

## Digital resources for Unit 7

### eWorkbook

**Language practice:** interactive & printable grammar, vocabulary, listening & pronunciation practice activities, extra printable reading & writing worksheets  
**Listen:** Student's Book audio, language practice audio  
**Watch:** video & video worksheet  
**Tests:** interactive multiple-choice test  
**Resources:** word list, grammar help & writing tips

### Teacher's Resource Disc

**Video:** video & video worksheet  
**Audio:** Student's Book audio  
**Tests:** progress test Unit 7  
**Resources:** PowerPoint Unit 7, business document Unit 7, photocopiable worksheets, Student's Book answer key, Student's Book glossary

## Subject background

There are four main ways that people invest:

### Stocks

(Also called *shares*.) You can buy stocks in any publicly traded company. When you buy stocks in a company, you become one of its owners. If the company does well, you receive a part of its profits as dividends and you also see the price of your stock increase. Of course, the company can also do badly, and in this case the value of your investment will drop.

A stock has no absolute value – at any given time its value depends on what other investors are willing to pay for it. This depends on the likely future profits of the company and the overall state of the economy. Investors try to find stocks that are undervalued, which means that they are available on the market for less than they are really worth.

But this is subjective and very difficult to know – at any one time all available news and information about a company is already built into the stock price. If company A has good products in a growing market and is led by an experienced management team, then everyone knows this and its stock price is already high. Past performance is also no guide as to whether a stock will do well in the future – there is a strong effect of sector rotation in the economy, so if financials or consumer electronics or health care have been doing well for the last few quarters, they are unlikely to continue to be leading sectors for the next few quarters.

With stocks, there are two basic strategies: buy and hold (which means buying a stock and then keeping it for many years until money is needed for retirement, college fees, etc.) or trading (waiting until the stock has reached a target price and then taking profits and looking for a new opportunity).

### Bonds

Bonds are loans made to corporations or governments. Unlike buying stocks, which make you a part owner in a company, buying bonds makes you a creditor. You buy a bond and the company or government takes your money and uses it to invest. In return, they pay you a specified amount of interest over the life of the bond and repay the original loan (the principal) at the end. There are many types of bonds, of which the best known are government bonds (called *treasury bonds* in the US and *gilts* in the UK), high-quality company bonds (called *investment-grade bonds*), and riskier low-quality company bonds that pay more interest (called *junk bonds*).

### Mutual funds

(Called *unit trusts* in the UK.) For many ordinary investors, buying individual stocks or bonds makes no sense. The time and knowledge required to do the research and minimize the risk is too great. Instead, they invest in a mutual fund which holds a basket of stocks or bonds. The choice of what and when to buy and when to sell is left up to a team of fund managers (who receive a commission for their work). The investor can just leave his/her money with the fund and relax, with no need to constantly monitor it.

### Real estate

(Also called *property*.) Some people invest by buying property and then letting it to tenants. They hope that the underlying value of the property will rise (creating a capital gain) while at the same time receiving rent from the tenants. The danger here is that the property market is cyclical, and there may be unexpected costs such as repairs, or periods when the property is empty, but a bank loan still has to be repaid. It is also true that many people consider their own home where they live as an investment, and so are prepared to take on a high level of debt (a *mortgage* from the bank) to live somewhere bigger and better than their salary allows. This strategy works well while property prices are rising, but can be a disaster while they are falling.

The basic principle with all investments is the balance of risk and reward. Take more risk, and the potential rewards are higher. Choose safety and your returns will be slow and steady.

## Useful websites

The following site has useful sections under the tabs 'Tutorials' and 'Dictionary':

<http://www.investopedia.com>

For general financial news and analysis there are many sites such as:

<http://www.bloomberg.com>

<http://www.moneyweek.com>

## 7.1 About business

## Investment banks

This module introduces the topic of investment banks and their role with a thought-provoking reading text on the topic accompanied by a series of engaging tasks to promote active reading.

## Preparation

Copy the article on page 89 onto an OHP or scan it onto an IWB/projector. This will enable you to easily draw students' attention to key areas of the text during input and feedback around the exercises. Also, prepare a cut-up version of the text if you intend to do one of the alternative tasks suggested in Exercise 2 below.

## Discussion

**1** Start with a general discussion about how banks and bankers are viewed in general these days. Ask, *Why do banks get a bad press these days? How responsible are banks for the current financial problems, in your opinion? What should banks and bankers do to restore confidence? What should governments and international bodies do?*

Ask students to look at the bank activities individually first, and to decide how they feel. Then ask them to share their thoughts with a partner. Finally, have a whole-class discussion.

## Scan reading

**2** Before starting the reading exercises, you may like to try one of these alternative reading tasks:

- Prediction of content based on the title. Write the title of the text on the board and ask students to work in pairs or threes and to brainstorm words and ideas they think the text will contain. Elicit suggestions and put them on the board. Ask students to explain their suggestions and use this as an opportunity to extend, clarify and discuss the ideas. Then ask students to scan through the text to check their predictions.
- Cut the text up into meaningful sections (e.g. paragraphs) and label each one (a, b, c, etc.). Distribute one section to each student in the class (for larger classes, divide the class into pairs). Ask students to read their section and to write a comprehension or true/false question for their section. Also, ask students to note down any new vocabulary in their section and to look up the meaning. Give a reasonable time limit for this, but do not expect students to look up every new word. Next, ask each student to write their question on the board along with the new vocabulary and to briefly explain the meaning of the words to the class. (An alternative approach is to ask students to dictate their questions to the class and for the class to write the questions out. You then write the questions on the board for students to check.) Once all students have done this, draw their attention to the text on page 89 of the Student's Book and ask them to read through and answer the questions provided. Next, ask students to compare in pairs before taking whole-class feedback. Once students have completed these student-centred activities, ask them to complete Exercise 2 on page 88. Again, allow checking in pairs before going through the answers.

## ANSWERS:

- What is the popular image of what investment bankers do? (paragraph 2)
- Why have investment banks become controversial? (paragraph 1)
- Do investment banks use private individuals' money to speculate? (paragraph 5)
- Why are investment bankers paid huge bonuses? (paragraph 6)
- Which part of investment banks' activities are many people uncomfortable with? (paragraph 4)
- How do investment banks assist large companies? (paragraph 3)

## Reading for detail

**3** Give students enough time to read through the criticisms carefully. Ask them to remember or guess what the counter-argument might be. Next, ask students to research the text and find the counter-arguments to each criticism. Do the first as a class to get students started. Let students compare their answers in pairs before discussing as a class.

## ANSWERS:

- Investment bankers work hard to provide an essential service to business and economic growth as providers of capital.
- Providing financial guarantees represents a serious risk with potentially major costs should things go wrong.
- Merchant banking and risk management by means of foreign exchange and commodities trading are a natural extension of advisory and M&A services.
- Without international networks to match supply and demand for capital, global industry would be starved of investment and growth, and pension funds would be unable to protect their members' futures.
- If you don't pay the going rate, top bankers will take their talent elsewhere.

## Listening

**4**  2:24 Divide the class into pairs. Ask each pair to come up with one argument that they think Barry Elliot might make. Elicit ideas and have a brief initial class discussion about banks and regulation. You may wish to pre-teach the following words: *paradox* (contradiction), *sub-prime lending/market/crisis* (sub-prime lending means lending to people when there is a doubt about their ability to repay), *default* (fail to make payments), *go bust* (go bankrupt). Play the recording. Students listen and answer the general question.

