this service for any computer connected to your office **network**.

Website analysis: We also offer analysis services to determine whether your web page is not only **secure** but working efficiently. We use formulas designed with your specific web page in mind. Our analysis also assures that your website meets **PCI DSS compliance** standards.

Reading

2 Read the article. Then, choose the correct answers.

- 1 What is the main service that the company provides?
A assessing the effectiveness of security software
B keeping online businesses' computers and data secure
C building secure networks for online businesses
D investigating online security problems
- 2 What do clients need to do to allow Safety Net to scan for spam?
A activate a program feature
B set up a firewall to quarantine spam
C connect their computer to the office network
D change their email settings
- 3 What is the benefit of purchasing the business package?
A The company will provide backup services to all networked computers.
B The company will analyze the website to ensure PCI DSS compliance.
C The company will quarantine suspicious files behind a firewall.
D The company will provide secure online storage for all files.

Vocabulary

3 Match the words (1-8) with the definitions (A-H).

- | | |
|-------------|----------------|
| 1 — virus | 5 — network |
| 2 — secure | 6 — firewall |
| 3 — online | 7 — compliance |
| 4 — PCI DSS | 8 — quarantine |

- A a service blocking harmful information
B rules for online transactions
C a destructive program
D a group of linked computers
E to separate a file from others
F linked to the web
G conformity with requirements
H protected or undamaged

- 4 Read the sentence pairs. Choose which word or phrase best fits each blank.

1 website analysis /
antivirus software

- A _____ will protect us from most dangerous programs.
B We will need to perform a(n) _____ to measure efficiency.

2 scan / back up

- A Make sure to _____ downloaded files for viruses.
B If you don't _____ your files, you could lose them.

3 spam / setting

- A I get so much _____ that my inbox is constantly full.
B Change your privacy _____ to protect your information.

- 5 Listen and read the article again. Why should online retailers use backup services?

Listening

- 6 Listen to a conversation between a customer and an employee. Mark the following statements as true (T) or false (F).

- 1 — The man is dissatisfied with his current internet security software.
2 — Virus protection services are paired with backup services.
3 — The company charges a fee for each computer on the network.



- 7 Listen again and complete the conversation.

Representative: Good morning. You've reached Safety Net support services. How may I help you?

Manager: Hello, I'm 1 _____ purchasing your business package. My current internet security software doesn't protect me very well against spam. I wanted to make sure your company will fix that problem.

Representative: If you purchase our business package, you will have full spam protection.

Manager: Great. I had another question about your software. Currently, I 2 _____ purchase software for each computer on our network.

Representative: Our business package 3 _____ services for every networked computer.

Manager: Is that unlimited?

Representative: Each software purchase comes 4 _____ product keys for 15 computers.

Manager: What if we have more than fifteen?

Representative: For each extra computer, 5 _____ a small fee.

Manager: Does that fee 6 _____ as well?

Representative: Yes, sir.

Speaking

- 8 With a partner, act out the roles below based on Task 7. Then, switch roles.

USE LANGUAGE SUCH AS:

*I'm considering ... / If you purchase ...
... also includes ...*

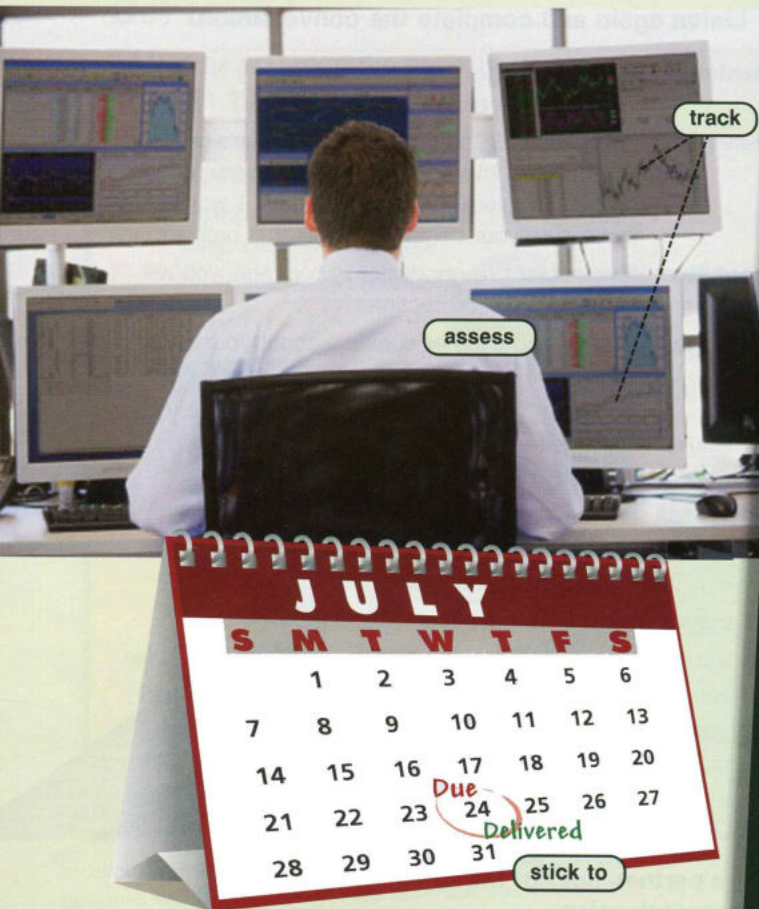
Student A: You are a manager for an online business. Talk to Student B about:

- your current internet security services
- why you are not satisfied with those services
- questions you have about his or her company's services

Student B: You are a customer service representative. Talk to Student A about your company's product.

Writing

- 9 Use the reading passage and conversation to write an advertisement for Safety Net products. Include: what services they offer, why those services are important for online businesses, and why they are superior to their competitors' services.



To: managers@wilcoxpublishing.org
 From: harrison.wilcox@wilcoxpublishing.org
 RE: project management

Dear project managers,
 I just received the **progress report** that **tracks** our new titles this season. Our overall publishing numbers are down. We've been missing far too many deadlines. As project managers, I want all of you to be **proactive** about **problem solving**. This will improve next season's numbers.
 I interviewed several of our editors and book binders. It seems that we have not been setting clear **milestones** for each **phase** of the publishing process. People on the publishing team for each title should know exactly when they need to **execute** each task. This will make it much easier to **stick to** our schedule and meet our deadlines.
 Further, it is the responsibility of a project manager to **adapt** to changing situations. Your primary responsibility is to **assess** the most important tasks for each new title we publish. Unless you **face setbacks** head on, your team will not be able to succeed.
 This email is meant to remind you how vital you are. That's both to the success of your individual publishing teams and to our company as a whole. I expect greater investment from our project managers. I'm confident our numbers will improve next season.

Sincerely,
 Harrison Wilcox

Get ready!

1 Before you read the passage, talk about these questions.

- 1 Why is project management important to a successful business?
- 2 How can a project manager help a business meet its goals?

Reading

2 Read the email. Then, mark the following statements as true (T) or false (F).

- 1 ☐ The progress report shows improvement in publishing numbers.
- 2 ☐ The managers have not set clear milestones for team members.
- 3 ☐ The managers' main responsibility is to stick to the schedule.

Vocabulary

3 Match the words or phrases (1-7) with the definitions (A-G).

- | | |
|--------------------------------------|---|
| 1 ☐ track | 5 ☐ problem solving |
| 2 ☐ phase | 6 ☐ progress report |
| 3 ☐ execute | 7 ☐ project management |
| 4 ☐ proactive | |

- A a record of how a project is going
 B a part or period in something's progress
 C working actively toward a goal
 D the process of responding to difficulties
 E to observe changes or development
 F to achieve or finish something
 G the act of controlling or directing an undertaking

- 4 Read the sentence pairs. Choose which word or phrase best fits each blank.

1 face / stick to

- A If you _____ difficulties, consult your manager.
B Try to _____ the schedule to avoid delays.

2 assess / adapt

- A _____ the situation carefully before you make a plan.
B To succeed, you must be able to _____ to the unexpected.

3 milestone / setback

- A Improving our sales was a major _____ for this project.
B Losing that client was a _____, but we recovered quickly.

- 5 Listen and read the email again. What is a major responsibility of project managers?

Listening

- 6 Listen to a conversation between an owner and a manager. Choose the correct answers.

- 1 What is the purpose of the conversation?
A to report a delay on a project
B to change a milestone on a woman's project
C to assess the woman's work on a project
D to explain a change in a project's schedule
- 2 Why will the woman assign partners to team members?
A to improve communication
B to share resources
C to increase production speed
D to prevent errors

- 7 Listen again and complete the conversation.

- Owner:** How do you think our numbers are going to look this season?
Manager: Well, we've been doing a much better job of sticking to the schedule. I expect 1 _____ improvement across the board.
Owner: Good. I got an email from the book binder on your project. She's very pleased with the improved communication. You're doing a 2 _____ with that.
Manager: Thanks. I'm 3 _____ that.
Owner: I've noticed, though, that several copies of one of your new titles were returned by the distribution center.
Manager: Yes. 4 _____, that title was sent out with several pages missing.
Owner: You need to 5 _____ your team isn't sacrificing quality for speed.
Manager: Do you have any advice?
Owner: What have you tried?
Manager: 6 _____ offering incentives, but the work was sometimes sloppy.

Speaking

- 8 With a partner, act out the roles below based on Task 7. Then, switch roles.

USE LANGUAGE SUCH AS:

You're doing a good job with ...
I've noticed that ...
I've tried ...

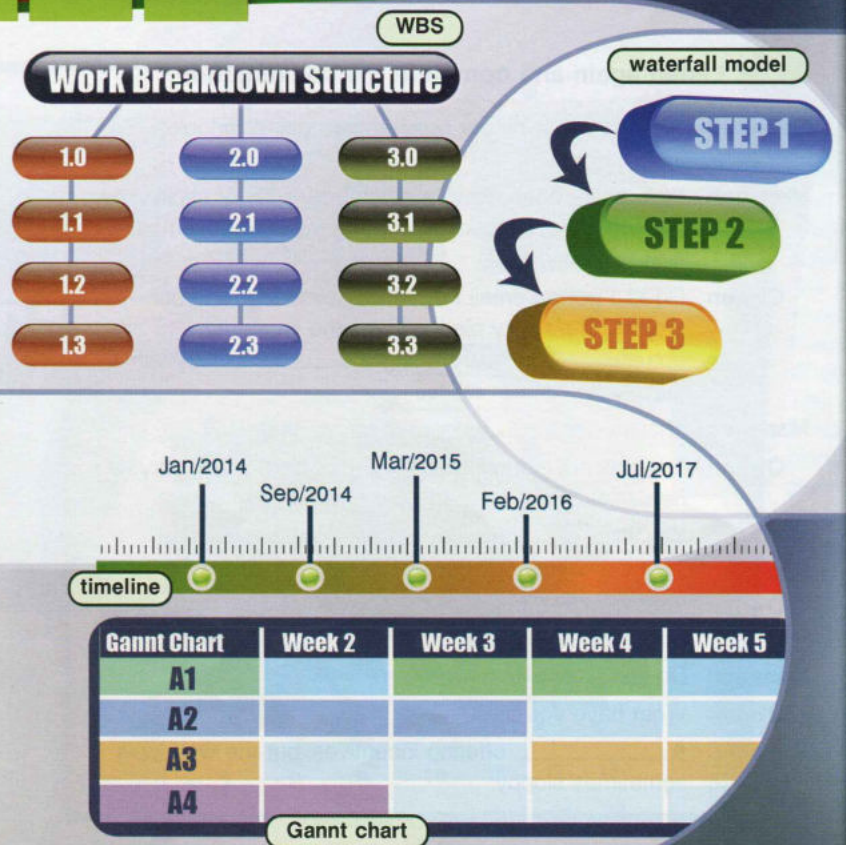
Student A: You are a business owner. Talk to Student B about:

- improvements in his or her performance
- things that still need improvement
- advice for doing better work

Student B: You are a project manager. Talk to Student A about how to improve your team's performance.

