

МІНІСТЕРСТВО ОСВІТИ І НАУКИ УКРАЇНИ  
ОДЕСЬКИЙ НАЦІОНАЛЬНИЙ МОРСЬКИЙ УНІВЕРСИТЕТ  
НАВЧАЛЬНО-НАУКОВИЙ МОРСЬКИЙ ГУМАНІТАРНИЙ ІНСТИТУТ  
КАФЕДРА «ІНОЗЕМНІ МОВИ ТА ПЕРЕКЛАД»

**Методичні вказівки**  
**для самостійної роботи з дисципліни**  
**«Професійна англійська мова»**  
**для студентів 4 курсу спеціальності**  
**D2 Фінанси, банківська справа, страхування та фондовий ринок**  
**денної та заочної форм навчання**



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Методичні вказівки для самостійної роботи з дисципліни «Професійна англійська мова» для студентів 4 курсу спеціальності D2 Фінанси, банківська справа, страхування та фондовий ринок денної та заочної форм навчання. Корнелаєва Є.В., Корольова Т.М. Одеса: ОНМУ, 2026. 59 с.

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## ПЕРЕДМОВА

Методичні вказівки для самостійної роботи з дисципліни «Професійна англійська мова» призначені для здобувачів вищої освіти 4-го курсу спеціальності D2 «Фінанси, банківська справа, страхування та фондовий ринок». Матеріали укладено з урахуванням професійного спрямування підготовки, що передбачає впевнене володіння англійською мовою в академічному і фаховому середовищі.

Метою методичних вказівок є розвиток навичок самостійного опрацювання англомовних матеріалів з фінансово-економічної тематики, удосконалення професійно-орієнтованої лексичної компетентності, а також формування вмій аналізувати, інтерпретувати й використовувати спеціалізовану термінологію у процесі читання, усного обговорення та письмової комунікації. Особливу увагу зосереджено на розширенні активного словникового запасу, розумінні змісту фахових текстів та засвоєнні ключових понять сучасної економіки, банківської справи, фондового ринку, міжнародної торгівлі та корпоративного управління.

Структура методичних вказівок охоплює 15 тематичних юнітів, присвячених актуальним питанням фінансової та економічної сфери, зокрема банківській діяльності, венчурному капіталу, облігаціям, акціям, похідним фінансовим інструментам, бухгалтерському обліку, ринковій структурі, поглинанням, ролі держави в економіці, бізнес-циклу, корпоративній соціальній відповідальності, зайнятості, валютному курсу, міжнародній торгівлі, а також взаємозв'язку економіки та екології. Кожний юніт містить тематичний текст, запитання до нього та систему лексичних вправ, спрямованих на глибше засвоєння термінології та розвиток мовленнєвих умінь.

Запропоновані завдання орієнтовані на формування навичок самостійної роботи з навчальним матеріалом, логічного осмислення інформації, встановлення міжпредметних зв'язків та застосування набутих знань у професійно значущих комунікативних ситуаціях. Робота з текстами і вправами сприятиме розвитку аналітичного мислення, точності фахового висловлення, уміння працювати з термінологічними одиницями та використовувати англійську мову як інструмент професійної взаємодії.

# UNIT 1. Banking

## Text for reading and discussion

Banking concerns the institutions and processes through which money is deposited, borrowed, transferred, invested, and supervised. In modern economies, it links savers, borrowers, firms, households, and the state, while also supporting payments, credit creation, and financial intermediation. Because banks operate between short-term obligations and longer-term commitments, their stability depends on confidence, regulation, and sound risk management. The language of banking therefore reflects both routine financial operations and broader questions of trust, solvency, and systemic resilience.

The core mechanisms of banking include deposit-taking, lending, payment processing, maturity transformation, liquidity management, and credit assessment. These mechanisms help explain how value is created, transferred, priced, or protected. In practice, financial professionals rarely rely on one indicator only. They compare short-term and long-term objectives, assess available information, and consider how incentives shape behaviour. Clear communication is especially important because a small difference in wording may change the meaning of a contract, a report, or a policy decision.

Like every complex financial sphere, banking involves uncertainty. Particular attention is often paid to risks such as liquidity shortages, credit defaults, interest-rate mismatches, and reputational loss. These risks do not merely concern isolated institutions, because problems in one part of the banking system may spread through confidence effects, payment networks, or interconnected balance sheets. For this reason, discussions of banking regularly combine operational vocabulary with concepts of prudence, supervision, and systemic stability.

Another important issue is change over time. Today the field is influenced by fintech platforms, mobile banking, stronger compliance rules, and greater attention to cybersecurity. These developments are altering both language and practice. New business models create new terminology, while regulation often introduces highly specific expressions that professionals must understand accurately. For this reason, analysis of the field requires close attention to specialised vocabulary, analytical prose, and shifts in usage across regulation, reporting, and market practice.

A clear understanding of banking depends on precise terminology, careful distinction between related concepts, and sensitivity to institutional context. Terms that appear similar may refer to different functions, instruments, or regulatory positions. Accurate usage therefore requires more than memorising definitions: it involves recognising how banking vocabulary reflects flows of funds, balance-sheet structures, and the maintenance of confidence within the financial system.

## Questions to the text

1. What does banking refer to in this unit?
2. Why is banking important in modern economies?
3. Which institutions or market participants are involved in this field?
4. What mechanisms or processes are central to this topic?
5. Why is precise professional vocabulary especially important in this area?
6. What types of risk should specialists monitor carefully?

7. How are recent trends changing the language and practice of this field?
8. Why is it important to explain these concepts in clear professional English?

**Exercise 1. Complete the sentences with the words from the box.**

*deposit; loan; interest rate; liquidity; collateral; mortgage; overdraft; creditworthiness; intermediary; capital adequacy; default; cybersecurity*

1. In this unit, the term \_\_\_\_\_ means money placed in a bank account for safekeeping or future use.
2. Financial specialists use the expression \_\_\_\_\_ to describe money borrowed that must be repaid, usually with interest.
3. Analysts often refer to \_\_\_\_\_ when they mean the percentage charged or paid for the use of money.
4. A report on this topic may mention \_\_\_\_\_, that is, the ability to meet short-term obligations quickly.
5. In this unit, the term \_\_\_\_\_ means property or assets pledged as security for a loan.
6. Financial specialists use the expression \_\_\_\_\_ to describe a long-term loan used to buy property.
7. Analysts often refer to \_\_\_\_\_ when they mean a facility that allows an account holder to spend more than is in the account.
8. A report on this topic may mention \_\_\_\_\_, that is, the likelihood that a borrower will repay debt.
9. In this unit, the term \_\_\_\_\_ means an institution that connects savers and borrowers.
10. Financial specialists use the expression \_\_\_\_\_ to describe the amount of capital a bank must hold to absorb losses.
11. Analysts often refer to \_\_\_\_\_ when they mean failure to repay a debt on time.
12. A report on this topic may mention \_\_\_\_\_, that is, protection of digital systems and financial data.

**Exercise 2. Choose the correct option in each sentence.**

1. Choose the correct option. The term referring to money placed in a bank account for safekeeping or future use is: a) interest rate b) loan c) deposit.
2. Choose the correct option. The term referring to money borrowed that must be repaid, usually with interest is: a) liquidity b) loan c) interest rate.
3. Choose the correct option. The term referring to the percentage charged or paid for the use of money is: a) liquidity b) collateral c) interest rate.
4. Choose the correct option. The term referring to the ability to meet short-term obligations quickly is: a) collateral b) liquidity c) mortgage.
5. Choose the correct option. The term referring to property or assets pledged as security for a loan is: a) mortgage b) overdraft c) collateral.