## ANSWER:

Barry feels greater regulation is needed because banks cannot be allowed the same freedom to be profitable or go bankrupt as other companies if there are conflicts of interest between shareholders and employees.

## RECORDING SCRIPT

2:24

Interviewer: Barry, you're well known as an advocate of the free market, yet you've published several articles calling for greater regulation of investment banks. Isn't that something of a paradox?

Barry: Well, free market theory depends on the idea that a buyer and seller will only agree on a deal if the benefits to each side are greater than the costs.

I: OK.

B: Now, most of the time that works pretty well, because a company's employees and its shareholders share the same interests. If the company does well, it's good for shareholders and it's good for employees, right?

I: Right.

B: The problem comes when the employees' interests conflict with those of the shareholders. For example, in industry, if you pay a salesman solely by commission on the number of sales or the billings he generates, without any thought for margins or value to the company, very quickly you're going to run into difficulties, because you're encouraging the salesman to keep making sales, whatever the cost to the company. And that's precisely what happened in the sub-prime crisis. Because the banks had become corporations, and bankers had become salesmen driven by massive bonuses, they kept on authorizing risky loans and mortgages, knowing that if people defaulted, all the risk would be borne by the shareholders, not by them. The worst that could happen to them was that they could lose their jobs and retire happily on the millions they had already earned.

I: In your industrial example the company goes bust, and the market regulates itself and stops paying salesmen on that basis.

B: That's right. Unfortunately, in banking, we can't afford to let banks go bust because the whole economy would break down, so taxpayers, i.e. you and me, have to bail them out. Which is why we need regulation to make sure that kind of conflict of interest can't happen.

**5** 2:24 Give students a moment to read through the eight statements and check that they know what they are about. Tell them to make brief notes next to each point from what they remember from the first listening. Play the recording again. Students listen and note answers. Let them compare their answers in pairs before discussing as a class.

## ANSWERS:

- 1 A buyer and seller will only agree on a deal if the benefits to each side are greater than the costs.
- 2 Because a company's employees and its shareholders share the same interests
- 3 Very quickly you're going to run into difficulties, because you're encouraging the salesman to keep making sales, whatever the cost to the company.
- 4 Because the banks had become corporations, and bankers had become salesmen driven by massive bonuses, they kept on authorizing risky loans and mortgages.
- 5 If people defaulted, all the risk would be borne by the shareholders.
- 6 The worst that could happen to them was that they could lose their jobs and retire happily on the millions they had already earned.
- 7 Because the company goes bust, and the market regulates itself and stops paying salesmen on that basis
- 8 We can't afford to let banks go bust because the whole economy would break down.

## Discussion

**6** Students should now have a comprehensive enough understanding of the text and topic to have a discussion. Give students time individually to prepare their ideas, opinions and comments on each of the three points. Then ask students to discuss in groups of four to six students. In feedback, ask one person from each group to summarize the discussion for the class.

## Internet research

Ask students what *Chinese wall* means in the context of the reading text (It describes the strict separation of people in a firm who make investment decisions from people in another part of a business who are privy to undisclosed information that may influence investment decisions.). Then ask students to search for the keywords and make their presentations.

## EXTRA ACTIVITY

Students should be able to write an effective summary. Ask them to write a summary of the text on page 89 in 50 words.

## 7.2 Vocabulary

## Investment choices

This module presents and reviews vocabulary related to the field of investment and provides a varied and stimulating range of activities to practise using the vocabulary in context.

## Preparation

Prepare a completed version of the text on page 90 with the interviewer's questions removed. Make enough copies to give one to each of your students for Exercise 2, as described below. Prepare the vocabulary matching activity (Exercise 4) onto cut-up cards, enough for each pair of students in the class.

## Internet research

As the box suggests, the keywords *property investment* will return a lot of sites making bold claims. You could narrow the task down by asking students to locate two or three websites of companies offering property deals and advice, to note what types of property they are selling, the asking prices and the promised returns on investment. Ask students to bring their findings to class and in small groups to decide which they think is the safest investment and which the most risky.

## Discussion

**1** Before starting the discussion exercise, you may want to draw students' attention to the following: the meaning of *a property empire*, the use of *an* with a consonant in *an MBA* and the pronunciation of *vintage* /'vɪntɪdʒ/ and *jewellery* /'dʒu:əlri/. Next, present the scenario to the class. Ask students to work on their own and read through the list of options and to choose one of the investment choices. Monitor and provide help as needed. Next, ask the class to mingle and to discuss and explain their choices. Keep the discussion quite brisk and monitor to make notes of language points for post-correction. Conduct a show of hands to see which options have proven the most and least popular. Finally, ask students to work in pairs or small groups and discuss how else they would invest the money.

## Reading

**2** Dictate the questions taken from the text to the class in random order and ask students to write them down. Elicit the questions back from students and put them on the board. Next, distribute your prepared copies of the completed text and ask students to match the questions to each paragraph and then to compare in pairs. Go through the answers with the class. Ask students to turn the text over so that it is no longer visible.

Dictate the following items (minus the definitions) to the class and ask students to write them down: *diversify* /daɪ'vɜ:(r)sɪfaɪ/ (range and variety), *to recoup* /rɪ'ku:p/ (to regain), *bricks and mortar* (houses), *buy-to-let* (the practice of buying a property in order to rent it out to tenants), *equities* /'ekwəti:z/ (securities that represent ownership in a company, shares), *to entail* (to involve), *to be risk-averse* /rɪsk-ə'vɜ:(r)s/ (to have a tendency to avoid risky investments), *a portfolio* (a collection of assets owned by an investor), *a plum property* (a good or fine property), *to plummet* (to fall or decrease very rapidly), *to wind up as* /waɪnd/ (to become, to end up as), *a mantra* (a commonly repeated word or phrase; a Hindu incantation), *take a tumble* (to fall), *to be quids in* /kwɪdz/ (to make a profit, a quid is one pound sterling), *mattress* (the part of a bed made of thick soft material that you put on the bed's base to make it more comfortable).

Ask students to compare their answers in pairs. Provide phonemic transcriptions on the board. Next, ask students to read through the text and to locate the words. Now ask students to consider the meaning of the words from the context. Use guiding questions to lead to the solution, e.g. *Is the meaning positive or negative? What does the word refer to in the text?* Go through the answers with the class. Finally, ask students to provide some example sentences of their own using the newly presented lexis, e.g. *Although it's important for companies to diversify, they must be sure to maintain a strong core brand.*

Do not ask students to complete the cloze at this stage, but reserve the exercise until the end of the lesson. Also, if possible, recycle the cloze into a progress test later in the course.

## ANSWERS:

- 1 value
- 2 equities
- 3 companies
- 4 recession
- 5 recoup my losses
- 6 portfolio
- 7 buy-to-let
- 8 risk-averse
- 9 diversify
- 10 exposed
- 11 entails
- 12 bricks and mortar

**3** As with the preceding exercise, dictate the idioms and ask students to scan the text to locate them in context. Ask students to paraphrase the meanings in their own words. Elicit interpretations from the class, prompting with guiding questions to lead students to the solutions, e.g. *If you put all your eggs in one basket, what would happen if you lost or dropped the basket?*

Ask students to produce an example sentence incorporating each of the idioms and to read these out to the class. Finally, ask students to discuss whether they have the same or similar idioms in their own languages, and also whether they have other idioms to express the same meaning.