Writing

- 9 Use the email and conversation to write a progress report for your team's project. Include: how your team's performance has improved, what they need to do better, and how you intend to help them succeed.



Product Review: Team Player

Player recently released an updated version of their popular **project management software**. Team Player has always been an excellent product. The new version makes several improvements. In addition to the **Gantt chart** templates from the old version, this version provides new **WBS** options. These include a **waterfall model**. This is particularly useful for projects of larger **scope** or **duration**.

Also, unlike its **predecessor**, the updated version of Team Player allows for greater flexibility in planning project **timelines**. Users can set **constraints** on individual elements of a project. The software will send email reminders to team members who are responsible for certain **tasks**. These reminders inform them when they are approaching a deadline.

Our reviewers had one complaint about the new version of Team Player. It does not allow users to add or delete new tasks or **components** after the project template has been created. This limits project managers who wish to redesign their project in response to changes or setbacks.

The new version of Team Player is just as user-friendly as the last. They still have a few improvements to make, especially regarding project flexibility. Overall, this program is an excellent **resource** for project managers.

Get ready!

1 Before you read the passage, talk about these questions.

- What are some common tools that help a project manager succeed?
- How can project management software improve a project?

Reading

2 Read the product review. Then, choose the correct answers.

- What is the main purpose of the passage?
 - to advertise a new version of Team Player software
 - to provide tips for using project management software
 - to describe different types of project management software
 - to assess a new project management program
- How is the new version of the software similar to the old version?
 - It allows users to set constraints on particular project elements.
 - It is especially useful for projects of larger duration.
 - It is a user-friendly program that helps managers achieve their goals.
 - It includes a waterfall model for planning project tasks.
- What does the passage say about the updated Team Player?
 - It is better than the previous version.
 - It is the most flexible product available.
 - It is best for projects with short durations.
 - It lacks a waterfall model in the WBS options.

Vocabulary

3 Fill in the blanks with the correct words or phrases: *timeline, resources, task, constraints, duration, predecessors, scope, waterfall model*.

- 1 A _____ shows how individual tasks relate to each other.
- 2 A project with a wide _____ may require more planning.
- 3 A project manager should account for _____ that her project faces.
- 4 For a project to succeed, every _____ must be carefully planned.
- 5 A well-planned _____ can help keep a project on schedule.
- 6 Software can help a manager use his _____ more effectively.
- 7 Sometimes managers must correct mistakes made by their _____.
- 8 One component exceeded its planned _____ by a full week.

4 Read the sentence pairs. Choose which word or phrase best fits each blank.

1 project management software / WBS

- A _____ is a valuable resource for project managers.
- B A very specific _____ can prevent confusion.

2 Gantt chart / component

- A I would like to see a _____ before I start this project.
- B Each _____ of this project is equally important.

5 Listen and read the product review again. Why is flexibility important in project management?

Listening

6 Listen to a conversation between a customer and an employee. Mark the following statements as true (T) or false (F).

- 1 ___ The woman recently started using project management software.
- 2 ___ The man recommends checking in by email.
- 3 ___ The program sends schedule reminder emails.

7 Listen again and complete the conversation.

Manager 1: I can't believe how far behind we've gotten on this project.

Manager 2: 1 _____?

Manager 1: I scheduled project completion for last week, but we're 2 _____ finished.

Manager 2: Did you give a strict timeline to your team members?

Manager 1: Yes, but I didn't track their progress 3 _____.

Manager 2: Did you use a 4 _____ program?

Manager 1: No. I just asked them to send an email when they were finished.

Manager 2: The 5 _____ happened to me last year. But I found a program that helps in project planning.

Manager 1: How does it help?

Manager 2: Well, it lets you divide your project into smaller components and 6 _____ a timeline for each task.

Speaking

8 With a partner, act out the roles below based on Task 7. Then, switch roles.

USE LANGUAGE SUCH AS:

I can't believe ... / Did you ...? / The same thing ...

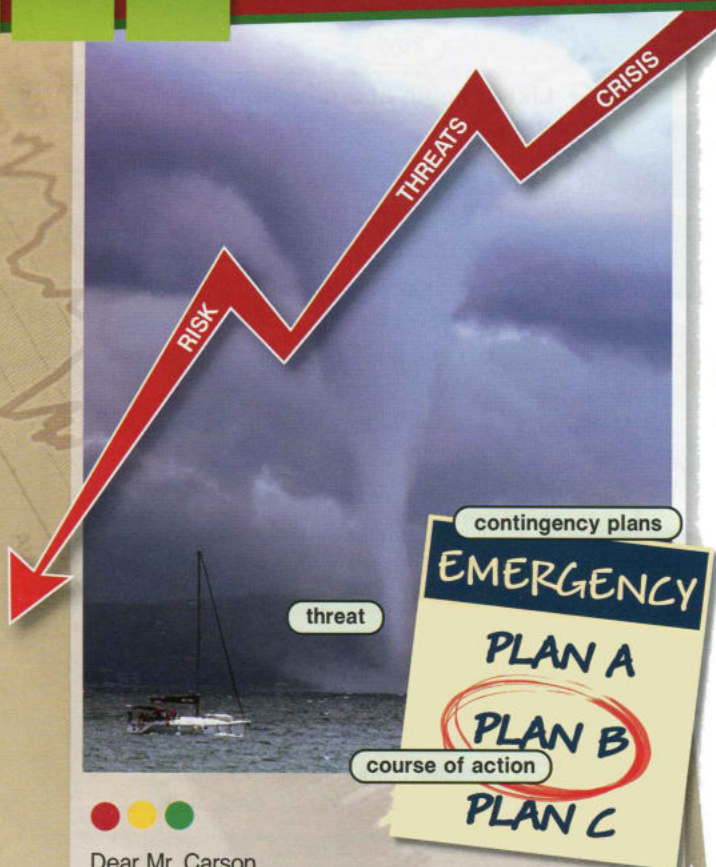
Student A: You are a project manager. Talk to Student B about:

- problems with his or her project
- possible solutions
- how project management software can help

Student B: You are a project manager. Talk to Student A about problems with your project.

Writing

9 Use the reading passage and conversation to write an email to a co-worker recommending project management software. Include: how the software has been useful to you and why you think it would be useful for your co-worker.



Dear Mr. Carson,

As you know, we recently lost the Morton account. This was, of course, a **crisis** in itself. We have been able to **mitigate** the damage by pushing our new salespeople to gain several new accounts. However, planning a **course of action** in response to the Morton disaster started me thinking about other **threats**.

I have done some research on strategies for **risk management**. First, we need to develop clear **contingency plans** for a variety of **potential** problems. As a marketing firm, we face some unique **risks**. We should be especially aware of the **chance** of **public relations** problems. We need to have a clear plan for what to do if one of our clients makes an error. We need to decide if, as a company, we are **averse** to dropping clients. For example, what happens if clients don't comply with our business or ethical standards?

Further, I think we should plan for the possible incapacity of our key leaders. We need to train our executives to take on each other's responsibilities. It's **insurance** against illness or other problems. This would help maintain **continuity** of operations.

I have scheduled a meeting to discuss risk management with the other managers next week. I hope that you will be able to share some advice with us.

Sincerely,
Laura Hyatt

chance

continuity

Get ready!

1 Before you read the passage, talk about these questions.

- Why is risk management important for businesses?
- What are some common risks that businesses face?

Reading

2 Read the letter. Then, choose the correct answers.

- Why is the manager writing to the owner?
 - to report the loss of an important account
 - to schedule a meeting to discuss risk management
 - to suggest dropping a client who presents a serious risk
 - to explain the importance of risk management and propose strategies
- Which is NOT proposed by the manager?
 - preparing for the possibility of public relations problems
 - requiring clients to comply with the company's ethical standards
 - preparing employees to fill the role of others in case of illness
 - developing specific plans to address potential problems
- Why does the manager want to train the executives for other positions?
 - several staff members are too sick to work
 - to insure they comply with company standards
 - it will allow business to continue as usual if someone is ill
 - it will help mitigate the loss of the Morton account



Vocabulary

3 Match the words or phrases (1-7) with the definitions (A-G).

- 1 ___ averse
- 2 ___ chance
- 3 ___ threat
- 4 ___ mitigate
- 5 ___ course of action
- 6 ___ public relations
- 7 ___ risk management

- A responding negatively to something
- B a company's interactions with people
- C to make something better or less difficult
- D a strategy or scheme for responding to something
- E a probability or likelihood of something
- F a hazard or a danger
- G a means of controlling difficulties or problems

4 Read the sentence pairs. Choose which word or phrase best fits each blank.

- 1 risk / potential
- A Sometimes you must take a _____ to earn a reward.
- B Our _____ buyers backed out at the last minute.
- 2 continuity / crisis
- A It's important to know how to deal with a _____.
- B If we plan carefully, the _____ of the project will be preserved.
- 3 insurance / contingency plan
- A We need a(n) _____ for natural disasters.
- B The extra funds are good _____ against market changes.

5 Listen and read the letter again. What is one common strategy for risk management?

Listening

6 Listen to a conversation between an owner and a manager. Mark the following statements as true (T) or false (F).

- 1 ___ The speakers disagree about the importance of risk management.
- 2 ___ The man advises the woman.
- 3 ___ The mission statement will explain the client's responsibilities.

7 Listen again and complete the conversation.

Owner:

Thanks for your email about risk management. You're right, it's important that we be 1 _____ the unexpected.

Manager:

I'm glad 2 _____.

Owner:

I've been thinking about some other problems we 3 _____ prepared for. Do we have a plan for natural disasters?

Manager:

I know our West Coast office has an earthquake plan.