6. Choose the correct option. The term referring to a long-term loan used to buy property is: a) creditworthiness b) overdraft c) mortgage.
7. Choose the correct option. The term referring to a facility that allows an account holder to spend more than is in the account is: a) overdraft b) creditworthiness c) intermediary.
8. Choose the correct option. The term referring to the likelihood that a borrower will repay debt is: a) creditworthiness b) intermediary c) capital adequacy.
9. Choose the correct option. The term referring to an institution that connects savers and borrowers is: a) intermediary b) default c) capital adequacy.
10. Choose the correct option. The term referring to the amount of capital a bank must hold to absorb losses is: a) cybersecurity b) capital adequacy c) default.
11. Choose the correct option. The term referring to failure to repay a debt on time is: a) default b) deposit c) cybersecurity.
12. Choose the correct option. The term referring to protection of digital systems and financial data is: a) loan b) cybersecurity c) deposit.

**Exercise 3. Complete the professional statements with one suitable term from the unit.**

*deposit; loan; interest rate; liquidity; collateral; mortgage; overdraft; creditworthiness; intermediary; capital adequacy; default; cybersecurity*

1. Managers must understand the concept of \_\_\_\_\_, which can be defined as money placed in a bank account for safekeeping or future use.
2. From a professional point of view, \_\_\_\_\_ refers to money borrowed that must be repaid, usually with interest.
3. In specialised discussion, \_\_\_\_\_ is the standard term for the percentage charged or paid for the use of money.
4. Students should remember that \_\_\_\_\_ means the ability to meet short-term obligations quickly.
5. Managers must understand the concept of \_\_\_\_\_, which can be defined as property or assets pledged as security for a loan.
6. From a professional point of view, \_\_\_\_\_ refers to a long-term loan used to buy property.
7. In specialised discussion, \_\_\_\_\_ is the standard term for a facility that allows an account holder to spend more than is in the account.
8. Students should remember that \_\_\_\_\_ means the likelihood that a borrower will repay debt.
9. Managers must understand the concept of \_\_\_\_\_, which can be defined as an institution that connects savers and borrowers.
10. From a professional point of view, \_\_\_\_\_ refers to the amount of capital a bank must hold to absorb losses.
11. In specialised discussion, \_\_\_\_\_ is the standard term for failure to repay a debt on time.
12. Students should remember that \_\_\_\_\_ means protection of digital systems and financial data.

## UNIT 2. Venture Capital

### Text for reading and discussion

Venture capital refers to equity financing provided to young firms that combine high growth potential with high uncertainty. It is associated with innovation, technological change, and the search for scalable business models, especially in sectors where traditional lending is often unavailable or unsuitable. Venture capital does not merely supply funds: it also brings monitoring, strategic guidance, and pressure for rapid development. As a result, the field combines financial analysis with expectations about future markets, entrepreneurial capacity, and the timing of successful exits.

The core mechanisms of venture capital include seed funding, Series A and later rounds, due diligence, staged financing, mentoring, and board oversight. These mechanisms help explain how value is created, transferred, priced, or protected. In practice, financial professionals rarely rely on one indicator only. They compare short-term and long-term objectives, assess available information, and consider how incentives shape behaviour. Clear communication is especially important because a small difference in wording may change the meaning of a contract, a report, or a policy decision.

Like every speculative form of finance, venture capital involves substantial uncertainty. Particular attention is often paid to risks such as technology failure, market misfit, rapid cash burn, dilution, and unsuccessful exits. These risks are not accidental features of the field, but part of the environment in which early-stage firms operate before stable revenues or mature business structures emerge. As a result, the language of venture capital often reflects both opportunity and disciplined scepticism.

Another important issue is change over time. Today the field is influenced by AI-driven start-ups, climate technology, platform businesses, and more disciplined valuation practices. These developments are altering both language and practice. New business models create new terminology, while regulation often introduces highly specific expressions that professionals must understand accurately. For this reason, analysis of the field requires close attention to specialised vocabulary, analytical prose, and shifts in usage across regulation, reporting, and market practice.

A clear understanding of venture capital depends on precise terminology, careful distinction between stages of financing, and awareness of how expectations are framed. Similar expressions may imply very different ownership structures, incentives, or exit prospects. Accurate usage therefore requires more than memorising definitions: it involves seeing how venture-capital vocabulary reflects uncertainty, valuation, control, and the search for future scalability.

### Questions to the text

1. What does venture capital refer to in this unit?
2. Why is venture capital important in modern economies?
3. Which institutions or market participants are involved in this field?
4. What mechanisms or processes are central to this topic?
5. Why is precise professional vocabulary especially important in this area?
6. What types of risk should specialists monitor carefully?
7. How are recent trends changing the language and practice of this field?
8. Why is it important to explain these concepts in clear professional English?

**Exercise 1. Complete the sentences with the words from the box.**

*start-up; seed funding; valuation; equity stake; due diligence; burn rate; runway; scalability; pivot; exit; portfolio; dilution*

1. In this unit, the term \_\_\_\_\_ means a newly created company seeking a scalable business model.
2. Financial specialists use the expression \_\_\_\_\_ to describe very early financing used to develop an idea or prototype.
3. Analysts often refer to \_\_\_\_\_ when they mean an estimate of how much a company is worth.
4. A report on this topic may mention \_\_\_\_\_, that is, a share of ownership in a company.
5. In this unit, the term \_\_\_\_\_ means a careful investigation before making an investment.
6. Financial specialists use the expression \_\_\_\_\_ to describe the speed at which a young company spends its cash.
7. Analysts often refer to \_\_\_\_\_ when they mean the period a start-up can operate before it runs out of cash.
8. A report on this topic may mention \_\_\_\_\_, that is, the ability of a business model to grow efficiently.
9. In this unit, the term \_\_\_\_\_ means a significant change in strategy or business model.
10. Financial specialists use the expression \_\_\_\_\_ to describe the way investors realise returns, for example through a sale or IPO.
11. Analysts often refer to \_\_\_\_\_ when they mean the group of companies held by one investor or fund.
12. A report on this topic may mention \_\_\_\_\_, that is, the reduction of an owner's percentage share after new shares are issued.

**Exercise 2. Choose the correct option in each sentence.**

1. Choose the correct option. The term referring to a newly created company seeking a scalable business model is: a) valuation b) seed funding c) start-up.
2. Choose the correct option. The term referring to very early financing used to develop an idea or prototype is: a) equity stake b) seed funding c) valuation.
3. Choose the correct option. The term referring to an estimate of how much a company is worth is: a) equity stake b) due diligence c) valuation.
4. Choose the correct option. The term referring to a share of ownership in a company is: a) due diligence b) equity stake c) burn rate.
5. Choose the correct option. The term referring to a careful investigation before making an investment is: a) burn rate b) runway c) due diligence.
6. Choose the correct option. The term referring to the speed at which a young company spends its cash is: a) scalability b) runway c) burn rate.
7. Choose the correct option. The term referring to the period a start-up can operate before it runs out of cash is: a) runway b) scalability c) pivot.

8. Choose the correct option. The term referring to the ability of a business model to grow efficiently is: a) scalability b) pivot c) exit.
9. Choose the correct option. The term referring to a significant change in strategy or business model is: a) pivot b) portfolio c) exit.
10. Choose the correct option. The term referring to the way investors realise returns, for example through a sale or IPO is: a) dilution b) exit c) portfolio.
11. Choose the correct option. The term referring to the group of companies held by one investor or fund is: a) portfolio b) start-up c) dilution.
12. Choose the correct option. The term referring to the reduction of an owner's percentage share after new shares are issued is: a) seed funding b) dilution c) start-up.