## ANSWERS:

have your head screwed on: *be sensible, practical and aware*  
 put all your eggs in one basket: *rely on just one thing for success*  
 go pear-shaped: *go wrong*  
 the other side of the coin: *the opposite angle or viewpoint*

## Vocabulary

**4** Be prepared to explain/ elicit the meanings and pronunciation of the following: *to boost* (to increase or raise), *to adopt* (to take on, assume), *a stance* (attitude or position), *a buffer* (a cushion), *volatility* (wide variation, instability), *diversified* (varied), *herd* (a group of cattle), *command a price* (to get or receive a price), *sure-fire* (certain).

Distribute the cut-up cards to your students and give them a few minutes to match the expressions. Go through the answers with the class, providing additional examples and explanations as required. Next, ask students to test each other in pairs on the meanings of the jargon. Recycle the matching activity later in a progress test.

## ANSWERS:

- 1 d
- 2 f
- 3 b
- 4 h
- 5 c
- 6 g
- 7 a
- 8 e

## Listening

**5**  2:25 This task presents some of the expressions from Exercise 4 in context. Ask students first to listen to the recording and to take notes on the key points as they listen. Then ask students to compare their notes in pairs and then elicit answers. Next, ask students to recall as many of the expressions from Exercise 4 as they can. Check through with the class, but do not provide definitive answers just yet.

### ANSWERS:

The items mentioned are 2, 3, 4, 5, 6 and 8.

### RECORDING SCRIPT

 2:25

Right then ladies and gentlemen, you're going to be thankful that you came along here today. From what I can see, there's a lot of different age groups among you – some more mature ladies and gentlemen if I may say so, rich in experience, quite a few younger ones here, and it looks like one or two teenagers even.

What I want to emphasize to you all today is the importance of investment. The younger ones among you may not want to think about it, but retirement is going to come your way one day, oh, yes, 'the eighth age of man' as they say, it won't go away. And the earlier you start investing for your retirement, the richer you'll be when you retire. It really is something that you can't start doing early enough, the more mature customers amongst you will back me up on that one, won't you?

So, what can you do to make sure you have enough money to see you through your retirement? You may have heard all sorts of investment advice, both good and bad, ranging from topping up your pension pot to buying bottles of vintage wine. And who exactly is going to buy a load of wine years from now? Don't ask me. Well, you may have heard that you should build up a diversified portfolio, all sorts of different investments in different kinds of products, in different currencies even. And I won't disagree with that advice. I know it's going against the herd instinct these days, but investing in different currencies is going to offer you that buffer against market volatility, a bit of protection against the ups and downs of the market.

Ladies and gentlemen, more than anything I would recommend adopting a defensive investment stance to do just that. I reckon if you invest in several currencies you'll actually reduce your overall risk – ever heard of putting all your eggs in one basket? I thought so: all your money in one currency and if it goes down, well, you don't need an expert like me to tell you which way your investment is going to go.

So where was I? Market volatility. Whilst you can't prevent the markets going all over the place, what you can do is go for property, ladies and gentlemen, which is why I'm here, as a representative of Properties To Die For Limited. Investing in property means putting your money in bricks and mortar. They're a sure-fire investment, believe me. People are always going to have to live in houses, and the world population is going up and up, so you'll easily find someone to rent your properties out to.

The thing is, other property investments you might see here today, charge what you might call a 'premium price'. They're a rip-off in the language of you and me. Now, with Properties To Die For Limited you know where you are. What you see is what you get, fantastic properties that you would actually die for. None of that lack of transparency you'll find if you wander across the floor to one of our lesser rivals. We can offer you prime properties in Spain, in Portugal, in Bulgaria, in Turkey, in the US, you name it. I said 'you name it' – I didn't hear you say anything.

If you don't trust us, all you need to do is ask one of Properties To Die For Limited's valued clients. Do you know I've even seen Felicia Turner here? Well, between you and me she's bought one or two of our plum properties already. That's Ms Turner's retirement sorted. And she's very pleased with what we've sold her so far . . .

**6**  2:25 Present your class with the topics listed under Exercise 6 and ask them to make notes on the points using the notes they took during the listening. Play the recording a second time for students to check both Exercises 5 and 6. Go through the answers with the class, putting the advice given on the board.

### ANSWERS:

Retirement is going to come one day and the earlier you invest for it, the better.

Investing in different currencies is going to offer you a buffer against market volatility.

Go for property: 'Properties To Die For Ltd' is a sure-fire investment.

**7** Draw students' attention to the pieces of advice written on the board and ask them to work individually to decide which pieces they agree with and which not. Next, ask students to discuss their opinions in pairs, then take whole-class feedback.

## Speaking

**8** Put the following headings on the board: *attitude to risk, favoured geographical areas, expectations of future wealth, types of investment* (e.g. financial instruments, property, stocks and shares, exotic investments).

Ask students to consider the points on the board in relation to their own investment profile. Encourage them to make some notes under the headings provided. Monitor and provide support as needed. Next, tell students that they are to work in pairs to establish each other's investment profiles, preferences and plans. Ask students to work in pairs to generate questions to ask about each of the topics, e.g. *What is your attitude to risk? Are you generally risk-averse or do you prefer riskier investments with higher returns?*

Put students into new pairs to interview each other using the questions supplied. Ask them to make notes as they conduct the interviews. Monitor and note language points for post-correction. For feedback, ask students to briefly tell the class about their partner's investment profile.

## Writing

**9** Ask students to use their notes from the interviews to write a short (80-word) summary of their partner's investment profile. Set a time limit and collect the summaries for correction and feedback. The information contained in the summaries can be incorporated into a *find someone who* activity for a later lesson.

## 7.3 Grammar

## Inversion and emphasis

This module reviews emphatic structures and provides a range of controlled and freer practice activities within the context of financial language.

## Internet research

Before asking students to research the topic of *intellectual investment*, you may like to discuss the concepts of *intellectual property* and *intellectual capital*. An Internet search using the term *define intellectual investment* is a useful starting point.

## Did you know?

Prepare a few additional examples of the types of emphatic structures mentioned in the *Did you know?* information box. This will help to illustrate and clarify the information presented in the box. You may also like to add that students should be cautious of overusing inverted structures, as they can sound overly theatrical or rhetorical. Remind students that such structures are often used by politicians and in advertising language. Note also that students can inadvertently make mistakes with these forms, for example when beginning a sentence with *only*.

## Sentence stress

**1** Divide the class into pairs and ask them to say the example sentence in different ways so that the overall message is changed. Have a brief class feedback and ask students what variations in the message they noted. Students then take turns to read out the other sentences. Their partner says what message they are giving.

## ANSWERS:

Contrastive sentence stress is used to give prominence to different parts of a sentence. So, for example, emphasizing *short* in the first sentence means that the speaker is perhaps annoyed that a long presentation was prepared. Emphasizing *this* means that the speaker is annoyed that last year's product range was presented.

## Inverted conditionals

**2** This exercise revises and reviews the use of inverted conditional structures to provide emphasis. If students have difficulty with this exercise, be prepared to assist by drawing attention to the verb structures in each sentence that provide clues to the solutions. For example, in sentence 1, the words *not be met* indicate that a modal verb fits grammatically, and *will be* provides a clue to the conditional form being expressed. With lower-level groups, you could also provide assistance by supplying the missing words in random order and asking students to fit them into the appropriate sentence. Finally, it might be useful to elicit or provide the full conditional forms that are conveyed. For instance, for number 1, *If the conditions are not met by the end of May, the submission will be rejected*.