Owner:

We should adapt that plan for potential floods.

Manager:

I agree. We need to 4 _____ that our flood insurance is up to date.

Owner:

That seems simple enough.

Manager:

I was wondering if you had any ideas about 5 _____ public relations problems.

Owner:

Yes. I already have some ideas.

Manager:

What 6 _____ think?

Speaking

8 With a partner, act out the roles below based on Task 7. Then, switch roles.

USE LANGUAGE SUCH AS:

You're right ... / I've been thinking about ...

We should ...

Student A:

You are a business owner. Talk to Student B about:

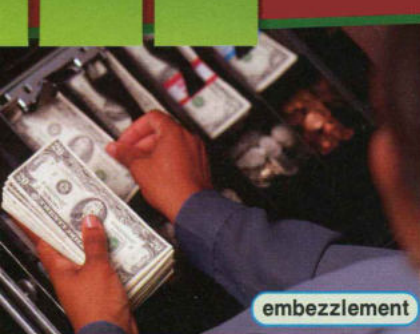
- potential problems facing your company
- contingency plans
- adapting a plan for different circumstances

Student B:

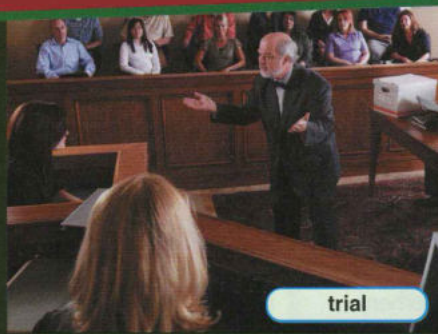
You are a manager. Talk to Student A about contingency plans.

Writing

9 Use the email and conversation to write a memo to employees asking them to contribute some risk management suggestions. Include: an explanation of risk management and an example of the kind of input you are requesting.



embezzlement



trial



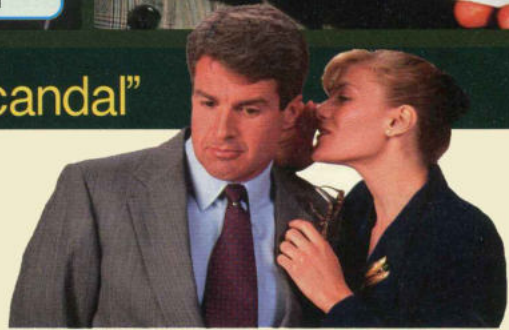
bribe

"CEO Indicted in Corruption Scandal"

This Monday marked the beginning of the **trial** of Leslie McPherson, CEO of McPherson Contracting. She faces **charges** of **forgery** and **fraud**. Prosecutors argue that Ms. McPherson is guilty of **bribing** officials in exchange for political favors. She also stands accused of **falsifying** financial records. The final charge is **misappropriation** of public funds for private gain.

Mr. Tyler Garfield, a former accountant for Ms. McPherson, is central to the case. He has testified that the CEO asked him to participate in an **embezzlement** scheme. Mr. Garfield told the court, "she said if I would **cook the books**, she would double my pay."

Mr. Garfield claims that Ms. McPherson offered a **payoff** to city officials. She wanted to secure the building contracts for the proposed new courthouse project. Mr. Garfield testified that the CEO asked him to disguise the payment as a campaign contribution.



Ms. McPherson's defense attorneys dismiss the claim that she asked her accountant to **launder** the illegally transferred funds. They argue that Mr. Garfield's testimony is based on a personal grudge against Ms. McPherson. She terminated his employment two months ago.

Ms. McPherson has faced allegations of corruption before. She was brought before the court last year for **insider trading**. She was cleared of all charges.

Get ready!

① Before you read the passage, talk about these questions.

- 1 What are some common types of dishonesty in business?
- 2 Why is honesty important to a successful business?

Reading

② Read the article. Then, mark the following statements as true (T) or false (F).

- 1 — Ms. McPherson is accused of accepting bribes for political favors.
- 2 — Mr. Garfield claims that the CEO asked him to perform illegal actions.
- 3 — The CEO was convicted of corruption in a previous case.

Vocabulary

③ Match the words or phrases (1-7) with the definitions (A-G).

- | | |
|-------------|---------------------|
| 1 — payoff | 5 — insider trading |
| 2 — charge | 6 — embezzlement |
| 3 — forgery | 7 — cook the books |
| 4 — trial | |

- A a formal legal accusation of wrongdoing
 B a false copy of a signature or other official correspondence
 C to change financial records to hide illicit transactions
 D buying or selling stock using unfairly obtained information
 E payment for the purpose of gaining favors, often dishonestly
 F process to determine the guilt or innocence of an accused person
 G the theft or misuse of money under one's management

4 Read the sentence pairs. Choose which word best fits each blank.

1 falsify / launder

- A The accountant tried to _____ the records to hide wrongdoing.
- B It is unethical to _____ money, even at the request of your boss.

2 corruption / misappropriation

- A _____ can be damaging to a company's public relations.
- B The executive was fired for _____ of funds.

3 bribe / fraud

- A The CEO tried to _____ the governor for political favors.
- B The accountant denied that he was guilty of _____.

5 Listen and read the article again. How can fraud or corruption damage a company?

Listening

6 Listen to a conversation between two managers. Choose the correct answers.

- 1 What is the conversation mainly about?
 - A concerns about fraud
 - B the recent conviction of a CEO for corruption
 - C previous experiences with fraud and corruption
 - D different types of illegal business activities
- 2 Why did the man leave his old job?
 - A the CEO of the company was on trial for corruption
 - B the CEO of his company was indicted for insider trading
 - C he wanted to work for more honest and ethical employers
 - D he was approached for help in committing a fraud

7 Listen again and complete the conversation.

Manager 1: Did you hear about McPherson's trial?
Manager 2: I did. Do you think she'll be convicted?
Manager 1: It seems likely. Especially 1 _____ the insider trading trial.
Manager 2: She was cleared, wasn't she?
Manager 1: Yes, but two trials in two years doesn't 2 _____.
Manager 2: I 3 _____ she asked her accountant to cook the books.
Manager 1: The situation 4 _____ of a company I worked for several years ago.
Manager 2: Really, why?
Manager 1: The CEO was caught embezzling when he 5 _____ an employee for help.
Manager 2: I can't imagine any of our executives asking anyone at this company to do something wrong.
Manager 1: It happens 6 _____ than you might think. My brother saw something similar at his company as well.

Speaking

8 With a partner, act out the roles below based on Task 7. Then, switch roles.

USE LANGUAGE SUCH AS:

I can't believe ...
... reminds me of ...
I'm so glad ...

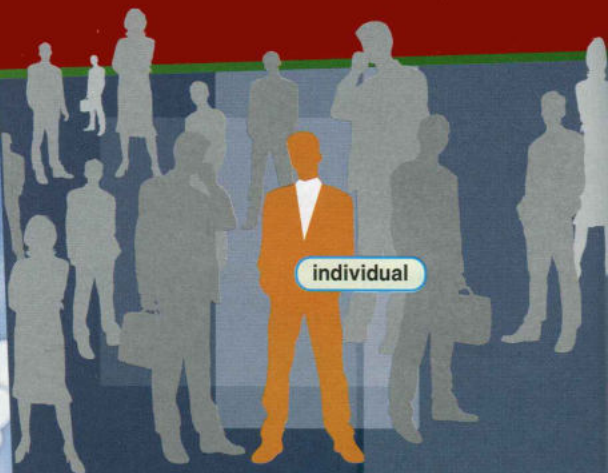
Student A: You are a manager. Talk to Student B about:

- a recent fraud trial
- dishonesty at a company you worked for in the past
- honesty at your own company

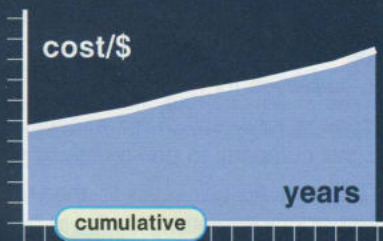
Student B: You are a manager. Talk to Student A about corporate corruption.

Writing

9 Use the article and conversation to write a code of conduct for a company. Include: an explanation of why honesty is important to your company and what employees should do if asked to perform illegal actions.



copyright



“A Drop in the Bucket”

by Jennifer Smith

In recent years, it has become harder and harder for businesses to protect themselves from theft. The prevalence of non-cash transactions has made **credit card fraud** a common threat. Customers may request **fraudulent chargebacks** on credit purchases. Online discount retailers make it easier for customers to be dishonest. They may try to **return** items that they purchased elsewhere for cash or for **store credit**.

You probably don't think of yourself as part of this problem. But have you ever bought a copy of a new film on the street? Have you **downloaded** a song from a file-sharing site? Have you made a copy of a friend's new software? In each example, the materials are **stolen**.

Many people do not think of these actions as serious crimes. When **individuals** steal, they may think the value of what they take is insignificant. However, their actions have a **cumulative** negative effect on businesses. This is particularly true in **industries** that rely on **copyrights** to protect **intellectual property**. Products like music and art are often intangible and easily reproduced using modern technology. Consumers may be more likely to steal them than they would be to put a physical book or CD in their pocket or purse.

In some ways, technology has made particular kinds of stealing seem like less serious crimes. Remember, though, these individual acts of theft add up. They threaten the livelihood of new and established businesses alike.

Get ready!

1 Before you read the passage, talk about these questions.

- 1 What are some common ways that people steal from businesses?
- 2 How has e-commerce changed the way businesses need to protect themselves?

Reading

2 Read the article. Then, choose the correct answers.

- 1 What is the main subject of the article?
 - A new methods to combat fraudulent chargebacks
 - B new types of fraud arising on the internet
 - C the impact of dishonest individuals on businesses
 - D how stores are preventing theft
- 2 According to the article, why has technology promoted theft and fraud?
 - A It lets established businesses fall behind in theft prevention.
 - B It created industries that rely on copyright for protection.
 - C It made it possible for thieves to download software.
 - D It makes stealing easier and less obvious.
- 3 Which is NOT a type of crime discussed in the article?
 - A making a backup copy of your software
 - B downloading music without purchasing it
 - C purchasing illegal copies of films
 - D making fraudulent returns

Vocabulary

3 Fill in the blanks with the correct words or phrases: *industry, chargeback, intellectual property, stolen, return, credit card fraud, individuals, illegal.*

- 1 The entertainment _____ face special challenges while protecting its assets.
- 2 If you are the author of a creative work like a song or book, it is your _____.
- 3 The customer demanded a(n) _____ when the product was not delivered.
- 4 Even small thefts committed by _____ can damage a business.
- 5 One way to discourage theft is to make it difficult to sell _____ goods.
- 6 I was the victim of _____ when someone stole my financial information from a website.
- 7 It is _____ to reproduce the creative works of others without permission.
- 8 You are not allowed to _____ an item more than 60 days after purchase.

