

- ▶ the business cycle
- ▶ the investment cycle

## Business and investment cycles

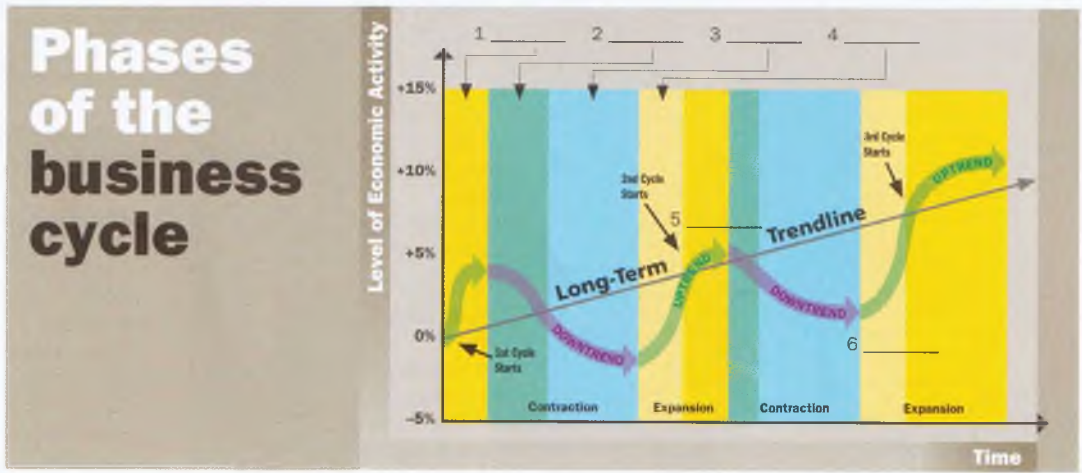
### Discussion

**1** Why is it unusual in sport or in music for one team or one band to be consistently successful over a long period? What parallels can be drawn with economic and business life?

### Listening

**2** 1:01 Listen to a presentation of the business cycle and label items 1-6 on the chart with the words in the box.

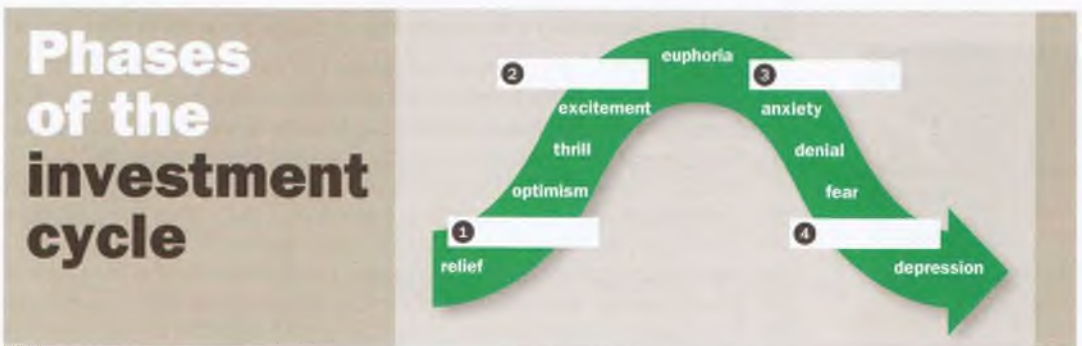
peak recession slump trough recovery boom



**3** 1:01 Listen again and answer the questions.

- 1 What average growth rate is given as an example in the presentation?
- 2 What phase of the business cycle is the economy in at the moment, and how long has it been so?
- 3 What possible causes for variations in the cycle are mentioned in the presentation?
- 4 What is the current growth rate in your country? Is it below average or above average?
- 5 Give examples of factors that have contributed to recent changes in the business cycle.

**4** 1:02 Listen to a presentation of the investment cycle. What four phases of the cycle does the presenter mention? Listen and label them on the chart below.



**5** 1:02 Listen again and answer the questions.

- 1 What kinds of securities do investors prefer in each of the four phases?
- 2 What is the term used to describe a situation where investors expect prices to fall?
- 3 What is the term used to describe a situation where investors expect prices to rise?
- 4 What is the term used to describe investors who buy when the share price is lower than the company is really worth?

**6** Which phase of the investment cycle do you think the market is in at the moment? Which companies are considered a good investment?