## ANSWERS:

1 Should 2 were 3 Should 4 Had 5 Were 6 had

## Emphatic structures

**3** The third exercise reviews other forms of emphatic structure. Please note that the exercise covers cleft sentence structures (2 and 3), conditional forms (8) and negative inversions (4, 7 and 9), a modal (6) and the determiner *such* (5).

If your students find this exercise too challenging, you could simplify it by creating pairs of sentences, one of which is correct and one erroneous, and ask students to identify the correct/incorrect structure in each case, e.g.

a) *What I want to focus on today is . . .*

b) *What do I want to focus on today is . . .*

Alternatively, you could incorporate the incorrect sentences into a 'grammar auction', in which pairs or teams have to bid for the correct sentences and avoid purchasing incorrect ones. You could then recycle the exercise as it stands on page 92 into a progress test. Allow students a few minutes to check in pairs, then take whole-class feedback. Be prepared to extend and elaborate with extra examples to clarify and reinforce the structures.

## ANSWERS:

- 2 What I (do) want to focus on today is the importance of evaluating risk.
- 3 Short-termism is (the reason) why many investors fail.
- 4 Scarcely had she made her investment when the global markets crashed.
- 5 He was such a charismatic person that he inspired absolute loyalty in his team.
- 6 May you have the best of luck when you're out there – you'll need it!
- 7 Only by focusing closely on risk was he able to avoid huge losses.
- 8 Were the markets really to/to really take off, we'll be set to make major gains.
- 9 Not only did you fail to make any gains, but you also lost nearly all our money.

## Reformulating for emphasis

**4** This exercise provides freer practice in applying appropriate structures in a sentence transformation exercise. Go through the example with the class to ensure students understand the task. To make the exercise more interactive, write the first sentence on the board and the first keyword below, e.g.

*We need action rather than words.*

*Words . . .*

Ask students to work in pairs/threes and predict the next word. Elicit suggestions from the teams until one gets it right. If no one can provide the correct word, supply it yourself.

*We need action rather than words.*

*Words are . . .*

Repeat this process with each subsequent word until the sentence has been completed. Then repeat this process with the next keyword (*Action . . .*) and so on until the exercise is completed.

You can recycle this exercise in subsequent lessons and progress tests. For instance, in the next lesson as a warmer, ask students to take out paper and a pen. Read aloud one of the sentences, e.g. *First of all, I want you only to listen*, and call out one of the stem words, e.g. *All . . .* and ask students to rewrite the sentence using the word provided.

**ANSWERS:**

- 2 Words are not what we need, it's action.  
Action rather than words is what we need.  
What we need is action rather than words.
- 3 The reason why I'm here today is to discuss my promotion prospects.  
What I want to discuss here today is my promotion prospects.  
My promotion prospects are the reason why I'm here today.
- 4 No market is more important for raw commodities than China.  
Without doubt the most important market for raw commodities is China.  
China is undoubtedly the most important market for raw commodities.
- 5 What impresses me more than any other quality is your attention to detail.  
The quality that most impresses me is your attention to detail.  
I am more impressed by your attention to detail than any other quality.
- 6 All I want you to do first is only listen.  
The only thing I want you to do first of all is listen.  
Just listen – that's all/what I want you to do first.

**Emphatic words**

**5** Dictate the list of words taken from the cloze text and ask students to write them down. Ask students to compare in pairs, then elicit the words and put them on the board for students to check. Next, ask students to work in pairs and to discuss the meaning of each word and to provide a sample sentence or phrase containing each. Supply some examples of your own, e.g. *I have never heard such utter nonsense! It's such a nice day, why don't we go out for a walk?* Monitor to check progress and make a note of the example sentences being produced.

When the pairs have finished this stage, elicit examples from the class and clarify and discuss these examples. Use this as an opportunity to highlight grammatical patterns and collocations and to provide additional examples of your own.

Next, draw students' attention to Exercise 5 in the Student's Book and ask them to complete the cloze using the words provided. Allow a few moments for checking in pairs, then take whole-class feedback. Use the cloze text with the list of words deleted for revision and testing later in the course.

**ANSWERS:**

- 1 absolutely 2 indeed 3 utter 4 such  
5 whatsoever 6 Regrettably 7 do 8 rather

**Listening**

**6**  2:26 Explain the scenario to the class, as presented in the rubric. Ask students to note down the key points made in the talk. Play the extract through once. Ask students to compare their notes in pairs. Elicit points from the class. Next, draw students' attention to the notes in Exercise 6 and ask them to complete as many answers as they can from memory. Play the extract through a second time for students to check their notes and to add to or modify their answers accordingly. Finally, go through the answers with the class and clarify as needed, playing sections of the recording again if necessary.

**ANSWERS:**

- investment
- ways of finding investment to fund new business ideas
- what they tell you in business school does not work
- that of the person seeking investment/the person with the idea for a new business plan
- that of the investor
- intellectual
- finding a core group of people to complement your skills
- social networking site
- a programming wizard/(e-commerce) lawyer/someone to market and sell the product
- traction/that you've got customers already/you're on the ground, you've already started and you're ready to go

**RECORDING SCRIPT**

 2:26

Well, good morning ladies and gentlemen and thank you for inviting me to talk to you. What I particularly want to talk about today is investment, or to be more specific, ways of finding investment to fund new business ideas. The reason for wanting to focus on this is mainly because what we've found over the years is that the philosophy that's been traditionally taught in business schools, which you could simply say is: write a brilliant business plan, raise \$2 million, hire some very expensive executives, doesn't actually work for most of us.

Were the business schools to focus on the alternative approach, which I'm going to tell you about, business entrepreneurship would be quite different. I do want to emphasize at this point that I'm speaking from the point of view of the person seeking investment, in other words, the person with the idea for a new business plan. Indeed, the perspective of the investor is quite different.

So, to start off. For most of us aspiring entrepreneurs: you've got a good idea but really no track record so you've really got to do everything yourself. Should you have access to a huge amount of money, you're laughing, but unfortunately most of us don't.

When you're talking about investment there are really two types of investment. There's the financial investment, that you need to, you know, buy a computer, build some code, but more important is what you might call intellectual investment – how do you find a group of partners that you actually work with together and actually build something and bootstrap it into existence? Under no circumstances should you go it alone – you won't succeed. What you need above all, before getting your hands on any investment money, is a core group of people to complement your own skills. For example, if you want to build a social networking site, you might have a brilliant idea, say to build one for the fashion industry.

However, if you can't program then the first thing you need to do is to find a programming wizard so that you can do this. No sooner do you start doing something on the Internet than you need a lawyer. So where can you find an e-commerce lawyer to help you who's prepared to work for equity in the future company? Basically, you haven't got the money to, well, pay anybody, so instead you offer equity. What you're doing is putting together a credible team. Indeed, you're looking for people that can do everything. Not only do you need programmers and lawyers, but also people who can market and sell, people who know about your target market. Only then do you have a credible team and you can actually build something. What investors want to see is what they call traction. They want to see that you've got some customers already. You're on the ground, you've already started and you're ready to go.