4 Read the sentence pairs. Choose which word or phrase best fits each blank.

- 1 **cumulative / fraudulent**
A _____ illegal downloads hurt businesses.
B The thief made several _____ purchases.
- 2 **store credit / copyright**
A We provide refunds instead of _____.
B You will need to get _____ to protect your hard work.

5 Listen and read the article again. Why do businesses need to protect themselves against minor theft?

Listening

6 Listen to a conversation between a manager and a cashier. Mark the following statements as true (T) or false (F).

- 1 ___ The store has been losing money because of chargebacks.
- 2 ___ The company will start requiring receipts for all returns.
- 3 ___ A customer complained to the man about the new policy.

7 Listen again and complete the conversation.

Manager: I was going over our numbers for last month and noticed more returns than usual.

Cashier: I had three returns **1** _____ yesterday.

Manager: Did they all have receipts?

Cashier: No. One did. The **2** _____ just had the items.

Manager: We're going to **3** _____ start requiring receipts. If we don't, people can just bring in items from other stores or things they bought online.

Cashier: That's true.

Manager: We've been losing money for the past four months. I think some of that loss has been **4** _____ customers bringing in fake returns.

Cashier: It's probably only a few items. Does it really make **5** _____?

Manager: I can't **6** _____ enough: every loss makes a difference.

Speaking

8 With a partner, act out the roles below based on Task 7. Then, switch roles.

USE LANGUAGE SUCH AS:

*I was going over ... / We're going to have to ...
I can't stress this enough ...*

Student A: You are a manager. Talk to Student B about:

- why the store is losing money
- changes to the returns policy
- the importance of those changes

Student B: You are a cashier. Talk to Student A about changes to the store's return policy.

Writing

9 Use the article and conversation to write an announcement of a change in store policy. Include: a description of the old policy, an explanation of the new policy, and when the new policy takes effect.

-20%

unauthorized discount

shoplifting

security camera

Corman Paper
Employee Handbook

Section 13: Shrinkage

At Corman Paper, we are committed to keeping our prices low and our wages fair. This is only possible if we do everything we can to **prevent** shrinkage. We have **security cameras** to prevent **shoplifting**. We insert **security tags** into our most expensive items. These measures help stop shrinkage caused by outside forces.

Unfortunately, not all shrinkage is caused by shoplifters. At Corman Paper, we are also very serious about preventing shrinkage due to **internal** causes like accidental breakage and theft. Major theft is rare at our company. However, every year we lose a percentage of our profits to small acts of dishonesty within our ranks. It is our goal to stop these losses altogether. You may witness a coworker **pilfering** office supplies. Others might offer friends or family members an **unauthorized discount** on their purchases. If you see this, report these activities to a manager immediately. They may seem like minor problems. But such losses harm the company and every member of the Corman Paper team.

As an employee of Corman Paper, you will be **held accountable** for your actions. Our **policy** is to **prosecute** any **theft** to the **fullest extent** of the law.



security tags

Get ready!

1 Before you read the passage, talk about these questions.

- 1 Why is it important for businesses to prevent shrinkage?
- 2 What are some common strategies businesses use to prevent shrinkage?

Reading

2 Read the employee handbook. Then, choose the correct answers.

- 1 What is the main idea of the passage?
 - A how the company was nearly able to eliminate shrinkage
 - B how the company deals with internal theft
 - C how to operate security equipment
 - D how to prevent or limit shoplifting
- 2 How does the company prevent shrinkage from outside sources?
 - A by reporting instances of theft immediately
 - B by prosecuting any pilfering to the fullest extent of the law
 - C by using security cameras and security tags to discourage shoplifters
 - D by offering discounts to the friends and family members of employees
- 3 Which of the following is NOT a type of internal shrinkage?
 - A an employee taking office supplies from the company
 - B a friend receiving unapproved discounts from a cashier
 - C a warehouse employee dropping and breaking a product
 - D a shopper taking a product without paying for it



Vocabulary

3 Match the words or phrases (1-7) with the definitions (A-G).

- 1

__ prevent
- 2

__ policy
- 3

__ shoplifting
- 4

__ discount
- 5

__ shrinkage
- 6

__ hold accountable
- 7

__ security camera
- A

a monitoring machine to stop theft
- B

taking items from a business without paying
- C

a lowered purchase price
- D

to obstruct something from happening
- E

an established course of action
- F

reduced gains due to dishonesty or wastefulness
- G

to be considered responsible for something

4 Read the sentence pairs. Choose which word or phrase best fits each blank.

- 1

internal / unauthorized

A

Our shrinkage was caused by ____ theft.

B

A cashier was caught giving ____ discounts.
- 2

theft / fullest extent

A

She was punished to the ____ of the law.

B

Sometimes accidental waste is more serious than ____.
- 3

pilfer / prosecute

A

He did not expect the company to ____ him for stealing.

B

Sometimes employees are tempted to ____ supplies.

5 Listen and read the handbook again. What is one way that employees may help prevent shrinkage?

Listening

6 Listen to a conversation between a manager and an employee. Mark the following statements as true (T) or false (F).

- 1

__ The man witnessed an employee behaving dishonestly.
- 2

__ The employee was caught pilfering office supplies.
- 3

__ The man is unsure if the company will prosecute.

7 Listen again and complete the conversation.

Manager:

Hi, Marie. I need to talk to you for 1 ____.

Employee:

Sure, Mr. Corman.

Manager:

I have some 2 _____. We had to fire Cory.

Employee:

Oh, no. Why?

Manager:

He was stealing from the company.

Employee:

Really? I 3 _____ that.

Manager:

He was giving 4 _____ to a major client and keeping the profits.

Employee:

How do you know?

Manager:

Another employee noticed that the records did not seem correct. When we 5 _____, we found out what had been going on.

Employee:

Which client was it?

Manager:

I can't 6 _____ that until after the court case is settled.

Speaking

8 With a partner, act out the roles below based on Task 7. Then, switch roles.

USE LANGUAGE SUCH AS:

I have some bad news ...

I can't believe ...

We found out ...

Student A:

You are a manager. Talk to Student B about:

• an employee's dishonest behavior

• company policies regarding theft

• what will happen to the accused employee

Student B:

You are a cashier. Talk to Student A about changes to the store's return policy.

Writing

9 Use the handbook and conversation to write a memo to employees. Include: why a co-worker has been fired and an explanation of the company's policies regarding theft.

10 Bankruptcy

Assets: \$340,000
Debt: \$500,000
= (160,000)

deficit

FAILURE

liquidate

FOR SALE

Get ready!

1 Before you read the passage, talk about these questions.

- 1 What are some reasons that a business might go bankrupt?
- 2 What are some common consequences of declaring bankruptcy?

Reading

2 Read the email. Then, choose the correct answers.

- 1 What course of action does the accountant recommend?
 - A creating a new budget
 - B appointing a receiver
 - C calling in debts
 - D filing for bankruptcy
- 2 Which is NOT listed as a likely result of declaring bankruptcy?
 - A paying outstanding debts
 - B going into receivership
 - C having assets liquidated
 - D restructuring departments
- 3 Why has calling in debts failed to solve the problem?
 - A the creditors were unable to pay the amount they owed
 - B the revenue isn't enough to cover the company's debts
 - C the company's assets have been liquidated
 - D the receiver can't pay the company's debts

To: gina.phelps@spacesavers.org
From: clint.mosley@moselyaccounting.org
RE: Exploring our **options**

Dear Ms. Phelps,
After evaluating all other options, I regret to report that Space Savers is facing **bankruptcy**. As you recommended, I tried **calling in the debts**. That included those owed to Space Savers by its office-building tenants. Unfortunately, this revenue will not be enough to **protect** the company from its own **creditors**. I also created several potential budgets in an attempt to work out another solution by **restructuring** departments. However, previous attempts to restructure and increase income have failed. It appears to me that your best option is to **go bankrupt**. I only advise this as a **last resort**.
If you **file** for bankruptcy, Space Savers will go into **receivership**. In that case, the bankruptcy court will appoint a **receiver**. He or she will use company assets to pay outstanding debts. The **receiver** will look for other ways to pay the company's debts. However, he or she will probably **liquidate** all company assets.
I know this is a stressful situation for you and for everyone at Space Savers. Please contact me as soon as you have decided whether you will **declare** bankruptcy. I will do everything I can to help your company recover from this very serious setback.
Sincerely,
Clint Mosley

Vocabulary

3 Fill in the blanks with the correct words or phrases: *creditor, receiver, debt, go bankrupt, protect, receivership, call in, bankruptcy*.

- 1 The court chose a _____ to manage the company's funds.
- 2 Many entrepreneurs find themselves surprised by their amount of _____.
- 3 Good planning can help _____ a company from financial ruin.
- 4 _____ is the inability to pay one's outstanding debts.
- 5 The company was in _____, so an appointed agent liquidated its assets.
- 6 Most of the assets were liquidated to pay what was owed to a single _____.
- 7 The company failed when its lenders decided to _____ what they were owed.
- 8 Sometimes the only option is for a company to _____.

4 Read the sentence pairs. Choose which word or phrase best fits each blank.

1 file / declare

- A** Before you decide to _____ for bankruptcy, hire a lawyer.
- B** The CEO is going to _____ bankruptcy tomorrow.

2 option / last resort

- A** We'll do everything we can to avoid bankruptcy, but it is our _____.
- B** The manager said that cutting pensions was not a(n) _____.

3 restructure / liquidate

- A** Maybe if we _____ our departments we can save the company.
- B** The receiver decided to _____ all of the company's assets to pay its debts.

5 Listen and read the email again. Why is declaring bankruptcy often a difficult decision?

Listening

6 Listen to a conversation between an owner and a manager. Mark the following statements as true (T) or false (F).

- 1 ___ A receiver for the company has not been named yet.
- 2 ___ The company's assets have been liquidated.
- 3 ___ The woman intends to pay employees before creditors.

7 Listen again and complete the conversation.

- Owner:** Hi, Bill. I'm calling to let you know that we're officially **1** _____ bankruptcy.
- Manager:** I thought that might happen.
- Owner:** It was a really tough decision, but it **2** _____ our best option.
- Manager:** So what happens now?
- Owner:** Once we go through the legal proceedings, the company will be **3** _____ a receiver.
- Manager:** Do we know who the receiver will be?
- Owner:** **4** _____. The bankruptcy court will appoint someone.
- Manager:** What will happen to all of our employees?
- Owner:** It **5** _____ what the receiver decides. But if they liquidate our assets, we'll be out of business. We'll have to let everyone go.
- Manager:** Will we be able to pay them anything?
- Owner:** I'm **6** _____ if we'll have enough funds left after the creditors are paid.

Speaking

8 With a partner, act out the roles below based on Task 7. Then, switch roles.

USE LANGUAGE SUCH AS:

I'm calling to let you know that ...
What will happen to ...
I'm not sure if ...