**Exercise 3. Complete the professional statements with one suitable term from the unit.**

*start-up; seed funding; valuation; equity stake; due diligence; burn rate; runway; scalability; pivot; exit; portfolio; dilution*

1. Managers must understand the concept of \_\_\_\_\_, which can be defined as a newly created company seeking a scalable business model.
2. From a professional point of view, \_\_\_\_\_ refers to very early financing used to develop an idea or prototype.
3. In specialised discussion, \_\_\_\_\_ is the standard term for an estimate of how much a company is worth.
4. Students should remember that \_\_\_\_\_ means a share of ownership in a company.
5. Managers must understand the concept of \_\_\_\_\_, which can be defined as a careful investigation before making an investment.
6. From a professional point of view, \_\_\_\_\_ refers to the speed at which a young company spends its cash.
7. In specialised discussion, \_\_\_\_\_ is the standard term for the period a start-up can operate before it runs out of cash.
8. Students should remember that \_\_\_\_\_ means the ability of a business model to grow efficiently.
9. Managers must understand the concept of \_\_\_\_\_, which can be defined as a significant change in strategy or business model.
10. From a professional point of view, \_\_\_\_\_ refers to the way investors realise returns, for example through a sale or IPO.
11. In specialised discussion, \_\_\_\_\_ is the standard term for the group of companies held by one investor or fund.
12. Students should remember that \_\_\_\_\_ means the reduction of an owner's percentage share after new shares are issued.

## UNIT 3. Bonds

### Text for reading and discussion

Bond finance concerns the raising of funds through debt securities that promise periodic interest payments and repayment of principal. Bonds are issued by governments, municipalities, corporations, and other entities seeking medium-term or long-term capital without transferring ownership. Their importance lies in the way they connect borrowers with investors who value predictable cash flows, credit assessment, and portfolio diversification. The language of bond markets therefore combines legal obligations, pricing logic, and macroeconomic influences such as inflation, interest rates, and monetary policy.

The core mechanisms of bond finance include coupon payments, maturity dates, credit ratings, yield calculations, secondary-market trading, and duration analysis. These mechanisms help explain how value is created, transferred, priced, or protected. In practice, financial professionals rarely rely on one indicator only. They compare short-term and long-term objectives, assess available information, and consider how incentives shape behaviour. Clear communication is especially important because a small difference in wording may change the meaning of a contract, a report, or a policy decision.

Like every debt market, bond finance involves uncertainty despite its reputation for relative stability. Particular attention is often paid to risks such as default, inflation, interest-rate shifts, and reinvestment problems. The significance of these risks depends on issuer quality, maturity profile, market conditions, and investor expectations. Bond discourse therefore combines the vocabulary of contractual certainty with the language of yield movements, credit assessment, and changing macroeconomic conditions.

Another important issue is change over time. Today the field is influenced by green bonds, inflation-linked securities, higher scrutiny of issuer quality, and active duration management. These developments are altering both language and practice. New business models create new terminology, while regulation often introduces highly specific expressions that professionals must understand accurately. For this reason, analysis of the field requires close attention to specialised vocabulary, analytical prose, and shifts in usage across regulation, reporting, and market practice.

A clear understanding of bond markets depends on precise terminology and careful distinction between related measures such as yield, coupon, maturity, and duration. Terms that seem interchangeable often describe different aspects of risk, return, or contractual form. Accurate usage therefore requires more than memorising definitions: it involves understanding how bond vocabulary reflects time, credit quality, and the pricing of future cash flows.

### Questions to the text

1. What does bonds refer to in this unit?
2. Why is bond finance important in modern economies?
3. Which institutions or market participants are involved in this field?
4. What mechanisms or processes are central to this topic?
5. Why is precise professional vocabulary especially important in this area?

6. What types of risk should specialists monitor carefully?
7. How are recent trends changing the language and practice of this field?
8. Why is it important to explain these concepts in clear professional English?

**Exercise 1. Complete the sentences with the words from the box.**

*bond; issuer; coupon; maturity; yield; face value; default risk; credit rating; duration; sovereign bond; municipal bond; inflation-linked bond*

1. In this unit, the term \_\_\_\_\_ means a debt security issued to raise money.
2. Financial specialists use the expression \_\_\_\_\_ to describe the government or company that sells a bond.
3. Analysts often refer to \_\_\_\_\_ when they mean the regular interest payment on a bond.
4. A report on this topic may mention \_\_\_\_\_, that is, the date when the principal of a bond is repaid.
5. In this unit, the term \_\_\_\_\_ means the return earned on a bond, usually expressed as a percentage.
6. Financial specialists use the expression \_\_\_\_\_ to describe the amount repaid to the bondholder at maturity.
7. Analysts often refer to \_\_\_\_\_ when they mean the possibility that the issuer will fail to pay.
8. A report on this topic may mention \_\_\_\_\_, that is, an assessment of the issuer's ability to repay debt.
9. In this unit, the term \_\_\_\_\_ means a measure of a bond's sensitivity to interest-rate changes.
10. Financial specialists use the expression \_\_\_\_\_ to describe a bond issued by a national government.
11. Analysts often refer to \_\_\_\_\_ when they mean a bond issued by a local public authority.
12. A report on this topic may mention \_\_\_\_\_, that is, a bond whose payments are adjusted for inflation.

**Exercise 2. Choose the correct option in each sentence.**

1. Choose the correct option. The term referring to a debt security issued to raise money is: a) coupon b) issuer c) bond.
2. Choose the correct option. The term referring to the government or company that sells a bond is: a) maturity b) issuer c) coupon.
3. Choose the correct option. The term referring to the regular interest payment on a bond is: a) maturity b) yield c) coupon.
4. Choose the correct option. The term referring to the date when the principal of a bond is repaid is: a) yield b) maturity c) face value.

5. Choose the correct option. The term referring to the return earned on a bond, usually expressed as a percentage is: a) face value b) default risk c) yield.
6. Choose the correct option. The term referring to the amount repaid to the bondholder at maturity is: a) credit rating b) default risk c) face value.
7. Choose the correct option. The term referring to the possibility that the issuer will fail to pay is: a) default risk b) credit rating c) duration.
8. Choose the correct option. The term referring to an assessment of the issuer's ability to repay debt is: a) credit rating b) duration c) sovereign bond.
9. Choose the correct option. The term referring to a measure of a bond's sensitivity to interest-rate changes is: a) duration b) municipal bond c) sovereign bond.
10. Choose the correct option. The term referring to a bond issued by a national government is: a) inflation-linked bond b) sovereign bond c) municipal bond.
11. Choose the correct option. The term referring to a bond issued by a local public authority is: a) municipal bond b) bond c) inflation-linked bond.
12. Choose the correct option. The term referring to a bond whose payments are adjusted for inflation is: a) issuer b) inflation-linked bond c) bond.

**Exercise 3. Complete the professional statements with one suitable term from the unit.**

*bond; issuer; coupon; maturity; yield; face value; default risk; credit rating; duration; sovereign bond; municipal bond; inflation-linked bond*

1. Managers must understand the concept of \_\_\_\_\_, which can be defined as a debt security issued to raise money.
2. From a professional point of view, \_\_\_\_\_ refers to the government or company that sells a bond.
3. In specialised discussion, \_\_\_\_\_ is the standard term for the regular interest payment on a bond.
4. Students should remember that \_\_\_\_\_ means the date when the principal of a bond is repaid.
5. Managers must understand the concept of \_\_\_\_\_, which can be defined as the return earned on a bond, usually expressed as a percentage.
6. From a professional point of view, \_\_\_\_\_ refers to the amount repaid to the bondholder at maturity.
7. In specialised discussion, \_\_\_\_\_ is the standard term for the possibility that the issuer will fail to pay.
8. Students should remember that \_\_\_\_\_ means an assessment of the issuer's ability to repay debt.
9. Managers must understand the concept of \_\_\_\_\_, which can be defined as a measure of a bond's sensitivity to interest-rate changes.
10. From a professional point of view, \_\_\_\_\_ refers to a bond issued by a national government.
11. In specialised discussion, \_\_\_\_\_ is the standard term for a bond issued by a local public authority.
12. Students should remember that \_\_\_\_\_ means a bond whose payments are adjusted for inflation.