**7** 2:26 Ask students to work in pairs to recall as many emphatic structures as they can from the listening and to note them down. Elicit ideas from the class. Next, ask students to listen to check and to note down as many structures as they can. Play the recording through, but pause at appropriate moments to give students time to note down the phrases used. After the recording has been played, ask students to compare notes in pairs, elicit answers and put them on the board. Highlight and discuss the grammatical features (e.g. inversions, verb forms, word order) and drill the phrases for stress, rhythm and intonation.

Ask students to work in pairs to practise forming their own example sentences using the stems provided, e.g. *What I particularly want to talk about today is the performance of our shares' portfolio over the past 12 months. The reason for wanting to focus on this is mainly because there are rumours of a takeover bid.* Leave the phrases on the board for the negotiation exercises that follow.

**ANSWERS:**

What I particularly want to talk about today is . . .  
 The reason for wanting to focus on this is mainly because . . .  
 What we've found over the years is that . . .  
 Were the business schools to focus on . . .  
 I do want to emphasize at this point that . . .  
 Should you have access to a huge amount of money . . .  
 Under no circumstances should you . . .  
 What you need above all . . . is . . .  
 No sooner do you . . . than . . .  
 What you're doing is . . .  
 Not only do you need programmers and lawyers, but also . . .  
 Only then do you have . . .  
 What investors want to see is . . .

**Negotiation**

**8** For this task, students are required to negotiate the most favourable business alliance on behalf of the companies they represent. First of all, explain the scenario as outlined in the rubric. Arrange the class into three small groups (A, B and C) of equal size (If you have a very large class, divide your class into six small groups of equal size.). Ask each group to read through their assignment information on pages 117, 118 and 120 of the Student's Book. Monitor and provide help and clarification as necessary and check that all students understand what they have to do. During this preparation stage, encourage the groups to discuss the points they are going to make at the negotiation, using the bullet points in the information, and to make notes on these. Ask students to practise expressing their ideas using the emphatic structures on the board from the previous exercise.

**9** Reform the class into new groups of three with a student from each group A, B and C. Explain to the class that each student's job is to persuade the others to form an alliance with them. Set a time limit of about 15 minutes. Ask students to make notes about what the other company representatives say about their companies during the task. Monitor as the discussions take place and make notes of language points for later attention and feedback.

**10** Once the negotiations are complete, ask students to reform into their original groups to discuss which of the other two companies they think would make the best ally. Explain that each group should reach a consensus. Set a time limit of five to ten minutes for this. Once the groups have made their decisions, ask each group to feed back to the class on their choices of ally and the reasons for their choices.

**7.4 Management skills****Decision-making**

This module presents grid analysis as a useful decision-making instrument and provides an opportunity for language development and speaking practice within the context of grid analysis. On the Teacher's Resource Disc, you will find more related practice material, including a video (with worksheet) featuring an example situation for students to analyse and discuss.

**Preparation**

Adapt Exercise 2 into a matching exercise by copying items 1–8 and a)–h) onto coloured card, e.g.

a) Evaluating performance of the option you have chosen will be easier . . .	1 define the objective
b) Prepare a grid . . .	2 identify the options

Prepare enough sets of cards for each pair of students in the class.

**Internet research**

As the box suggests, a search for the keywords *six thinking hats* and *plus minus interesting* will return some very interesting sites explaining how these decision-making tools work. Ask students to do some research to summarize how the tools work, with examples if possible.

**Discussion**

**1** Ask students to work in pairs or threes to brainstorm common methods of making decisions. Provide an example from the list given, e.g. *tossing a coin*. Collate students' ideas and put them on the board, and discuss briefly with the class. Check which items from the list students have not included in their brainstorming and dictate any additional items from the list, asking students to add these to their lists. Go through the meaning and pronunciation of each item.

Now ask students to work individually and to consider questions 1–3. They should make notes of their answers. Next, ask students to work in threes to discuss the questions. Monitor and note language points for post-correction. Take whole-class feedback.

**Grid analysis**

**2** Pre-teach/Elicit the meaning and pronunciation of *plot* /plɒt/, *quantifiable* /'kwɒntɪfəɪəb(ə)l/, *remedial* /rɪ'mi:diəl/, *facilitate* /fə'sɪləteɪt/, *take something into account*, *optimal* /'ɒptɪm(ə)l/, *to weight* /weɪt/ and *weighting* /'weɪtɪŋ/. For the matching exercise, you could copy the list of descriptions a)–h) and steps 1–8 onto pieces of card. Distribute a set of cards to pairs of students and ask them to match the items. When providing feedback, display the text of the descriptions on an OHP or IWB, revealing each stage one at a time and highlighting the keywords that indicate the answer for each. For example, in a), the keywords that indicate monitoring of performance are *plot* and *evaluation period*. This will provide a clear visual focus for your class and make it easier to clarify points that arise.

**ANSWERS:**

1 e 2 g 3 c 4 b 5 h 6 d 7 a 8 f

**3** Draw students' attention to the grids and the map of France. Ask students to summarize briefly why the grids are being used in this case (possible answer: they evaluate the most suitable location for a new business venture or new factory). Next, ask students to label the features of the grids by referring to the previous exercise. For example, *Lille, Nice, Lyon* and *Nantes* are options; *cost, communications, climate* and *workforce* are criteria and conditions. Now ask students to identify which stage in the decision-making process each grid represents.

**ANSWERS:**

A 4 B 5

**Listening**

**4**  2:27–2:30 Explain to students that they are going to hear four extracts in which colleagues discuss the factory sites listed in Exercise 3. Ask students to make notes while they listen. Then ask students to compare their notes with a partner. Next, ask students to read through and answer the three comprehension questions in Exercise 4. If necessary, play the extracts through again for the class to check.

**ANSWERS:**

- 1 1 define criteria 2 identify the options  
3 weight the criteria 4 make the decision
- 2 Claire prefers Nice, Bernard prefers Lyon.
- 3 Yes. (*it's pretty black and white and it seems an open and shut case.*)

**RECORDING SCRIPT** 2:27–2:30

1

Yann: OK, so what conditions would we need to satisfy to find the ideal solution?

Bernard: Climate for one: production start having problems when the temperature hits 30°, so Nice is out of the running for a start, unless we splash out on an air-conditioned production unit.

Claire: Bernard, that's not fair! OK, high temperatures are inconvenient, but they're hardly a make or break factor. We need to draw a distinction between essential requirements and desirable characteristics.

Y: Point taken, Claire, but don't worry, we'll come to weighting in a moment.

B: Communications have to be our number one concern.

Y: OK, but can we quantify that more specifically? In numbers?

B: Sure. Distance from the airport, railway station, motorway; number of international flights per day . . .

2

Y: All right, some of us have another meeting scheduled at five, so let's get on. What are the options for the new factory?

B: Lyon, period. It has the best communications, and that's our priority. It stands to reason.

Y: Hold on a minute, Bernard; we want to do this scientifically, OK? Let's consider all our options; can we draw up a list?

B: OK – I suppose Lille and Nantes also have to be considered.

Y: Right; so we have Lyon, Lille and Nantes. Does that cover everything, or are there other avenues we should explore?

C: Well, I still feel we shouldn't leave Nice out of the equation. OK, it'll be expensive, but it's a very attractive location for the workforce.

3

Y: Right then, next step: define the relative importance of each of our criteria, give them a weighting. Claire, where would you put cost on a scale of one to five?