Student A: You are a business owner. Talk to Student B about:

- filing for bankruptcy
- how this will affect the company
- how this will affect employees

Student B: You are a manager. Talk to Student A about filing for bankruptcy.

Writing

9 Use the email and conversation to write a letter to employees. Include: an announcement that the company is bankrupt, discussion of their future plans, and gratitude for employees service to the company.

11 Downsizing

Lana Corp. Responds to Recession

Yesterday Lana Corp. announced that it will **close** six **plants**. It's yet another effect of the most recent economic **downturn**. CEO Richard Wilbur said, "Unfortunately, our effort to **stave off** bankruptcy requires us to **contract** the scope of our operations." He assured reporters that workers terminated due to **downsizing** will receive generous **severance** packages.

Lana Corp. is not the only major manufacturer to **slash** its budget in response to the recent economic pressures. Many companies are tightening their belts. Thus, opportunities for the manufacturing **workforce** continue to **shrink** nationwide. Production workers in the automobile industry have been particularly hard hit. Charles Evans is a machinist at a tire production facility. He seemed shocked at his employer's response. He said, "I couldn't believe it when they handed me that **pink slip**. I've been here fifteen years. I didn't think they would **axe** me." Mr. Evans says he hopes to be rehired soon. In the meantime, he will have to look for other work.

Economic analysts predict that this recession will be short lived. Lana Corp. and other manufacturers remain hopeful that they will be able to reopen the closed plants in the near future.



Get ready!

① Before you read the passage, talk about these questions.

- 1 What are some factors that cause companies to downsize?
- 2 What are some downsizing strategies that companies use?

Reading

② Read the article. Then, mark the following statements as true (T) or false (F).

- 1 — The CEO of Lana Corp. will be offered generous severance.
- 2 — The manufacturing workforce is shrinking because of the recession.
- 3 — The company reopened one of its plants.

Vocabulary

③ Match the words or phrases (1-7) with the definitions (A-G).

- | | |
|---------------|---------------|
| 1 — plant | 5 — pink slip |
| 2 — slash | 6 — stave off |
| 3 — downsize | 7 — downturn |
| 4 — workforce | |

- A to decrease or lower something
- B to stop something from occurring
- C a slight decline in an economy
- D the location where a product is made
- E to decrease a business's operations
- F the collective pool of laborers
- G notification that one has been fired

4 Read the sentence pairs. Choose which word best fits each blank.

1 recession / severance

- A The _____ hit the automobile industry hard.
B The company offered _____ to terminated employees.

2 shrink / close

- A If we _____ our production budget, we can increase profit.
B The factory had to _____ for two months during the downturn.

3 contract / axe

- A The recession led us to _____ the scope of our operations.
B The company had to _____ the entire marketing department.

5 Listen and read the article again. How does downsizing affect the relationship between a company and its employees?

Listening

6 Listen to a conversation between an owner and a manager. Choose the correct answers.

- 1 What is the main subject of the conversation?
A the effects on employees of downsizing
B how to avoid downsizing
C the pros and cons of downsizing
D different approaches to downsizing
- 2 Which option does the man prefer?
A restructuring the training department
B shutting down the East Side branch
C eliminating the training department
D shutting down a large department



7 Listen again and complete the conversation.

- Owner:** If this recession doesn't end soon, we're going to 1 _____ consider downsizing.
- Manager:** That's a frightening prospect. We're already 2 _____ a very tight budget.
- Owner:** I think there are a few places we could cut spending.
- Manager:** What are you thinking?
- Owner:** I think we should eliminate the training department. That would 3 _____ of people we'll have to let go.
- Manager:** Cutting our training staff could hurt us in the 4 _____.
- Owner:** I know, but 5 _____ do that than eliminate any larger departments.
- Manager:** Do you think that will be necessary?
- Owner:** We 6 _____ slash our costs.
- Manager:** I hope that won't mean closing any branches.

Speaking

8 With a partner, act out the roles below based on Task 7. Then, switch roles.

USE LANGUAGE SUCH AS:

*We're going to ... / I think we could ...
We need to ...*

Student A: You are a business owner. Talk to Student B about:

- the possibility of downsizing
- the kind of changes the company might make
- changes you want to avoid

Student B: You are a manager. Talk to Student A about downsizing options.

Writing

9 Use the article and conversation to write a petition to your employer. Include: why you think the company should avoid downsizing and how downsizing would negatively affect you.

12 Evaluations

Get ready!

① Before you read the passage, talk about these questions.

- 1 Why are regular evaluations important for employers?
- 2 How does the evaluation process benefit employees?

Annual Job Performance Evaluation

Employee: Lawrence Carter

Position: Sales Associate

Evaluator: Carolyn Dumas

Position: Sales Manager

Please **assess** the employee's overall performance:

() Does not **meet requirements**

(✓) Meets requirements

() **Exceeds expectations**

Please **grade** the employee's performance in the following areas:

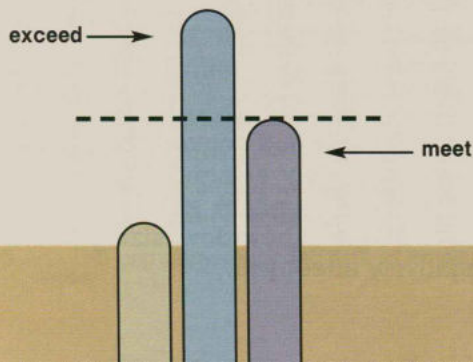
Punctuality: **A**

Dependability: **A**

Initiative: **C**

Potential for Advancement: **B**

Please provide any comments you would like to add below:
I would like to **address** a few issues not covered in the above **rubric**. Mr. Carter's performance has been **exceptional** in some respects. He is one of the most **dependable** employees I have ever worked with. Whenever there is a problem, I know Lawrence will be ready to do whatever is asked of him. I believe Lawrence could **prove to be** an important asset to this company. However, I do not believe Mr. Carter is ready for a promotion because he fails to show initiative. This **deficiency** makes me hesitate to recommend him for advancement at this time. I would like to stress, however, that Lawrence has great potential. As his manager, I intend to continue to encourage him to take on more responsibility and develop his abilities. I hope that by Mr. Carter's next annual review I will be able to enthusiastically recommend him for promotion.



Reading

② Read the evaluation form. Then, choose the correct answers.

- 1 Why does the manager choose not to recommend the employee's promotion?
 - A He often fails to do what is asked of him by the manager.
 - B He is deficient in both punctuality and dependability.
 - C He has not demonstrated enough initiative or realized his potential.
 - D He does not meet the overall requirements of his position.
- 2 Which is NOT a performance area evaluated by the manager?
 - A the employee's record of being on time
 - B the employee's readiness for promotion
 - C the employee's relationships with co-workers
 - D the employee's overall job performance
- 3 Which best describes the manager's evaluation of the employee?
 - A He is an exceptional candidate for promotion.
 - B He should be moved to another department to develop his abilities.
 - C He is an exceptionally valuable asset to the company.
 - D He is a valuable worker who needs to improve his initiative.

Vocabulary

③ Match the words or phrases (1-7) with the definitions (A-G).

- | | |
|-----------------|----------------------|
| 1 __ grade | 5 __ dependable |
| 2 __ annual | 6 __ exceptional |
| 3 __ address | 7 __ job performance |
| 4 __ deficiency | |

- A beyond the ordinary
- B to attend to or discuss
- C occurring a single time each year
- D reliable or trustworthy
- E an evaluation
- F to judge or evaluate
- G a problem or shortage

- 4 Read the sentence pairs. Choose which word or phrase best fits each blank.

1 meet / exceed

- A I want you to do more than simply _____ the basic requirements.
B I want to be promoted, so I try hard to _____ what is expected of me.

2 assess / prove to be

- A My manager asked me to _____ my progress.
B His expectations often _____ unreasonable.

3 evaluation / expectation

- A After my _____, they decided to give me a raise.
B It is our _____ that you will always arrive on time.

4 rubric / requirement

- A We hope you will come to the meeting, but it's not a _____.
B The _____ should help clarify exactly what we expect.

- 5 Listen and read the evaluation again. What is one aspect of job performance that employers often evaluate?

Listening

- 6 Listen to a conversation between an employee and a manager. Mark the following statements as true (T) or false (F).

- 1 _____ The man disagrees with the woman's assessment of his work.
2 _____ The woman feels the man is not a dependable worker.
3 _____ The man requests a meeting to discuss his incentives plan.

- 7 Listen again and complete the conversation.

Employee: Ms. Dumas, do you have a moment to 1 _____ my evaluation?

Manager: Sure, Lawrence.

Employee: I wanted to ask you about your comments at the bottom of the rubric. First, thanks for your comments on my dependability.

Manager: You've always been someone I can 2 _____.

Employee: But you don't feel 3 _____ promoting me.

Manager: 4 _____ in your evaluation, I think you need to improve your initiative first.

Employee: What do you think I 5 _____?

Manager: I think you should challenge yourself to go beyond just doing what's 6 _____ you.

Speaking

- 8 With a partner, act out the roles below based on Task 7. Then, switch roles.

USE LANGUAGE SUCH AS:

Do you have a moment to ...?

As I said ...

I think you should ...

Student A: You are a manager. Talk to Student B about:

- his or her job performance
- what he or she has been doing well
- what he or she needs to improve

Student B: You are an employee. Talk to Student A about goals for improving your performance.

Writing

- 9 Use the evaluation and conversation to write a list of goals. Include: what you want to accomplish before next year's evaluation and how you plan to reach your goals.

13 Business Ethics

Get ready!

1 Before you read the passage, talk about these questions.

- How is social responsibility important for businesses?
- Why might ethics sometimes be challenging for businesses?



"This is Your Business"

posted by Rita Potter on March 8

I'm going to depart from my usual tips and advice today. Instead, I want to talk about **business ethics**. Of course, workers' rights are in better shape than before. We no longer face horrifying **working conditions** in this country. I hope that these changes are evidence of a shift in **priorities**. But recent events in the business community suggest otherwise. Some of our colleagues need to be reminded that **human rights** and **social responsibility** must be **put before** profits.

Two examples come immediately to mind. First, investigators have discovered that sportswear giant Lycos uses offshore **sweatshops**. They account for over 50 percent of Lycos's textiles production. They hid these sweatshops from consumers by doing the final processing of their products elsewhere. Second, reports surfaced yesterday of problems at McEvoy Gas Works. Apparently, they are responsible for astonishing levels of **pollution** and **environmental damage**. Both Lycos and McEvoy have been prosecuted for using **child labor** in the past. One solution to these problems may be to require greater **transparency**. However, it seems unlikely that companies that appear so willing to **abuse** their workers and the environment will comply. If we really want to have an **impact** on **unethical** business practices, we may have to go further. We should boycott unethical businesses. Better yet, we should fight for stronger legislation.