## UNIT 4. Stocks and Shares

### Text for reading and discussion

Stocks and shares represent ownership interests in companies and form a central part of equity markets. Through the issue and trading of shares, firms can raise capital while investors gain claims linked to profits, growth, and corporate value. Equity markets are shaped not only by financial performance but also by expectations, governance, market sentiment, and the flow of information. Discussion of stocks and shares therefore involves both the formal rights of ownership and the changing valuation of those rights in competitive capital markets.

The core mechanisms of equity markets include initial public offerings, secondary trading, dividends, earnings announcements, shareholder voting, and valuation ratios. These mechanisms help explain how value is created, transferred, priced, or protected. In practice, financial professionals rarely rely on one indicator only. They compare short-term and long-term objectives, assess available information, and consider how incentives shape behaviour. Clear communication is especially important because a small difference in wording may change the meaning of a contract, a report, or a policy decision.

Like every equity market, trading in stocks and shares involves uncertainty. Particular attention is often paid to risks such as volatility, weak corporate governance, overvaluation, emotional trading, and excessive concentration in particular sectors. These risks remind market participants that ownership claims are sensitive not only to current results, but also to expectations, sentiment, and changes in competitive position. Equity discourse therefore moves constantly between measurable data and uncertain future judgement.

Another important issue is change over time. Today the field is influenced by index investing, algorithmic trading, shareholder activism, and demand for transparent reporting. These developments are altering both language and practice. New business models create new terminology, while regulation often introduces highly specific expressions that professionals must understand accurately. For this reason, analysis of the field requires close attention to specialised vocabulary, analytical prose, and shifts in usage across regulation, reporting, and market practice.

A clear understanding of stocks and shares depends on precise terminology and careful distinction between ownership rights, market valuation, and investor expectations. Similar expressions may refer to different classes of shares, different measures of performance, or different interpretations of price. Accurate usage therefore requires more than memorising definitions: it involves recognising how equity vocabulary reflects governance, growth, and the uncertain assessment of future earnings.

### Questions to the text

1. What does stocks and shares refer to in this unit?
2. Why is equity markets important in modern economies?
3. Which institutions or market participants are involved in this field?
4. What mechanisms or processes are central to this topic?
5. Why is precise professional vocabulary especially important in this area?
6. What types of risk should specialists monitor carefully?

7. How are recent trends changing the language and practice of this field?
8. Why is it important to explain these concepts in clear professional English?

**Exercise 1. Complete the sentences with the words from the box.**

*shareholder; dividend; capital gain; portfolio diversification; blue-chip stock; volatility; earnings per share; price-to-earnings ratio; initial public offering; market capitalization; voting rights; liquidity*

1. In this unit, the term \_\_\_\_\_ means a person or institution that owns company shares.
2. Financial specialists use the expression \_\_\_\_\_ to describe part of a company's profit paid to shareholders.
3. Analysts often refer to \_\_\_\_\_ when they mean profit made by selling an asset for more than its purchase price.
4. A report on this topic may mention \_\_\_\_\_, that is, spreading investments across different assets to reduce risk.
5. In this unit, the term \_\_\_\_\_ means shares in a large, well-established and financially stable company.
6. Financial specialists use the expression \_\_\_\_\_ to describe the degree to which a price moves up and down.
7. Analysts often refer to \_\_\_\_\_ when they mean company profit allocated to each outstanding share.
8. A report on this topic may mention \_\_\_\_\_, that is, a valuation measure comparing share price with earnings per share.
9. In this unit, the term \_\_\_\_\_ means the first sale of a company's shares to the public.
10. Financial specialists use the expression \_\_\_\_\_ to describe the total market value of a company's outstanding shares.
11. Analysts often refer to \_\_\_\_\_ when they mean the rights shareholders have to vote on company decisions.
12. A report on this topic may mention \_\_\_\_\_, that is, the ease with which shares can be bought or sold.

**Exercise 2. Choose the correct option in each sentence.**

1. Choose the correct option. The term referring to a person or institution that owns company shares is: a) capital gain b) dividend c) shareholder.
2. Choose the correct option. The term referring to part of a company's profit paid to shareholders is: a) portfolio diversification b) dividend c) capital gain.
3. Choose the correct option. The term referring to profit made by selling an asset for more than its purchase price is: a) portfolio diversification b) blue-chip stock c) capital gain.

4. Choose the correct option. The term referring to spreading investments across different assets to reduce risk is: a) blue-chip stock b) portfolio diversification c) volatility.
5. Choose the correct option. The term referring to shares in a large, well-established and financially stable company is: a) volatility b) earnings per share c) blue-chip stock.
6. Choose the correct option. The term referring to the degree to which a price moves up and down is: a) price-to-earnings ratio b) earnings per share c) volatility.
7. Choose the correct option. The term referring to company profit allocated to each outstanding share is: a) earnings per share b) price-to-earnings ratio c) initial public offering.
8. Choose the correct option. The term referring to a valuation measure comparing share price with earnings per share is: a) price-to-earnings ratio b) initial public offering c) market capitalization.
9. Choose the correct option. The term referring to the first sale of a company's shares to the public is: a) initial public offering b) voting rights c) market capitalization.
10. Choose the correct option. The term referring to the total market value of a company's outstanding shares is: a) liquidity b) market capitalization c) voting rights.
11. Choose the correct option. The term referring to the rights shareholders have to vote on company decisions is: a) voting rights b) shareholder c) liquidity.
12. Choose the correct option. The term referring to the ease with which shares can be bought or sold is: a) dividend b) liquidity c) shareholder.

**Exercise 3. Complete the professional statements with one suitable term from the unit.**

*shareholder; dividend; capital gain; portfolio diversification;  
blue-chip stock; volatility; earnings per share; price-to-earnings ratio; initial public offering;  
market capitalization; voting rights; liquidity*

1. Managers must understand the concept of \_\_\_\_\_, which can be defined as a person or institution that owns company shares.
2. From a professional point of view, \_\_\_\_\_ refers to part of a company's profit paid to shareholders.
3. In specialised discussion, \_\_\_\_\_ is the standard term for profit made by selling an asset for more than its purchase price.
4. Students should remember that \_\_\_\_\_ means spreading investments across different assets to reduce risk.
5. Managers must understand the concept of \_\_\_\_\_, which can be defined as shares in a large, well-established and financially stable company.
6. From a professional point of view, \_\_\_\_\_ refers to the degree to which a price moves up and down.
7. In specialised discussion, \_\_\_\_\_ is the standard term for company profit allocated to each outstanding share.
8. Students should remember that \_\_\_\_\_ means a valuation measure comparing share price with earnings per share.

9. Managers must understand the concept of \_\_\_\_\_, which can be defined as the first sale of a company's shares to the public.
10. From a professional point of view, \_\_\_\_\_ refers to the total market value of a company's outstanding shares.
11. In specialised discussion, \_\_\_\_\_ is the standard term for the rights shareholders have to vote on company decisions.
12. Students should remember that \_\_\_\_\_ means the ease with which shares can be bought or sold.

## UNIT 5. Derivatives

### Text for reading and discussion

Derivatives are financial contracts whose value is linked to an underlying asset, rate, index, or event. They are used for hedging, speculation, arbitrage, and risk transfer across commodity, currency, interest-rate, and securities markets. Although derivatives may appear highly technical, their logic rests on relationships between future uncertainty and present pricing. The field is therefore concerned not only with contract design, but also with leverage, market expectations, and the institutional frameworks that make complex financial exposure measurable and tradable.

The core mechanisms of derivatives markets include futures, options, swaps, margin requirements, settlement procedures, and payoff structures. These mechanisms help explain how value is created, transferred, priced, or protected. In practice, financial professionals rarely rely on one indicator only. They compare short-term and long-term objectives, assess available information, and consider how incentives shape behaviour. Clear communication is especially important because a small difference in wording may change the meaning of a contract, a report, or a policy decision.

Like every leveraged financial field, derivatives markets involve significant uncertainty. Particular attention is often paid to risks such as counterparty exposure, model error, sudden volatility, liquidity stress, and misuse of complex instruments. Because derivatives can magnify both protection and loss, small changes in assumptions or market conditions may have large consequences. Their vocabulary therefore combines technical precision with constant attention to exposure, collateral, and the management of contingent obligations.