C: I'd say, four. It's not the be all and end all of it, but it's pretty important nevertheless.

B: Hang on, Claire, don't you think communications are more relevant than cost? And cost isn't nearly as critical as workforce; I'd only give it a three. What do you say, Yann?

4

Y: So; it would seem that we can rule out Nice. Sorry, Claire, but I think the figures speak for themselves, don't you?

C: Yes, it's pretty black and white, I suppose.

Y: And it appears that the overall winner is Lille: so, do we go for Lille?

B: Like Claire said, it seems an open and shut case.

Y: Lille it is then. Is everybody happy with that?

**5**  2:27–2:30 Write the first jumbled sentence onto the board (or display on an OHP/IWB) and ask students to work in pairs to order the words. Set a time limit. Do not go through the answers at this stage. Repeat with sentence 2 and so on until all ten sentences have been completed. Now play the recording again to give students an opportunity to check or alter their answers. Go through the answers with the class. Displaying the answer key (using an OHP or IWB) will help at this stage. Next, drill the sentences focusing on stress, intonation and pronunciation.

**ANSWERS:**

- 1 What conditions would we need to satisfy to find the ideal solution?
- 2 We need to draw a distinction between essential requirements and desirable characteristics.  
Or: We need to draw a distinction between desirable characteristics and essential requirements.
- 3 Can we quantify that more specifically?
- 4 Let's consider all our options; can we draw up a list?
- 5 Does that cover everything, or are there other avenues we should explore?
- 6 Where would you put cost on a scale of one to five?
- 7 Cost isn't nearly as critical as workforce; I'd only give it a three.
- 8 It would seem that we can rule out Nice.
- 9 Do we go for Lille?
- 10 Lille it is then.

**Vocabulary**

**6** Ask students to complete the expressions from memory and to compare in pairs. If students struggle with this, then dictate the missing words in random order and ask students to write them in. Go through the answers, then ask students to match the pairs of similar meaning. Check the answers and clarify the meaning of each expression. Finally, ask students to test each other in pairs, e.g.

A: *Out of the running.*

B: *Out of the equation.*

**ANSWERS:**

- 1 running 2 break 3 reason 4 equation  
5 end 6 figures 7 white 8 case  
Pairs with similar meanings:  
1 and 4, 2 and 5, 3 and 6, 7 and 8

**7** Ask students to work in threes and to act out the dialogue as it currently stands. You may want to model the dialogue yourself first with the class. Next, get the groups to rework the dialogue in order to make it more appropriate. Demonstrate the task by providing the first modification yourself. Monitor to check progress and provide help and input as needed. Once groups have completed their dialogues, ask them to rehearse their dialogues in their groups, paying particular attention to intonation, rhythm, stress, body language and gestures. Finally, get the groups to act their dialogues out in turn for the class.

**SUGGESTED ANSWERS:**

- A: Gentlemen, may I have your attention? The next item on our agenda is selecting a city for our annual conference. Let's consider all our options; can we draw up a list?
- B: Well, we could consider Chicago, Palermo or Tokyo.
- A: Does that cover everything, or are there other avenues we should explore?
- C: We shouldn't leave Moscow out of the equation.
- A: All right, what conditions would we need to satisfy to find the ideal solution?
- B: We need to draw a distinction between essential requirements and desirable characteristics.
- C: Well, I think the approval of the local authorities is a make or break factor.
- A: Can we quantify that more specifically? Exactly how much will it cost?
- Later . . .**
- A: Now, where would you put casinos on a scale of one to five?
- B: I'd say five. It's pretty black and white.
- C: I'm afraid I can't agree. Casinos aren't nearly as critical as clubs; I'd only give them a three.
- A: So, it would seem that we can rule out Palermo. As for Tokyo and Moscow, the figures speak for themselves. So do we go for Chicago? Is everybody happy with that?
- B: Chicago it is then. After all, there's no place like home, is there, Sir?

**Discussion**

**8** If possible, bring in some pictures of the types of vehicle in the text (saloon, sports car, station wagon, etc.) and ask students to brainstorm the pros and cons of each (e.g. *a sports car is fast and stylish; a minivan is practical*). Ask the groups to read through the background to the scenario. Ask a few brief comprehension questions, e.g. *What's your job? What's the name of the company you work for?* Next, ask the groups to identify the options and criteria to form the basis of their grid analysis, e.g.

	Access to remote and rural areas	Long distances	Family car for holidays and weekends	Company advertisement
saloon				
sports car				

Once the grids have been established, ask the groups to refer back to the guidelines in Exercise 2 and to discuss suitable gradings and weightings for their options. Finally, ask each group to make a decision based on the grid analysis they have carried out. Get each group to briefly report back to the class on the decisions they have reached.

**7.5 Writing**

**Financial reporting**

This module presents the genre of financial reporting and provides a range of awareness-raising and controlled practice exercises leading to a free-written production task.

**Internet research**

A general search for the keywords *sports and military metaphors in business* will provide plenty of examples (*go over the top, score a home run or a slam dunk, miss an open goal, be caught offside, keep your powder dry*, etc.). Check out <http://www.bizjournals.com/charlotte/stories/1998/10/19/smallb2.html?page=all> for a witty response to the male dominated clichés. Have a class debate about how appropriate these metaphors are, and ask students to suggest other metaphors to use.

**Discussion**

**1** Explain/Elicit the meaning of the word *metaphor* (a figure of speech used to illustrate a similarity between things). Write the five topic words (*sports, water*, etc.) on the board. Explain that these are typical categories of metaphor often used when conveying financial information. Provide an example of your own, e.g. *Trignet was last past the post in the takeover bid for Corvex*. Ask students to work in pairs or threes to brainstorm as many metaphors as they can related to the topics listed. Elicit suggestions from the class and put them on the board, and add some more of your own. Draw students' attention to the phrases listed in Exercise 1 and ask them to match these to the topics and also to answer questions 2–4. Go through the answers with the group.

**ADDITIONAL ACTIVITIES**

- 1 Search the Internet for company annual reports and scour the financial sections for authentic examples of metaphorical language in use. Use these to supplement this exercise.
- 2 Ask students to search the Internet using the following search terms: "took another knock", "in good shape", "happy to take a punt", "now back on track" and "weather the storm". Ask them to note down examples where these phrases are used in financial contexts. (Note: the double inverted commas are necessary to ensure the search engine searches for the entire phrase.) Collate students' findings into a financial metaphor word bank.

**ANSWERS:**

- 1 a) war b) health c) water d) sports e) weather
- 2 Students' own answers
- 3 Students' own answers
- 4 Possible answers include:  
 War: to take a knock, to battle it out, to trigger something  
 Health: to be in good shape, to stunt growth, to have muscle, an early recovery  
 Water: to jump ship  
 Sports: to be first past the post  
 Weather: to survive the turmoil

### Model

2 Cut the text into two sections, i.e. one report per section. Divide the class into two groups, A and B, and distribute one report to the individuals in each group. Ask the students to read their reports, highlight the key points and answer the three comprehension questions. Next, tell students to work in pairs, one A and one B, and give each other a summary of their respective reports.

#### ANSWERS:

- 1 Text A: construction, Text B: tourism
- 2 Text A: booming industry in the Middle East and Carillion negotiates its own contracts, Text B: not given, but the recent acquisition of Intrip20 may have affected it
- 3 Text A: integration of McAlpine, Text B: demonstrating solid progress

### Analysis

3 Now ask the pairs to discuss the correct order for a report. Finally, ask the pairs to read through both reports quickly to check. Check through the answers with the class.