Reading

2 Read the blog post. Then, choose the correct answers.

- What is the post mainly about?
 - support of a new law on business ethics
 - how unethical businesses can harm the environment
 - ways to investigate if a business is unethical
 - unethical business practices are an ongoing problem
- What do the two companies mentioned, Lycos and McEvoy, have in common?
 - They have abused their workers.
 - They are facing court cases for human rights violations.
 - They were charged of using child labor.
 - They are responsible for environmental damage.
- Which is NOT a solution proposed by the author?
 - boycotting unethical businesses
 - teaching business ethics in schools
 - introducing stricter laws
 - demanding greater transparency

Vocabulary

3 Fill in the blanks with the correct words or phrases: *sweatshops, abuse, priority, put before, pollution, transparency, impact, unethical*.

- The business committed to greater _____ as a means of preventing criminal behavior.
- We must make environmental safety a(n) _____ if we want to reverse the damage.
- The CEO argued that the company had done nothing _____ by scaling back benefits.
- Industries that produce dangerous waste must be particularly careful to avoid _____.
- If a corporation tries to _____ its power, the government may have to step in.
- Changes in environmental regulations had a serious _____ on the oil business.
- The company was shut down when it was discovered that they use _____.
- She was surprised and dismayed by how often profits are _____ fair treatment of workers.

4 Read the sentence pairs. Choose which word or phrase best fits each blank.

1 human rights / working conditions

- A Better ventilation improved the _____ at the factory.
 B Most people agree that _____ are more important than profits.

2 environmental damage / social responsibility

- A The volunteers worked to repair the _____ caused by the oil spill.
 B Many businesses are aware of the importance of _____.

3 business ethics / child labor

- A Many countries have very strict laws preventing _____.
 B _____ are an important part of public relations.

5 Listen and read the blog post again. How can a business's ethics affect public relations?

Listening

6 Listen to a conversation between a reporter and a manager. Mark the following statements as true (T) or false (F).

- 1 _ The company was found to use child labor in the past.
 2 _ The company redesigned the factory for better working conditions.
 3 _ The company will start a recycling program next year.

7 Listen again and complete the conversation.

Reporter: Thanks for 1 _____, Mr. Truman. Twenty years ago, your company was found guilty of running several sweatshops. But today things are very different. Why?

Manager: When the unacceptable working conditions at our factories were 2 _____ the owners had to reevaluate their priorities.

Reporter: Was that to avoid fines and court cases, or was it 3 _____ something else?

Manager: 4 _____ it was a genuine desire to reinvest in social responsibility.

Reporter: In what way?

Manager: The company made 5 _____ and expensive changes.

Reporter: Can you give some examples?

Manager: Well, they hired more people, improved benefits, and redesigned the factory 6 _____ ventilation.

Speaking

8 With a partner, act out the roles below based on Task 7. Then, switch roles.

USE LANGUAGE SUCH AS:

*I believe ... / In what way?
 That sounds ...*

Student A: You are a reporter. Talk to Student B about:

- past problems at his or her company
- changes the company made
- the importance of those changes

Student B: You are a manager. Talk to Student A about your company's business ethics.

Writing

9 Use the blog post and conversation to write a short article about an interview with a company manager. Include: information about the company's past and the manager's comments about why and how the company changed.



Introduction to Conflict Resolution



Like it or not, every manager will deal with conflict. Knowing how to do so effectively is vital to running a successful business. A good manager can **defuse** tense situations between employees. They can **mediate** discussions to find resolutions, and **moderate** meetings to prevent disagreements.

But knowing how and when to **intervene** is tricky. Not every manager is a trained **mediator**. This book is intended to help you to handle many kinds of disagreements, arguments, and clashes.

* The first chapter covers handling employee **complaints** and **grievances**. It focuses on the importance of allowing employees to **voice** their concerns. This simple process can avoid major problems down the road.

* The second chapter explains the legal responsibilities of employers regarding employee complaints. It includes an index of relevant laws and statutes.

* The third chapter investigates the root causes of workplace conflict and how to avoid it.

* The fourth chapter explores how to **counsel** employees. It discusses how emotions allow minor conflicts to **escalate**.

* The final chapter discusses mediating conflicts in which neither **party** seems willing to compromise.

Our hope is that this book will help you convert even the most difficult **lose-lose** situation into a **win-win**.

Get ready!

① Before you read the passage, talk about these questions.

- 1 Why is it important for businesses to develop conflict resolution strategies?
- 2 What are some ways that managers can help resolve conflicts among employees?

Reading

② Read the introduction. Then, mark the following statements as true (T) or false (F).

- 1 ☐ The book is intended as a guide for professional mediators.
- 2 ☐ Part of the guide focuses on helping managers voice concerns.
- 3 ☐ The last chapter addresses what to do when a resolution appears unreachable.

Vocabulary

③ Match the words or phrases (1-7) with the definitions (A-G).

- | | |
|---------------------------------------|--------------------------------------|
| 1 ☐ conflict | 5 ☐ lose-lose |
| 2 ☐ resolution | 6 ☐ mediator |
| 3 ☐ escalate | 7 ☐ complaint |
| 4 ☐ win-win | |

- A an answer or an outcome
 B a struggle or clash between people
 C harming all parties involved
 D person who solves disagreements
 E a protest or criticism
 F profiting all parties involved
 G to heighten or intensify

4 Read the sentence pairs. Choose which word best fits each blank.

1 party / grievance

- A Neither _____ was happy with the proposed solution.
B The employee shared her _____ with her manager.

2 defuse / intervene

- A The manager had to _____ in the employee's dispute.
B Laughter can sometimes _____ people's anger.

3 mediate / counsel

- A I always _____ upset people to try to remain calm.
B To _____ a dispute, you need the trust of both parties.

4 voice / moderate

- A When people _____ their complaints, they often feel better.
B An outsider observer was chosen to _____ the meeting.

5 Listen and read the introduction again. Why is it important that employees are able to voice complaints or grievances?

Listening

6 Listen to a conversation between two managers. Choose the correct answers.

- 1 Why does the man ask the woman to mediate the dispute?
A the employees work in her department
B his attempt to moderate the discussion failed
C he feels he is unable to act fairly and without bias
D the conflict concerns her area of expertise
- 2 What is the source of conflict between the employees?
A the results of a progress report
B a failed collaboration
C the deadline for a project
D credit for an idea

7 Listen again and complete the conversation.

- Manager 1:** I need to 1 _____.
Manager 2: Sure.
Manager 1: I need you to mediate a disagreement between two people on my project.
Manager 2: What's 2 _____?
Manager 1: My new marketing associate claims that the project director 3 _____ from her. She doesn't want to work with him anymore until the problem is resolved.
Manager 2: What does the project director say?
Manager 1: He says they developed the idea collaboratively.
Manager 2: 4 _____ happened?
Manager 1: I don't think I'm a 5 _____ judge. I've had a conflict with the project director, and I can't be objective.
Manager 2: What happened 6 _____?
Manager 1: I probably shouldn't discuss it.

Speaking

8 With a partner, act out the roles below based on Task 7. Then, switch roles.

USE LANGUAGE SUCH AS:

I need to ask you ...

What happened between ...? / I really appreciate ...

Student A: You are a manager. Talk to Student B about:

- a conflict between two employees
- what you think about the conflict
- whether he or she will mediate the conflict

Student B: You are a manager. Talk to Student A about a conflict between his or her employees.

Writing

9 Use the introduction and conversation to write an email report on a mediation meeting. Include: what kind of conflict the employees were having and how the conflict was resolved.

Get ready!

1 Before you read the passage, talk about these questions.

- What are some common types of workplace conflict?
- What are some strategies managers could use to deal with these conflicts?

The Manager's Handbook

Chapter 10

Workplace Conflict: **What Would You Do?**

Managers bear the **burden** of resolving workplace conflict. This could be as simple as listening to an employee **vent** frustrations. Or it could be as complex as dealing with **passive-aggressive** employees undermining one's authority. Different situations **demand** very different responses. Consider the following scenarios and your ideal solutions.

Scenario 1: An employee repeatedly **refuses** to perform his or her duties.

Scenario 2: Several employees are close friends, but their **personal** lives are now interfering with their work.

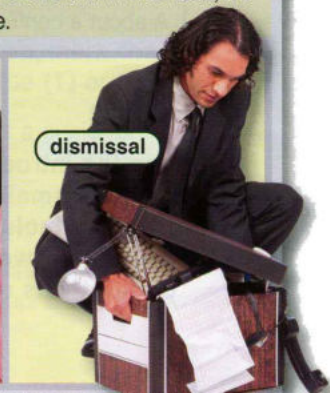
Scenario 3: Two employees with very different **personalities** frequently get into **arguments**.

Now, compare your ideas to the following tips:

Scenario 1: Managers often react angrily to **insubordinate** employees. They may **confront** them without listening to their concerns. The key is to keep the lines of communication open. Try discussing the employee's concerns. If you still feel that it is reasonable to expect them to complete the task, another refusal may be **grounds for dismissal**.

Scenario 2: A manager must promote friendliness, while discouraging an overly casual atmosphere. If employees form **cliques**, they tend to work less. If they **gossip** about other employees, it can create a very distracting work environment. Any employee displaying these behaviors should be clearly instructed to stop.

Scenario 3: In some cases, it is best to let a disagreement **run its course**. However, sometimes a disagreement becomes too intense. At worst, it interferes with work and creates an unsafe work environment. Find out what triggers the arguments and discuss ways to avoid it. If that fails, it's best to make a personnel change.



Reading

2 Read the handbook passage. Then, choose the correct answers.

- What is the main subject of the passage?
 - common types of workplace conflict
 - methods of preventing workplace conflict
 - comparing good and bad responses to conflict
 - types of responses to workplace conflict
- Which of the following is NOT a piece of advice offered in the passage?
 - Promote a casual atmosphere.
 - Keep lines of communication open.
 - Step in if a disagreement becomes intense.
 - Allow some conflicts to run their course.
- According to the passage, what is the first step in dealing with insubordinate employees?
 - Explain the grounds for dismissal.
 - Listen carefully to their concerns.
 - Confront them about their behavior.
 - Let the situation run its course.

Vocabulary

3 Fill in the blanks with the correct words or phrases: *personal, argument, gossip, personality, dismissal, vent, burden, clique, grounds for.*

- A(n) _____ between co-workers can disrupt business operations.
- When you _____, you may embarrass co-workers by sharing their personal problems.
- Someone with an aggressive _____ can make others feel uncomfortable.
- When you don't do your work, others have to take on the _____ of your responsibilities.
- Wasting time online or chatting on the telephone is _____ termination.
- If employees form a(n) _____, it may distract them from work and make others feel left out.
- Company phones and computers should not be used for _____ communication.
- After her _____ because of a conflict with co-workers, Ann had a hard time finding a new job.
- It can be helpful to _____ your frustrations to a friendly listener before taking action on them.