Another important issue is change over time. Today the field is influenced by central clearing, stricter reporting, energy and currency hedging, and wider use of derivatives for portfolio management. These developments are altering both language and practice. New business models create new terminology, while regulation often introduces highly specific expressions that professionals must understand accurately. For this reason, analysis of the field requires close attention to specialised vocabulary, analytical prose, and shifts in usage across regulation, reporting, and market practice.

A clear understanding of derivatives depends on precise terminology, because small differences in wording may indicate major differences in payoff structure, obligation, or exposure. Concepts such as hedge, option, margin, and settlement operate within tightly defined contractual settings. Accurate usage therefore requires more than memorising definitions: it involves recognising how derivatives vocabulary reflects contingent value, leverage, and the management of financial uncertainty.

### Questions to the text

1. What does derivatives refer to in this unit?
2. Why is derivatives markets important in modern economies?
3. Which institutions or market participants are involved in this field?
4. What mechanisms or processes are central to this topic?
5. Why is precise professional vocabulary especially important in this area?
6. What types of risk should specialists monitor carefully?

7. How are recent trends changing the language and practice of this field?
8. Why is it important to explain these concepts in clear professional English?

**Exercise 1. Complete the sentences with the words from the box.**

*underlying asset; futures contract; option; strike price; swap; hedging; speculation; margin; leverage; counterparty; settlement; payoff*

1. In this unit, the term \_\_\_\_\_ means the asset, rate, or index on which a derivative is based.
2. Financial specialists use the expression \_\_\_\_\_ to describe an agreement to buy or sell an asset at a set price on a future date.
3. Analysts often refer to \_\_\_\_\_ when they mean a contract giving the right, but not the obligation, to buy or sell.
4. A report on this topic may mention \_\_\_\_\_, that is, the fixed price at which an option can be exercised.
5. In this unit, the term \_\_\_\_\_ means an agreement to exchange one series of cash flows for another.
6. Financial specialists use the expression \_\_\_\_\_ to describe using a financial instrument to reduce risk.
7. Analysts often refer to \_\_\_\_\_ when they mean taking risk in the hope of profit from price changes.
8. A report on this topic may mention \_\_\_\_\_, that is, money deposited to cover potential losses on a position.
9. In this unit, the term \_\_\_\_\_ means the use of borrowed funds or small capital to control a larger position.
10. Financial specialists use the expression \_\_\_\_\_ to describe the other party in a financial contract.
11. Analysts often refer to \_\_\_\_\_ when they mean the process of completing the obligations of a contract.
12. A report on this topic may mention \_\_\_\_\_, that is, the financial result produced by a contract.

**Exercise 2. Choose the correct option in each sentence.**

1. Choose the correct option. The term referring to the asset, rate, or index on which a derivative is based is: a) option b) futures contract c) underlying asset.
2. Choose the correct option. The term referring to an agreement to buy or sell an asset at a set price on a future date is: a) strike price b) futures contract c) option.
3. Choose the correct option. The term referring to a contract giving the right, but not the obligation, to buy or sell is: a) strike price b) swap c) option.
4. Choose the correct option. The term referring to the fixed price at which an option can be exercised is: a) swap b) strike price c) hedging.

5. Choose the correct option. The term referring to an agreement to exchange one series of cash flows for another is: a) hedging b) speculation c) swap.
6. Choose the correct option. The term referring to using a financial instrument to reduce risk is: a) margin b) speculation c) hedging.
7. Choose the correct option. The term referring to taking risk in the hope of profit from price changes is: a) speculation b) margin c) leverage.
8. Choose the correct option. The term referring to money deposited to cover potential losses on a position is: a) margin b) leverage c) counterparty.
9. Choose the correct option. The term referring to the use of borrowed funds or small capital to control a larger position is: a) leverage b) settlement c) counterparty.
10. Choose the correct option. The term referring to the other party in a financial contract is: a) payoff b) counterparty c) settlement.
11. Choose the correct option. The term referring to the process of completing the obligations of a contract is: a) settlement b) underlying asset c) payoff.
12. Choose the correct option. The term referring to the financial result produced by a contract is: a) futures contract b) payoff c) underlying asset.

**Exercise 3. Complete the professional statements with one suitable term from the unit.**

*underlying asset; futures contract; option; strike price; swap; hedging; speculation; margin; leverage; counterparty; settlement; payoff*

1. Managers must understand the concept of \_\_\_\_\_, which can be defined as the asset, rate, or index on which a derivative is based.
2. From a professional point of view, \_\_\_\_\_ refers to an agreement to buy or sell an asset at a set price on a future date.
3. In specialised discussion, \_\_\_\_\_ is the standard term for a contract giving the right, but not the obligation, to buy or sell.
4. Students should remember that \_\_\_\_\_ means the fixed price at which an option can be exercised.
5. Managers must understand the concept of \_\_\_\_\_, which can be defined as an agreement to exchange one series of cash flows for another.
6. From a professional point of view, \_\_\_\_\_ refers to using a financial instrument to reduce risk.
7. In specialised discussion, \_\_\_\_\_ is the standard term for taking risk in the hope of profit from price changes.
8. Students should remember that \_\_\_\_\_ means money deposited to cover potential losses on a position.
9. Managers must understand the concept of \_\_\_\_\_, which can be defined as the use of borrowed funds or small capital to control a larger position.
10. From a professional point of view, \_\_\_\_\_ refers to the other party in a financial contract.

11. In specialised discussion, \_\_\_\_\_ is the standard term for the process of completing the obligations of a contract.

12. Students should remember that \_\_\_\_\_ means the financial result produced by a contract.

## UNIT 6. Accounting and Financial Statements

### Text for reading and discussion

Accounting and financial statements provide a structured representation of an organisation's financial position, performance, and cash flows. By recording and classifying transactions, accounting turns business activity into comparable information that can be interpreted by managers, investors, creditors, regulators, and auditors. Financial statements do not simply describe what has happened; they also shape evaluation, planning, and accountability. For that reason, the language of accounting combines numerical precision with rules of recognition, measurement, disclosure, and professional judgement.

The core mechanisms of accounting and reporting include journal entries, accrual accounting, the income statement, the balance sheet, the cash flow statement, and ratio analysis. These mechanisms help explain how value is created, transferred, priced, or protected. In practice, financial professionals rarely rely on one indicator only. They compare short-term and long-term objectives, assess available information, and consider how incentives shape behaviour. Clear communication is especially important because a small difference in wording may change the meaning of a contract, a report, or a policy decision.

Like every system of representation, accounting involves uncertainty as well as structure. Particular attention is often paid to risks such as misstatement, earnings manipulation, weak internal controls, and misleading presentation. Financial statements may appear objective, yet many figures depend on estimates, classifications, and professional judgement applied within formal standards. For that reason, accounting language is closely tied to verification, transparency, and the credibility of reported information.

Another important issue is change over time. Today the field is influenced by integrated reporting, automation, data analytics, and higher expectations of transparency. These developments are altering both language and practice. New business models create new terminology, while regulation often introduces highly specific expressions that professionals must understand accurately. For this reason, analysis of the field requires close attention to specialised vocabulary, analytical prose, and shifts in usage across regulation, reporting, and market practice.

A clear understanding of accounting and financial statements depends on precise terminology and careful interpretation of classifications, recognition rules, and disclosures. Similar terms may refer to different reporting treatments or different implications for performance and position. Accurate usage therefore requires more than memorising definitions: it involves understanding how accounting vocabulary organises economic activity into credible and comparable financial representation.

### Questions to the text

1. What does accounting and financial statements refer to in this unit?
2. Why is accounting and reporting important in modern economies?
3. Which institutions or market participants are involved in this field?
4. What mechanisms or processes are central to this topic?
5. Why is precise professional vocabulary especially important in this area?