#### ANSWERS:

news/context, performance, outlook, recommendation

4 Ask students to read the phrases carefully. Check any unknown words in feedback. Then ask students in pairs to discuss which sections of a report they might find the phrases. Elicit ideas in feedback.

#### ANSWERS:

- 1 recommendation
- 2 performance
- 3 recommendation
- 4 outlook
- 5 outlook
- 6 performance

### Language focus

5 Dictate the list of phrases from the left-hand column to the class and ask students to write them down. Then ask students to compare in pairs. Next, ask students to read through the texts on page 96 and to locate the phrases, checking spelling as they go. Elicit the phrases, put them on the board and drill for pronunciation and stress. Ask students to work in pairs to discuss possible meanings of the phrases from the contexts. Elicit suggested interpretations from the class. Next, draw students' attention to the meanings provided on page 97 and ask them to match the phrases to the meanings. Go through the answers with the group. Finally, ask students to test one another in pairs, e.g.

A: *compelling*

B: *very attractive; not to be missed*

#### ANSWERS:

1 e 2 f 3 h 4 j 5 i 6 d 7 a 8 b 9 c 10 g

6 Ask students to read the texts carefully and put the words in order to make sentences. Feedback on the meaning of the phrases in bold then ask students to order the paragraphs to make a financial report. Point out that *well worth a punt* means 'a good opportunity for taking a chance'.

#### ANSWERS:

The paragraphs are in the following order:

- d Having carved a niche for itself in mobile communications, Bigbox Cellphone is currently generating strong sales in the alarm and surveillance systems market.
- c After feeling the pinch last year, first quarter pre-tax profits hit the £3m mark, comfortably beating expectations.
- a The firm looks set to boost its customer base and its revenues by finally biting the bullet on the long-awaited takeover of Telyzone, the once troubled alarm specialist that is now heading back to profit.
- b Currently trading well below its peers, Bigbox Cellphone represents a compelling investment opportunity that should not be passed up. Well worth a punt.

### EXTRA ACTIVITY

Extend the activity by asking students to produce mini-dialogue extracts to illustrate the phrases, e.g. *With house prices falling we shouldn't pass up this chance of getting into the housing market.*

### Output

7 2:31 Play the recording. Students listen and complete the table with information from the stock market report. If necessary, play the recording a second time. Make sure students have noted all the information they need.

#### SAMPLE ANSWER:

News context	Performance	Outlook
used to make avant-garde films that won awards, never seemed to make any money, tighten their belts when finance for new movies became scarce, abandoned the movies, switched to making TV shows, sold licensing rights, hit sci-fi TV series <i>Fax-motor</i> , US, China and South America	discovered a recipe for financial success, up 20 points, still considerably undervalued	regular earnings for at least five years, profits of around £5m next year, could even double the following year

### RECORDING SCRIPT

2:31

Thank you, Sheena. Well, the film buffs amongst you may recognize the name SourceMedia. This is a company that used to be well known for making avant-garde films that won awards at obscure film festivals but never seemed to make any money. Well, they had to tighten their belts when finance for new movies became scarce, but now things are finally looking up for SourceMedia. They reluctantly abandoned the

movies, and switched to making TV shows, and they seem to have discovered a recipe for financial success. You may have seen their hit sci-fi TV series *Fax-motor* – today the company announced that it had sold licensing rights for the US, China and South America to 3rd Planet TV. This means we'll be seeing local versions of the series being filmed and aired pretty much all over the world in the next few years. More importantly for SourceMedia, it means regular earnings for at least five years; profits could be as much as £5m next year, and that figure could even double the following year. So after seeing their share price fall steadily for the last five years or so, SourceMedia's shareholders finally have something to shout about! When the market closed a few minutes ago, SourceMedia was up 20 points – the share price hadn't been that high for three years! Look out for a further increase tomorrow; SourceMedia is still considerably undervalued compared to similar companies, so tomorrow should see plenty more investors jumping on the bandwagon!

**8** Ask students to write a financial report based on the notes they have made. In preparation for the writing task, you may also refer students back to the model reports on page 96 for guidance. You may like to set some or all of the writing task for homework, or set a time limit of 20 to 30 minutes of class time for students to complete the task.

#### SAMPLE ANSWER:

SourceMedia, the former film production company, today announced it had signed global licensing agreements for the hit sci-fi series *Fax-motor*. Local versions of the series will be produced in the US, China and South America by 3rd Planet TV.

After several years of feeling the pinch when the credit crunch made it hard to raise money for movies – its award-winning avant-garde films have had only minor commercial impact – SourceMedia finally bit the bullet and started developing TV series. As a result, the company seems to be back on track. The market's reaction to the news was positive; at close of trading, SourceMedia was up 20 points, still comfortably below the industry average.

Analysts predict that a sound revenue stream means that profits could hit the £5m mark next fiscal year, and are forecast to rise to £10m in two years' time.

SourceMedia seems to have carved itself a global niche; it is a compelling investment opportunity that should not be passed up. Buy.

## 7.6 Case study

### Lesage Automobile

This module consolidates the language covered in the previous modules, providing opportunities for students to apply grid analysis techniques to make structured decisions on the launch of a new no-frills car.

#### Internet research

As the search box suggests, the keywords *no-frills chic* will provide a rich source of information on this developing trend. You could also ask your students to locate some companies that are cited as examples of no-frills chic.

#### Preparation

You may find it useful and helpful to copy the grid analysis table on page 99 onto an OHP or scan it onto your IWB. This will facilitate feedback during Exercises 4 and 5. Also, photocopy and cut up the information on pages 115, 116, 118 and 121 of the Student's Book so that you have enough to distribute to the class for the final discussion activity.

#### Discussion

**1** Draw students' attention to the photograph and read through the discussion rubric together. Provide a few comprehension questions to check understanding of the task, e.g. *Why do many customers feel 'oversold'?* (Answer: *because the product often has features they do not really want or need*) *What do you think is meant by 'a no-frills product'?* (Answer: *a product that does not have lots of unnecessary added features*).

You could also personalize the topic by asking students whether they have ever felt oversold and why, and whether or not they have purchased any no-frills goods or services. Next, ask students in threes to brainstorm further examples of no-frills goods and services. Prepare a few examples of your own as additional input, e.g. airlines, supermarkets, holidays, cinemas, hotels, buses, food and mobile phones. Elicit student suggestions and put them on the board. Discuss which ones students would (not) be prepared to buy and why.

#### Reading

**2** Be prepared to pre-teach or elicit the meaning of the following vocabulary from the text (this could be set as a dictionary exercise for homework): *a sedan car* /,sɪ'dæn/ (American English, a typical passenger car, with two rows of seats; British English = saloon car), *emerging markets* (countries expected to experience substantial growth), *unpretentious* /,ʌnpri'tenʃəs/ (simple, modest), *to retool* /,ri:'tu:l/ (to refit or modify the machinery and tools of a factory), *ailing* /'eɪlɪŋ/ (unwell, ill), *to stumble (onto/across)* /'stʌmb(ə)l/ (to find unexpectedly or by chance), *a vein* /veɪn/ (a source of supply, as in a gold vein), *utilitarian* /ju:,tɪl'teəriən/ (functional, having a useful function), *mania* (intense enthusiasm), *to be stripped of* /stript/ (to have something removed), *to be superfluous* /su:'pɜ:(r)fluəs/ (to be more than is needed), *to peg something at + price* (to fix the price at a certain level), *to slash* (to cut or reduce), *to ramp up* (to increase), *to turn heads* (to attract attention; to be attractive). Dictate the following figures from the text for students to write down: \$6,000, \$9,300, \$17,250, \$18,264, \$592, 1999, 80%, \$1,089, \$2,468, *more than 50%*, \$324, \$3,650, \$2,500. Next, ask students to scan through the text to locate the numbers and to identify what each refers to, e.g. *\$6,000 is the price the Logan is designed to sell for*.