4 Read the sentence pairs. Choose which word or phrase best fits each blank.

1 demand / confront

A The manager would often _____ unreasonable things from her employees.

B It is important to _____ problems early, before they get worse.

2 insubordinate / passive-aggressive

A Joe was too _____ to directly confront people that bothered him.

B A(n) _____ employee loudly refused to perform his duties.

3 refuse / run its course

A If a manager asks me to do something illegal, I will _____.

B They waited for the situation to _____ before deciding what to do.

5 Listen and read the passage again. How can employees' personalities cause conflict in the workplace?

Listening

6 Listen to a conversation between two managers. Mark the following statements as true (T) or false (F).

- 1 ___ The employees are in conflict because they have very different personalities.
- 2 ___ The woman warned the employees that they could face dismissal.
- 3 ___ The man recommends transferring one of the employees.

7 Listen again and complete the conversation.

Manager 1: I need your advice on a problem I'm having.

Manager 2: I'm 1 _____ help if I can.

Manager 1: I have two employees in accounting who just can't 2 _____.

Manager 2: What are they arguing about?

Manager 1: Nothing 3 _____. They just have a personality conflict. One is very passive-aggressive. The other is constantly gossiping about it and venting to her co-workers.

Manager 2: Have you confronted them about it?

Manager 1: I have. They recognize that it's 4 _____ but can't seem to resolve it.

Manager 2: If it 5 _____, I'd probably just separate them.

Manager 1: Well, they are the only two accountants in the department. They have to work together. I think I may try to transfer one of them to another department.

Manager 2: That 6 _____ cause problems for someone else.

Speaking

8 With a partner, act out the roles below based on Task 7. Then, switch roles.

USE LANGUAGE SUCH AS:

I need your advice on ...

If it were me I'd ...

I'd recommend ...

Student A: You are a manager. Talk to Student B about:

- a personality conflict between employees
- how you have tried to resolve the conflict
- what action he or she recommends

Student B: You are a manager. Talk to Student A about strategies for dealing with a conflict.

Writing

9 Use the reading passage and conversation to write a request for an employee's transfer. Include: a description of a conflict between employees and why you think a transfer is the best solution.

Glossary

- abuse** [V-T-U13] To **abuse** something is to use something improperly or to a bad effect.
- access** [V-T-U2] To **access** something is to retrieve or obtain it.
- adapt** [V-I or T-U4] To **adapt** is to make changes based on altered circumstances.
- address** [V-T-U12] To **address** an issue is to deal with it or talk about it.
- annual** [ADJ-U12] If something is **annual**, it happens once a year.
- antivirus software** [N-UNCOUNT-U3] **Antivirus software** is a type of program used to protect computers from programs that cause them harm.
- argument** [N-COUNT-U15] An **argument** is a disagreement.
- assess** [V-T-U12] To **assess** something is to examine it and determine its quality.
- averse** [ADJ-U6] If someone is **averse** to something, he or she strongly opposes or dislikes it.
- axe** [V-T-U11] To **axe** something is to dismiss, terminate, or discontinue it.
- back up** [V-T-U3] To **back up** a file or information is to copy it in case it is lost or damaged.
- bankruptcy** [N-UNCOUNT-U10] **Bankruptcy** is the state of being unable to pay one's debts.
- bid** [N-COUNT-U1] A **bid** is an offered payment for something, usually made in competition with other possible buyers.
- bribe** [V-T-U7] To **bribe** someone is to offer him or her money or other considerations in exchange for unofficial or illegal favors or preferential treatment.
- burden** [N-COUNT-U15] A **burden** is a responsibility or a duty.
- business ethics** [N-UNCOUNT-U13] **Business ethics** is the code of morals or principles that guides a business's actions.
- buyout** [N-COUNT-U1] A **buyout** is the purchase of enough shares of a company to transfer control of the company to the buyers.
- call in** [V-T-U10] To **call in** a debt is to demand that the debt be paid.
- chance** [N-COUNT-U6] A **chance** is a possibility or likelihood.
- charge** [N-COUNT-U7] A **charge** is a legal accusation of wrongdoing.
- chargeback** [N-COUNT-U8] A **chargeback** is the forced reversal of a payment made with a credit card, returning funds to a customer.
- checkout** [N-COUNT-U2] A **checkout** is a point at which payment is made for items purchased.
- child labor** [N-UNCOUNT-U13] **Child labor** is the use of children as workers in a business or industry.
- clique** [N-COUNT-U15] A **clique** is a social group than intentionally excludes or alienates others.
- close** [V-I or T-U11] To **close** is to shut down or cease operations.
- complaint** [N-COUNT-U14] A **complaint** is a problem or point of dissatisfaction.
- compliance** [N-UNCOUNT-U3] **Compliance** is behaving in accordance with rules or requirements.
- component** [N-COUNT-U5] A **component** is a part or element of something larger.
- conflict** [N-COUNT-U14] A **conflict** is a disagreement or incompatibility.
- confront** [V-T-U15] To **confront** someone is to directly and publicly oppose them.
- constraint** [N-COUNT-U5] A **constraint** is a limitation.
- contingency plan** [N-COUNT-U6] A **contingency plan** is a plan that takes into account possible future events.
- continuity** [N-UNCOUNT-U6] **Continuity** is the continuation of operations in the same or similar manner.
- contract** [V-I or T-U11] To **contract** is to become smaller or more limited in scope, or to make something smaller or more limited.
- cook the books** [V PHRASE-U7] To **cook the books** is to alter financial records for the purpose of illegal gain.

copyright [N-UNCOUNT-U8] **Copyright** is the right to publish or otherwise reproduce a work.

corruption [N-UNCOUNT-U7] **Corruption** is dishonesty or falsehood on the part of those in power.

counsel [V-T-U14] To **counsel** someone is to give them advice.

course of action [N-COUNT-U6] A **course of action** is a plan.

credit card fraud [N-UNCOUNT-U8] **Credit card fraud** is theft or other illegal activity committed using a credit card or credit information.

creditor [N-COUNT-U10] A **creditor** is a person or institution to whom a debt is owed.

crisis [N-COUNT-U6] A **crisis** is a point of intense difficulty or trouble.

cumulative [ADJ-U8] If an effect is **cumulative**, it builds up incrementally over time.

debt [N-COUNT-U10] A **debt** is something that is owed.

declare [V-T-U10] To **declare** something is to publicly announce it.

deficiency [N-COUNT-U12] A **deficiency** is a failure or a lack of something.

defuse [V-T-U14] To **defuse** a situation is to make it less tense or dangerous.

demand [V-T-U15] To **demand** something is to forcefully or authoritatively ask for it.

dependable [ADJ-U12] **Dependable** is someone reliable and trustworthy.

discount [N-COUNT-U9] A **discount** is a reduction in price.

dismissal [N-UNCOUNT-U15] A **dismissal** is a termination of employment or association.

divestment [N-UNCOUNT-U1] **Divestment** is the sale of assets.

download [V-T-U8] To **download** something is to transfer information from one computer or network to another.

downsize [V-I or T-U11] To **downsize** is to reduce the scale of operations, often by terminating employees or reducing production.

downturn [N-COUNT-U11] A **downturn** is a drop or reduction in the success of a business or economy.

duration [N-UNCOUNT-U5] **Duration** is the length of time that something lasts.

e-commerce [N-UNCOUNT-U2] **E-commerce** is trade conducted using the web.

embezzlement [N-UNCOUNT-U7] **Embezzlement** is the misuse of another's funds entrusted to one's care.

encrypted [ADJ-U2] If information is **encrypted**, a person must have a code or other information to access it.

environmental damage [N-UNCOUNT-U13] **Environmental damage** is harm caused to the natural environment by human action.

escalate [V-I or T-U14] To **escalate** is to become more severe or intense.

evaluation [N-COUNT-U12] An **evaluation** is a report on performance quality.

exceed [V-T-U12] To **exceed** something is to go beyond it.

exceptional [ADJ-U12] If something is **exceptional**, it is outside and often superior to what is usual or average.

execute [V-T-U4] To **execute** a task is to perform or complete it.

expectation [N-COUNT-U12] An **expectation** is an anticipated or required result.

face [V-T-U4] To **face** something is to deal with it directly.

falsify [V-T-U7] To **falsify** something is to alter it in a misleading way.

FAQ [N-COUNT-U2] An **FAQ** (Frequently Asked Question) is a question that a business anticipates its customers may ask and thus provides the answer to.

file [V-T-U10] To **file** for bankruptcy is to undergo the necessary legal proceedings to declare bankruptcy.

firewall [N-COUNT-U3] A **firewall** is a barrier meant to prevent the spread of damaging programs.

Glossary

- forgery** [N-UNCOUNT-U7] **Forgery** is the act of creating a false copy of something like a document or a work of art.
- fraud** [N-UNCOUNT-U7] **Fraud** is the act of deceiving others for the purpose of personal gain.
- fraudulent** [ADJ-U8] If something is **fraudulent**, it is false or involves deception.
- friendly takeover** [N-COUNT-U1] A **friendly takeover** is the purchase that is welcomed by the management of the target company.
- fullest extent** [N-UNCOUNT-U9] The **fullest extent** is the greatest possible range or amount of something.
- Gantt chart** [N-COUNT-U5] A **Gantt chart** is a type of chart that uses a bar graph to show a project timeline and progress toward completion.
- go bankrupt** [V-I-U10] To **go bankrupt** is to become unable to pay one's debts.
- gossip** [V-I-U15] To **gossip** is to spread rumors or discuss the private lives of others.
- grade** [V-T-U12] To **grade** something is to evaluate and rank it.
- grievance** [N-COUNT-U14] A **grievance** is a complaint of injustice or unfairness.
- grounds for** [N-UNCOUNT-U15] If an action has **grounds for** something else to happen, that action is an acceptable reason for the second event to occur.
- hold accountable** [V PHRASE-T-U9] To **hold** someone **accountable** is to consider that person responsible for his or her actions and the consequences of those actions.
- hostile takeover** [N-COUNT-U1] A **hostile takeover** is the purchase that is resisted by the management of the target company.
- human rights** [N-UNCOUNT-U13] **Human rights** are the basic rights and freedoms to which all humans are entitled.
- illegal** [ADJ-U8] If something is **illegal**, it is against the law.
- impact** [N-COUNT-U13] An **impact** is an effect or result.
- individual** [N-COUNT-U8] An **individual** is a single person.
- industry** [N-COUNT-U8] An **industry** is a particular sector or branch of commercial activity.
- insider trading** [N-UNCOUNT-U7] **Insider trading** is the act of making stock market trades based on information that is not available to the general public.
- insubordinate** [ADJ-U15] If someone is **insubordinate**, he or she does not respect or acknowledge the authority of another.
- insurance** [N-UNCOUNT-U] **Insurance** is guaranteed protection against a loss or harm.
- intellectual property** [N-UNCOUNT-U8] **Intellectual property** is a creative work, often intangible, to which one person owns the rights.
- internal** [ADJ-U9] If something is **internal**, it is inside of something.
- intervene** [V-I or T-U14] To **intervene** in a situation is to step in and take action.
- job performance** [N-UNCOUNT-U12] **Job performance** is the overall quality of a person's execution of their work duties.
- last resort** [N-COUNT-U10] A **last resort** is a final, desperate effort to accomplish something.
- launder** [V-T-U7] To **launder** money is to process it for the purpose of concealing its illegal source.
- liquidate** [V-T-U10] To **liquidate** assets is to sell them for money to pay debts.
- lock out** [V-T-U2] To **lock** someone **out** of their account is to deny them access to it.
- log in** [V-T or I-U2] To **log in** is to provide a username and password in order to access a website or other service.
- lose-lose** [ADJ-U14] If a situation is **lose-lose**, it does not benefit or satisfy any of the parties involved.
- mediate** [V-I or T-U14] To **mediate** between people is to help them resolve their conflict.
- mediator** [N-COUNT-U14] A **mediator** is someone who helps others resolve their conflicts.
- meet** [V-T-U12] To **meet** a goal or requirement is to reach it or comply with it.