6. What types of risk should specialists monitor carefully?
7. How are recent trends changing the language and practice of this field?
8. Why is it important to explain these concepts in clear professional English?

**Exercise 1. Complete the sentences with the words from the box.**

*revenue; expense; asset; liability; equity; balance sheet; income statement; cash flow; accrual accounting; depreciation; audit; internal controls*

1. In this unit, the term \_\_\_\_\_ means income earned from the sale of goods or services.
2. Financial specialists use the expression \_\_\_\_\_ to describe a cost incurred in running a business.
3. Analysts often refer to \_\_\_\_\_ when they mean a resource owned by a business with economic value.
4. A report on this topic may mention \_\_\_\_\_, that is, an obligation or debt owed by a business.
5. In this unit, the term \_\_\_\_\_ means the residual interest in assets after liabilities are deducted.
6. Financial specialists use the expression \_\_\_\_\_ to describe a statement showing assets, liabilities, and equity at a point in time.
7. Analysts often refer to \_\_\_\_\_ when they mean a statement showing revenue, expenses, and profit over a period.
8. A report on this topic may mention \_\_\_\_\_, that is, the movement of money into and out of a business.
9. In this unit, the term \_\_\_\_\_ means recording transactions when they are earned or incurred, not when cash moves.
10. Financial specialists use the expression \_\_\_\_\_ to describe the allocation of the cost of a long-term asset over time.
11. Analysts often refer to \_\_\_\_\_ when they mean an independent examination of financial statements.
12. A report on this topic may mention \_\_\_\_\_, that is, procedures designed to prevent error and fraud.

**Exercise 2. Choose the correct option in each sentence.**

1. Choose the correct option. The term referring to income earned from the sale of goods or services is: a) asset b) expense c) revenue.
2. Choose the correct option. The term referring to a cost incurred in running a business is: a) liability b) expense c) asset.
3. Choose the correct option. The term referring to a resource owned by a business with economic value is: a) liability b) equity c) asset.
4. Choose the correct option. The term referring to an obligation or debt owed by a business is: a) equity b) liability c) balance sheet.

5. Choose the correct option. The term referring to the residual interest in assets after liabilities are deducted is: a) balance sheet b) income statement c) equity.
6. Choose the correct option. The term referring to a statement showing assets, liabilities, and equity at a point in time is: a) cash flow b) income statement c) balance sheet.
7. Choose the correct option. The term referring to a statement showing revenue, expenses, and profit over a period is: a) income statement b) cash flow c) accrual accounting.
8. Choose the correct option. The term referring to the movement of money into and out of a business is: a) cash flow b) accrual accounting c) depreciation.
9. Choose the correct option. The term referring to recording transactions when they are earned or incurred, not when cash moves is: a) accrual accounting b) audit c) depreciation.
10. Choose the correct option. The term referring to the allocation of the cost of a long-term asset over time is: a) internal controls b) depreciation c) audit.
11. Choose the correct option. The term referring to an independent examination of financial statements is: a) audit b) revenue c) internal controls.
12. Choose the correct option. The term referring to procedures designed to prevent error and fraud is: a) expense b) internal controls c) revenue.

**Exercise 3. Complete the professional statements with one suitable term from the unit.**

*revenue; expense; asset; liability; equity; balance sheet; income statement; cash flow; accrual accounting; depreciation; audit; internal controls*

1. Managers must understand the concept of \_\_\_\_\_, which can be defined as income earned from the sale of goods or services.
2. From a professional point of view, \_\_\_\_\_ refers to a cost incurred in running a business.
3. In specialised discussion, \_\_\_\_\_ is the standard term for a resource owned by a business with economic value.
4. Students should remember that \_\_\_\_\_ means an obligation or debt owed by a business.
5. Managers must understand the concept of \_\_\_\_\_, which can be defined as the residual interest in assets after liabilities are deducted.
6. From a professional point of view, \_\_\_\_\_ refers to a statement showing assets, liabilities, and equity at a point in time.
7. In specialised discussion, \_\_\_\_\_ is the standard term for a statement showing revenue, expenses, and profit over a period.
8. Students should remember that \_\_\_\_\_ means the movement of money into and out of a business.
9. Managers must understand the concept of \_\_\_\_\_, which can be defined as recording transactions when they are earned or incurred, not when cash moves.
10. From a professional point of view, \_\_\_\_\_ refers to the allocation of the cost of a long-term asset over time.

11. In specialised discussion, \_\_\_\_\_ is the standard term for an independent examination of financial statements.
12. Students should remember that \_\_\_\_\_ means procedures designed to prevent error and fraud.

## UNIT 7. Market Structure and Competition

### Text for reading and discussion

Market structure and competition describe the patterns through which firms interact within an industry and exercise market power. The number of firms, ease of entry, product differentiation, access to information, and strategic behaviour all influence how competition develops. These conditions affect prices, innovation, efficiency, and the distribution of gains between producers and consumers. As a result, discussion of market structure concerns not only abstract models, but also the concrete institutional arrangements that shape rivalry, dominance, and economic performance.

The core mechanisms of market structure include entry barriers, product differentiation, pricing strategies, concentration ratios, economies of scale, and strategic interaction. These mechanisms help explain how value is created, transferred, priced, or protected. In practice, financial professionals rarely rely on one indicator only. They compare short-term and long-term objectives, assess available information, and consider how incentives shape behaviour. Clear communication is especially important because a small difference in wording may change the meaning of a contract, a report, or a policy decision.

Like every field shaped by strategic interaction, market structure involves uncertainty and tension. Particular attention is often paid to risks such as collusion, predatory behaviour, abuse of dominance, and long-term inefficiency under monopoly conditions. These issues matter because competition is not only a theoretical ideal, but also a practical condition affecting prices, innovation, and consumer choice. Discussion of market structure therefore often overlaps with legal, regulatory, and institutional vocabulary.

Another important issue is change over time. Today the field is influenced by digital platforms, network effects, data-based advantages, and renewed antitrust debate. These developments are altering both language and practice. New business models create new terminology, while regulation often introduces highly specific expressions that professionals must understand accurately. For this reason, analysis of the field requires close attention to specialised vocabulary, analytical prose, and shifts in usage across regulation, reporting, and market practice.

A clear understanding of market structure and competition depends on precise terminology and careful separation of concepts such as monopoly, oligopoly, concentration, and competitive pressure. Similar labels may conceal important differences in entry conditions, pricing power, and strategic behaviour. Accurate usage therefore requires more than memorising definitions: it involves seeing how this vocabulary describes real patterns of rivalry and control within markets.

### Questions to the text

1. What does market structure and competition refer to in this unit?
2. Why is market structure important in modern economies?
3. Which institutions or market participants are involved in this field?
4. What mechanisms or processes are central to this topic?
5. Why is precise professional vocabulary especially important in this area?
6. What types of risk should specialists monitor carefully?

7. How are recent trends changing the language and practice of this field?
8. Why is it important to explain these concepts in clear professional English?

**Exercise 1. Complete the sentences with the words from the box.**

*perfect competition; monopoly; oligopoly; monopolistic competition; barrier to entry; market power; product differentiation; economies of scale; collusion; price discrimination; concentration ratio; antitrust policy*

1. In this unit, the term \_\_\_\_\_ means a market with many sellers, identical products, and easy entry.
2. Financial specialists use the expression \_\_\_\_\_ to describe a market dominated by a single seller.
3. Analysts often refer to \_\_\_\_\_ when they mean a market controlled by a small number of large firms.
4. A report on this topic may mention \_\_\_\_\_, that is, a market with many firms selling differentiated products.
5. In this unit, the term \_\_\_\_\_ means an obstacle that makes it difficult for new firms to enter.
6. Financial specialists use the expression \_\_\_\_\_ to describe the ability of a firm to influence price or output.
7. Analysts often refer to \_\_\_\_\_ when they mean making a product appear distinct from rivals' products.
8. A report on this topic may mention \_\_\_\_\_, that is, cost advantages gained from producing at a larger scale.
9. In this unit, the term \_\_\_\_\_ means secret cooperation between firms to limit competition.
10. Financial specialists use the expression \_\_\_\_\_ to describe charging different customers different prices for the same product.
11. Analysts often refer to \_\_\_\_\_ when they mean a measure of how much of a market is controlled by the largest firms.
12. A report on this topic may mention \_\_\_\_\_, that is, government policy aimed at preserving competition.