Monitor and check progress. Allow students a few minutes to check in pairs, then elicit answers from the class. Next, ask students to answer the questions in Exercise 2 by referring to the text, and then to discuss their answers with a partner.

**ANSWERS:**

- 1 Because he aimed to produce a low-cost vehicle targeted at developing countries, but Western buyers clamored for the car.
- 2 It is a roomy five-seater with a passenger-side airbag and a three-year warranty which still sells for about half the price of its competitors. It meets a demand for utilitarian cars in the context of Europe's discount mania.
- 3 By stripping the car of costly design elements and superfluous technology, avoiding electronics, using an adapted platform which is cheap to build and easy to maintain and repair, slashing the number of components by more than 50%, assembling almost entirely without robots, and taking advantage of low labour costs in Romania.
- 4 Students' own answers: perhaps by following suit like Volkswagen, or cutting costs even further like Tata, or maybe just by strengthening their positions in their traditional markets.

**Listening**

**3**  2:32 You may need to teach the following items from the recording: *it's got a lot going for it* (it has a lot of advantages), *rebadging* /ri:'bædʒɪŋ/ (to give something a new name or logo), *badge* /bædʒ/ (emblem, logo), *to slap something on* (to put something on without much care), *to rule something out* (to preclude or dismiss an idea), *What's your take on all this?* (What is your opinion on this?). These items could be pre-taught, or you could focus on them after the listening comprehension exercises.

Explain the background to the task as outlined in the rubric. Play the recording through once and ask students to take notes on the key points. Next, ask students to compare notes in pairs. Then ask them to read through and answer the three comprehension questions. Take whole-class feedback before moving on to the next task.

**ANSWERS:**

- 1 Amelia is a member of the Lesage family, and presumably the President or CEO.
- 2 Mikhail is in favour of not going downmarket, or if they do, stripping down an existing model. His suggestion of rebadging is ironic. Jack sits on the fence and gives very little indication of his preferences.
- 3 They are drinking 'affordable' coffee as part of Amelia's no-frills campaign.

**RECORDING SCRIPT**

 2:32

Mikhail: There you go. No cream anymore, I'm afraid, but there's this skimmed milk powder if you want?

Jack: No, thanks, Mikhail. I'll take it black, like my soul!

M: OK, so how about baring that black old soul of yours, then? Are you intending to back Amelia on this 'no-frills' project?

J: Ah. Amelia wants a Logan. And what the Lesage family want, they generally get.

M: True. But don't you think there's a case for resisting the temptation to go downmarket? Just keep investing in quality, style and service?

J: Maybe. But the Logan is certainly providing growth for Renault, so who am I to say they're wrong?

M: So you think we should produce our own no-frills model? In our French plants?

J: Or maybe go the whole nine yards – build it in eastern Europe. No robots, no electronics, skilled workers on low wages: it's got a lot going for it.

M: Hm. More coffee?

J: Go on then.

M: But listen, Jack; developing a completely new model would take years – why not just take our cheapest existing model, and strip it right down to the essentials?

J: Mm. Worth considering. Another option is a joint venture with the Russians. Basically, we send them the shell, and they put in their own power train. Old-generation technology, but reliable – and cheap.

M: Well, if you want cheap, what about rebadging? Just buy in cars from India, and slap a Lesage badge on them!

J: I wouldn't rule it out.

M: Really? I suppose it all depends whether you're targeting our traditional markets in western Europe: I was thinking more in terms of developing markets in eastern Europe, China, Africa . . .

J: Yeah, maybe both.

M: Hm. And perhaps there are other options we haven't even thought of yet. So what's your take on all this?

J: Well, I don't know. I guess the jury's still out. There's a lot riding on this. We're going to have to think it through very, very carefully, look at all the options, weigh up the pros and cons.

M: Yeah. I'm with you on that. You want some more of this?

J: No, I think I've had enough. Amelia's no-frills campaign has gone too far – there's only so much 'affordable' coffee a man can take!

**4**  2:32 Display the grid on the board and ask students to read through the incomplete options in the grid on page 99 and to complete as much of the information as they can from memory and the notes they made in the previous listening task. Elicit answers from the class and write them onto the grid. Play the recording again for students to check their answers.

**ANSWERS:**

- 1 refuse to go downmarket – invest in quality, style, service
- 2 produce a no-frills model in France
- 3 build own model in eastern Europe
- 4 strip/take cheapest existing model down to essentials/and strip it down to essentials
- 5 joint venture with Russians using old-generation technology
- 6 import and rebadge cheap cars from India
- 7 target traditional markets in western Europe
- 8 target developing markets in eastern Europe/China/Africa

**Reading**

**5** Ask students to brainstorm possible criteria they think the Lesage team should consider in their grid analysis. Elicit a few ideas from the class.

Next, pre-teach/review the following vocabulary: *implications* /ɪmˈplɪˈkeɪʃ(ə)nz/ (significance), *incentives* /ɪnˈsentɪvz/ (rewards to increase motivation), *ROI* (return on investment), *tricky* (difficult), *morale* /məˈrɑ:l/ (confidence), *liquidity* /lɪˈkwɪdətɪ/ (the rate at which an asset can be converted into cash), *to dilute* /daɪˈlu:t/ (to weaken, usually by adding water), *equity* /ˈekwətɪ/ (the value of something above the amount owed).

Ask students to read through Amelia's note and to identify the six criteria she mentions. Allow a few moments for students to compare in pairs, before eliciting answers and completing the grid.

**ANSWERS:**

- a) political implications including incentives
- b) corporate image
- c) attractiveness for low-end customer
- d) after-sales
- e) unions' reaction and morale
- f) finance – liquidity, debt, equity?

### Discussion

6 Assign students to work in groups of four or five. Explain the situation – that they are going to take part in a meeting to discuss the implementation of the no-frills car project.

Distribute the information from pages 115, 116, 118 and 121 of the Student's Book and ask students to read them. Provide an opportunity to answer or clarify any questions and points at this stage, to ensure everyone understands what they have to do. Next, refer students back to the grid completed in the previous exercises. Ask students to consider the points based on their respective roles and to decide what they are going to say in the meeting. Encourage students to make notes in preparation. Stress that it is important that each individual firmly puts the case assigned to their roles.

Monitor to check students are making sufficient preparation for the discussion and provide input and help as required.

Once you are satisfied students are sufficiently prepared, explain that their task now is to work as a group to modify, quantify and weight the criteria and options in the grid and to reach an objective and unanimous decision to recommend to the board of Lesage. Set a time limit of 15 minutes or so.

Monitor the discussions, provide help and input as needed and note language points for immediate or post-correction. Once all groups have reached a decision, ask each group to present its recommendations to the class, making reference to their revised grids.