milestone [N-COUNT-U4] A **milestone** is a small goal that represents progress toward a larger one.

misappropriation [N-UNCOUNT-U7] **Misappropriation** is the misuse of another's resources or money entrusted to one's care.

mitigate [V-T-U6] To **mitigate** a situation is to make it less problematic or serious.

moderate [V-I or T-U14] To **moderate** a discussion is to manage or direct it.

network [N-COUNT-U3] A **network** is a group of computers that are connected to each other.

offer [N-COUNT-U1] An **offer** is a proposed payment or arrangement.

online [ADJ-U3] If something is **online**, it is connected to the internet or to a network.

option [N-COUNT-U10] An **option** is an available choice.

parent company [N-COUNT-U1] A **parent company** is a company that owns enough of another company to be able to control or significantly influence its decisions.

party [N-COUNT-U14] A **party** is an individual agent or a group with a common goal.

passive-aggressive [ADJ-U15] If someone is **passive-aggressive**, he or she expresses dissatisfaction or opposition in ways that do not openly acknowledge his or her feelings.

password [N-COUNT-U2] A **password** is a private code that allows a user access to a website or other service.

payoff [N-COUNT-U7] A **payoff** is a payment made to a person in power in order to influence their decisions.

PCI DSS [N-UNCOUNT-U3] **PCI DSS**, (Payment Card Industry Data Security Standard) is a set of rules that protects the security of financial information exchanged online.

personal [ADJ-U15] If something is **personal**, it involves the private life of an individual.

personality [N-COUNT-U15] A **personality** is a set of behaviors that makes up a person's usual character.

phase [N-COUNT-U] A **phase** is a stage or smaller part of a larger process or project.

pilfer [V-T-U9] To **pilfer** something is to steal something of little value.

PIN [N-COUNT-U2] A **PIN** (Personal Identification Number) is a numerical password to gain access to an account.

pink slip [N-COUNT-U11] A **pink slip** is a notice of termination of employment.

plant [N-COUNT-U11] A **plant** is a manufacturing or production facility.

policy [N-COUNT-U9] A **policy** is a predetermined course of action in a given situation.

pollution [N-UNCOUNT-U13] **Pollution** is the contamination of natural resources like water or air.

potential [ADJ-U6] If something has **potential**, it is possible rather than actual.

predecessor [N-COUNT-U5] A **predecessor** is someone or something that came before the current person or thing.

prevent [V-T-U9] To **prevent** something is to stop it from occurring.

priority [N-COUNT-U13] A **priority** is something that is considered more important than something else.

privacy policy [N-COUNT-U2] A **privacy policy** is an agreement governing how and when a company will share personal information about a client.

proactive [ADJ-U4] If someone is **proactive**, he or she responds actively to a situation rather than passively.

problem solving [N-UNCOUNT-U4] **Problem solving** is the act of addressing difficulties and finding solutions to them.

progress report [N-COUNT-U4] A **progress report** is a description of the development of a plan or project.

project management software [N-UNCOUNT-U5] **Project management software** is a software used to help organize and execute complex projects.

project management [N-UNCOUNT-U] **Project management** is the process of organizing and controlling a group of people and other resources for the purpose of accomplishing a professional task or planned work.

prosecute [V-T-U9] To **prosecute** someone is to charge them with a crime.

Glossary

protect [V-T-U10] To **protect** something is to guard or defend it.

prove to be [V PHRASE-T-U12] To **prove to be** something, is to be found or shown to be that thing.

public relations [N-UNCOUNT-U6] **Public relations** is the behavior of a company or a corporation to establish a positive image in the minds of consumers or the public.

put before [V PHRASE-T-U13] To **put** something **before** something else is to consider it more important, necessary, or desirable.

quarantine [V-T-U3] To **quarantine** a file or program is to isolate it so that it cannot spread a virus or otherwise damage a computer.

receiver [N-COUNT-U10] A **receiver** is the person or institution put in charge of a bankrupt company's assets.

receivership [N-COUNT-U10] **Receivership** is the state of being under the control of a receiver.

recession [N-COUNT-U11] A **recession** is a short period of commercial decline or limited economic growth.

refuse [V-I or T-U15] To **refuse** to do something is to choose not to do it.

requirement [N-COUNT-U12] A **requirement** is something demanded or needed.

reset [V-T-U2] To **reset** a password is to change it.

resolution [N-COUNT-U14] A **resolution** is a determined course of action intended to end conflict.

resource [N-COUNT-U5] A **resource** is something a person or company can use to accomplish a goal.

restructure [V-T-U10] To **restructure** something is to change the way it is organized or managed.

return [V-T-U8] To **return** a purchase is to give it back to its seller, usually in exchange for the original price paid or its equivalent.

risk management [N-UNCOUNT-U6] **Risk management** is the process of limiting the possible negative outcomes of business decisions with uncertain results.

risk [N-COUNT-U6] A **risk** is an action that may or may not have a positive outcome.

rubric [N-COUNT-U12] A **rubric** is an established set of requirements or expectations.

run its course [V PHRASE-T-U15] For something to **run its course** is to continue to its foreseeable, logical conclusion.

scan [V-T-U3] To **scan** a file or computer is to search it for viruses or other kinds of damage.

scope [N-UNCOUNT-U5] The **scope** of a project is the range of goals it is intended to accomplish.

secure [ADJ-U3] If something is **secure**, it is safe from harm or damage.

security camera [N-COUNT-U9] A **security camera** is a camera installed for the purpose of preventing crime.

security question [N-COUNT-U2] A **security question** is a question meant to verify a person's identity.

security tag [N-COUNT-U9] A **security tag** is an electronic tag placed inside an item that alerts store employees if that item is taken outside of the store without having been paid for.

setback [N-COUNT-U4] A **setback** is a problem that delays or stops the progress of something.

setting [N-COUNT-U3] A **setting** is an option for how a program is used or functions.

severance [N-UNCOUNT-U11] **Severance** is money paid upon termination of employment.

shoplifting [N-UNCOUNT-U9] **Shoplifting** is the act of removing items from a store without paying for them.

shopping cart [N-COUNT-U2] A **shopping cart** is a list of products a person intends to purchase upon checkout.

shrink [V-I or T-U11] To **shrink** is to become smaller or make something smaller.

shrinkage [N-UNCOUNT-U9] **Shrinkage** is the loss of company assets through waste or theft.

slash [V-T-U11] To **slash** something is to cut or reduce it.

social responsibility [N-UNCOUNT-U13] **Social responsibility** is the duty a person or business has toward the society of which they are a part.

spam [N-UNCOUNT-U3] **Spam** is unwanted electronic mail.

SSL connection [N-COUNT-U2] An **SSL connection** is a means of sending information privately over the internet.

stave off [V-T-U11] To **stave off** something is to prevent it from happening.

stick to [V-T-U4] To **stick to** something is to maintain one's intended course of action.

stolen [ADJ-U8] If an item is **stolen**, it does not legally belong to the person in possession of it.

store credit [N-UNCOUNT-U8] **Store credit** is credit extended to a consumer that can only be redeemed for goods from a particular seller and cannot be exchanged for money.

sweatshop [N-COUNT-U13] A **sweatshop** is a factory or production facility in which workers are required to work very long hours under poor conditions for low wages.

takeover [N-COUNT-U1] A **takeover** is the purchase of one company by another.

target [N-COUNT-U1] A **target** is the company being bought by another.

task [N-COUNT-U5] A **task** is a job or responsibility.

tender offer [N-COUNT-U1] A **tender offer** is a public invitation for shareholders in a company to sell their stock, usually at a price above the market price.

theft [N-UNCOUNT-U9] **Theft** is the act of stealing something.

threat [N-COUNT-U6] A **threat** is something that may cause damage or harm.

timeline [N-COUNT-U5] A **timeline** is a plan for when particular tasks should be accomplished.

track [V-T-U4] To **track** something is to monitor its progress.

transparency [N-UNCOUNT-U13] **Transparency** is the open availability of information about the practices of a business or government.

trial [N-COUNT-U7] A **trial** is a public legal procedure to determine a person's guilt or innocence.

unauthorized [ADJ-U9] If something is **unauthorized**, it is not permitted or allowed.

unethical [ADJ-U13] If something is **unethical**, it does not meet social standards of behavior.

username [N-COUNT-U2] A **username** is the name that identifies a person while they are using a particular website or service.

vent [V-I or T-U15] To **vent** is to express one's thoughts or feelings for the purpose of relieving tension.

virus [N-COUNT-U3] A **virus** is a harmful computer program that can spread copies of itself.

voice [V-T-U14] To **voice** something is to say it out loud.

waterfall model [N-COUNT-U5] A **waterfall model** is a project design process in which the development of a project proceeds downward through specific phases that are each dependent on the phase above.

WBS [N-COUNT-U5] A **WBS** (work breakdown structure) is a chart or plan dividing a project into smaller tasks or components.

website analysis [N-UNCOUNT-U3] **Website analysis** is the process of collecting information about a website in order to determine its efficiency and its security.

white knight [N-COUNT-U1] A **white knight** is a person or company that offers a target company more acceptable takeover terms as an alternative to a hostile takeover by another company.

win-win [ADJ-U14] If a situation is **win-win**, it benefits or satisfies all parties involved.

workforce [N-COUNT-U11] A **workforce** is the group of workers employed by a company.

working conditions [N-UNCOUNT-U13] **Working conditions** are the circumstances under which labor is performed.

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Books 1-3 of **Career Paths: Management II** are rated for the Common European Framework of Reference for Languages at A1, A2 and B1 respectively.

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