**Exercise 2. Choose the correct option in each sentence.**

1. Choose the correct option. The term referring to a market with many sellers, identical products, and easy entry is: a) oligopoly b) monopoly c) perfect competition.
2. Choose the correct option. The term referring to a market dominated by a single seller is: a) monopolistic competition b) monopoly c) oligopoly.
3. Choose the correct option. The term referring to a market controlled by a small number of large firms is: a) monopolistic competition b) barrier to entry c) oligopoly.
4. Choose the correct option. The term referring to a market with many firms selling differentiated products is: a) barrier to entry b) monopolistic competition c) market power.

5. Choose the correct option. The term referring to an obstacle that makes it difficult for new firms to enter is: a) market power b) product differentiation c) barrier to entry.
6. Choose the correct option. The term referring to the ability of a firm to influence price or output is: a) economies of scale b) product differentiation c) market power.
7. Choose the correct option. The term referring to making a product appear distinct from rivals' products is: a) product differentiation b) economies of scale c) collusion.
8. Choose the correct option. The term referring to cost advantages gained from producing at a larger scale is: a) economies of scale b) collusion c) price discrimination.
9. Choose the correct option. The term referring to secret cooperation between firms to limit competition is: a) collusion b) concentration ratio c) price discrimination.
10. Choose the correct option. The term referring to charging different customers different prices for the same product is: a) antitrust policy b) price discrimination c) concentration ratio.
11. Choose the correct option. The term referring to a measure of how much of a market is controlled by the largest firms is: a) concentration ratio b) perfect competition c) antitrust policy.
12. Choose the correct option. The term referring to government policy aimed at preserving competition is: a) monopoly b) antitrust policy c) perfect competition.

**Exercise 3. Complete the professional statements with one suitable term from the unit.**

*perfect competition; monopoly; oligopoly; monopolistic competition;  
barrier to entry; market power; product differentiation; economies of scale;  
collusion; price discrimination; concentration ratio; antitrust policy*

1. Managers must understand the concept of \_\_\_\_\_, which can be defined as a market with many sellers, identical products, and easy entry.
2. From a professional point of view, \_\_\_\_\_ refers to a market dominated by a single seller.
3. In specialised discussion, \_\_\_\_\_ is the standard term for a market controlled by a small number of large firms.
4. Students should remember that \_\_\_\_\_ means a market with many firms selling differentiated products.
5. Managers must understand the concept of \_\_\_\_\_, which can be defined as an obstacle that makes it difficult for new firms to enter.
6. From a professional point of view, \_\_\_\_\_ refers to the ability of a firm to influence price or output.
7. In specialised discussion, \_\_\_\_\_ is the standard term for making a product appear distinct from rivals' products.
8. Students should remember that \_\_\_\_\_ means cost advantages gained from producing at a larger scale.
9. Managers must understand the concept of \_\_\_\_\_, which can be defined as secret cooperation between firms to limit competition.

10. From a professional point of view, \_\_\_\_\_ refers to charging different customers different prices for the same product.
11. In specialised discussion, \_\_\_\_\_ is the standard term for a measure of how much of a market is controlled by the largest firms.
12. Students should remember that \_\_\_\_\_ means government policy aimed at preserving competition.

## UNIT 8. Takeovers

### Text for reading and discussion

Takeovers involve transactions through which one company gains control over another company. They may arise from strategic expansion, access to technology, market consolidation, financial restructuring, or the pursuit of synergies. Such transactions often combine valuation, negotiation, legal procedure, financing, and post-deal integration, which makes them both financially significant and organisationally complex. The language of takeovers therefore reflects issues of control, pricing, strategic intent, and the balance between opportunity and disruption.

The core mechanisms of takeovers and acquisitions include friendly bids, hostile bids, due diligence, valuation, synergy estimates, financing arrangements, and post-merger integration. These mechanisms help explain how value is created, transferred, priced, or protected. In practice, financial professionals rarely rely on one indicator only. They compare short-term and long-term objectives, assess available information, and consider how incentives shape behaviour. Clear communication is especially important because a small difference in wording may change the meaning of a contract, a report, or a policy decision.

Like every major corporate transaction, takeovers involve considerable uncertainty. Particular attention is often paid to risks such as overpayment, cultural clash, debt burden, antitrust obstacles, and failure to realise expected synergies. Even when a deal appears attractive on paper, integration may expose weaknesses that were not fully visible during negotiation. The discourse of takeovers therefore combines confident strategic language with recurring concern about execution and post-merger adjustment.

Another important issue is change over time. Today the field is influenced by cross-border consolidation, private-equity involvement, activist investors, and closer scrutiny of strategic sectors. These developments are altering both language and practice. New business models create new terminology, while regulation often introduces highly specific expressions that professionals must understand accurately. For this reason, analysis of the field requires close attention to specialised vocabulary, analytical prose, and shifts in usage across regulation, reporting, and market practice.

A clear understanding of takeovers depends on precise terminology and careful distinction between valuation, control, financing, and integration. Expressions that appear straightforward may carry specific legal or strategic implications within corporate transactions. Accurate usage therefore requires more than memorising definitions: it involves recognising how takeover vocabulary reflects negotiation, power, and the reorganisation of ownership and corporate direction.

### Questions to the text

1. What does takeovers refer to in this unit?
2. Why is takeovers and acquisitions important in modern economies?
3. Which institutions or market participants are involved in this field?
4. What mechanisms or processes are central to this topic?
5. Why is precise professional vocabulary especially important in this area?
6. What types of risk should specialists monitor carefully?

7. How are recent trends changing the language and practice of this field?
8. Why is it important to explain these concepts in clear professional English?

**Exercise 1. Complete the sentences with the words from the box.**

*acquirer; target company; friendly takeover; hostile takeover; due diligence; synergy; premium; leveraged buyout; tender offer; poison pill; integration; antitrust approval*

1. In this unit, the term \_\_\_\_\_ means the company that seeks to take over another company.
2. Financial specialists use the expression \_\_\_\_\_ to describe the company that is being acquired.
3. Analysts often refer to \_\_\_\_\_ when they mean an acquisition supported by the target's management.
4. A report on this topic may mention \_\_\_\_\_, that is, an acquisition opposed by the target's management.
5. In this unit, the term \_\_\_\_\_ means a detailed investigation before completing a deal.
6. Financial specialists use the expression \_\_\_\_\_ to describe additional value expected from combining two firms.
7. Analysts often refer to \_\_\_\_\_ when they mean the amount paid above the target's current market price.
8. A report on this topic may mention \_\_\_\_\_, that is, an acquisition financed largely with borrowed money.
9. In this unit, the term \_\_\_\_\_ means a public offer to buy shareholders' shares at a stated price.
10. Financial specialists use the expression \_\_\_\_\_ to describe a defence tactic designed to make a takeover more difficult.
11. Analysts often refer to \_\_\_\_\_ when they mean the process of combining operations after a deal.
12. A report on this topic may mention \_\_\_\_\_, that is, official permission confirming that a merger does not unduly restrict competition.

**Exercise 2. Choose the correct option in each sentence.**

1. Choose the correct option. The term referring to the company that seeks to take over another company is: a) friendly takeover b) target company c) acquirer.
2. Choose the correct option. The term referring to the company that is being acquired is: a) hostile takeover b) target company c) friendly takeover.
3. Choose the correct option. The term referring to an acquisition supported by the target's management is: a) hostile takeover b) due diligence c) friendly takeover.
4. Choose the correct option. The term referring to an acquisition opposed by the target's management is: a) due diligence b) hostile takeover c) synergy.
5. Choose the correct option. The term referring to a detailed investigation before completing a deal is: a) synergy b) premium c) due diligence.

6. Choose the correct option. The term referring to additional value expected from combining two firms is: a) leveraged buyout b) premium c) synergy.
7. Choose the correct option. The term referring to the amount paid above the target's current market price is: a) premium b) leveraged buyout c) tender offer.
8. Choose the correct option. The term referring to an acquisition financed largely with borrowed money is: a) leveraged buyout b) tender offer c) poison pill.
9. Choose the correct option. The term referring to a public offer to buy shareholders' shares at a stated price is: a) tender offer b) integration c) poison pill.
10. Choose the correct option. The term referring to a defence tactic designed to make a takeover more difficult is: a) antitrust approval b) poison pill c) integration.
11. Choose the correct option. The term referring to the process of combining operations after a deal is: a) integration b) acquirer c) antitrust approval.
12. Choose the correct option. The term referring to official permission confirming that a merger does not unduly restrict competition is: a) target company b) antitrust approval c) acquirer.

**Exercise 3. Complete the professional statements with one suitable term from the unit.**

*acquirer; target company; friendly takeover; hostile takeover; due diligence; synergy; premium; leveraged buyout; tender offer; poison pill; integration; antitrust approval*

1. Managers must understand the concept of \_\_\_\_\_, which can be defined as the company that seeks to take over another company.
2. From a professional point of view, \_\_\_\_\_ refers to the company that is being acquired.
3. In specialised discussion, \_\_\_\_\_ is the standard term for an acquisition supported by the target's management.
4. Students should remember that \_\_\_\_\_ means an acquisition opposed by the target's management.
5. Managers must understand the concept of \_\_\_\_\_, which can be defined as a detailed investigation before completing a deal.
6. From a professional point of view, \_\_\_\_\_ refers to additional value expected from combining two firms.
7. In specialised discussion, \_\_\_\_\_ is the standard term for the amount paid above the target's current market price.
8. Students should remember that \_\_\_\_\_ means an acquisition financed largely with borrowed money.
9. Managers must understand the concept of \_\_\_\_\_, which can be defined as a public offer to buy shareholders' shares at a stated price.
10. From a professional point of view, \_\_\_\_\_ refers to a defence tactic designed to make a takeover more difficult.

11. In specialised discussion, \_\_\_\_\_ is the standard term for the process of combining operations after a deal.

12. Students should remember that \_\_\_\_\_ means official permission confirming that a merger does not unduly restrict competition.

## UNIT 9. The Role of Government

### Text for reading and discussion

The role of government concerns the ways public authority shapes economic life through taxation, spending, regulation, redistribution, and the provision of public goods. Governments influence markets not only by setting rules, but also by correcting failures, stabilising economic activity, and pursuing social or strategic goals. The extent of intervention varies across systems and historical periods, yet in every case it raises questions about efficiency, fairness, accountability, and political legitimacy. Economic discussion therefore treats government as both a rule-maker and an active participant in distribution and coordination.

The core mechanisms of government intervention in the economy include taxation, public spending, regulation, competition law, social insurance, and fiscal stabilisation. These mechanisms help explain how value is created, transferred, priced, or protected. In practice, financial professionals rarely rely on one indicator only. They compare short-term and long-term objectives, assess available information, and consider how incentives shape behaviour. Clear communication is especially important because a small difference in wording may change the meaning of a contract, a report, or a policy decision.

Like every form of institutional intervention, government action involves uncertainty alongside intended purpose. Particular attention is often paid to risks such as bureaucratic inefficiency, political capture, wasteful subsidies, and unintended side effects. Measures designed to correct one problem may distort incentives or create new imbalances elsewhere. As a result, the vocabulary of government intervention often brings together ideals of protection and stability with criticism of excess, delay, or misallocation.

Another important issue is change over time. Today the field is influenced by targeted industrial policy, digital taxation debates, environmental regulation, and stronger consumer protection. These developments are altering both language and practice. New business models create new terminology, while regulation often introduces highly specific expressions that professionals must understand accurately. For this reason, analysis of the field requires close attention to specialised vocabulary, analytical prose, and shifts in usage across regulation, reporting, and market practice.

A clear understanding of the role of government depends on precise terminology and careful distinction between regulation, redistribution, stabilisation, and public provision. Similar expressions may imply different policy tools, different institutional capacities, or different ideological assumptions. Accurate usage therefore requires more than memorising definitions: it involves recognising how public-policy vocabulary reflects competing views of efficiency, justice, and collective responsibility.

### Questions to the text

1. What does the role of government refer to in this unit?
2. Why is government intervention in the economy important in modern economies?
3. Which institutions or market participants are involved in this field?
4. What mechanisms or processes are central to this topic?

5. Why is precise professional vocabulary especially important in this area?
6. What types of risk should specialists monitor carefully?
7. How are recent trends changing the language and practice of this field?
8. Why is it important to explain these concepts in clear professional English?

**Exercise 1. Complete the sentences with the words from the box.**

*public goods; externality; regulation; taxation; subsidy; redistribution; fiscal policy; monetary policy; social welfare; market failure; price ceiling; price floor*

1. In this unit, the term \_\_\_\_\_ means goods or services that are non-excludable and non-rival.
2. Financial specialists use the expression \_\_\_\_\_ to describe a side effect of economic activity imposed on others.
3. Analysts often refer to \_\_\_\_\_ when they mean rules imposed by the state to shape behavior.
4. A report on this topic may mention \_\_\_\_\_, that is, the collection of money by government from individuals or firms.
5. In this unit, the term \_\_\_\_\_ means financial support given by government to encourage an activity.
6. Financial specialists use the expression \_\_\_\_\_ to describe the transfer of income or wealth to reduce inequality.
7. Analysts often refer to \_\_\_\_\_ when they mean government decisions on spending and taxation.
8. A report on this topic may mention \_\_\_\_\_, that is, actions affecting money supply and interest rates.
9. In this unit, the term \_\_\_\_\_ means public support provided to protect living standards.
10. Financial specialists use the expression \_\_\_\_\_ to describe a situation in which markets allocate resources inefficiently.
11. Analysts often refer to \_\_\_\_\_ when they mean a legal maximum price.
12. A report on this topic may mention \_\_\_\_\_, that is, a legal minimum price.

**Exercise 2. Choose the correct option in each sentence.**

1. Choose the correct option. The term referring to goods or services that are non-excludable and non-rival is: a) regulation b) externality c) public goods.
2. Choose the correct option. The term referring to a side effect of economic activity imposed on others is: a) taxation b) externality c) regulation.
3. Choose the correct option. The term referring to rules imposed by the state to shape behavior is: a) taxation b) subsidy c) regulation.
4. Choose the correct option. The term referring to the collection of money by government from individuals or firms is: a) subsidy b) taxation c) redistribution.

5. Choose the correct option. The term referring to financial support given by government to encourage an activity is: a) redistribution b) fiscal policy c) subsidy.
6. Choose the correct option. The term referring to the transfer of income or wealth to reduce inequality is: a) monetary policy b) fiscal policy c) redistribution.
7. Choose the correct option. The term referring to government decisions on spending and taxation is: a) fiscal policy b) monetary policy c) social welfare.
8. Choose the correct option. The term referring to actions affecting money supply and interest rates is: a) monetary policy b) social welfare c) market failure.
9. Choose the correct option. The term referring to public support provided to protect living standards is: a) social welfare b) price ceiling c) market failure.
10. Choose the correct option. The term referring to a situation in which markets allocate resources inefficiently is: a) price floor b) market failure c) price ceiling.
11. Choose the correct option. The term referring to a legal maximum price is: a) price ceiling b) public goods c) price floor.
12. Choose the correct option. The term referring to a legal minimum price is: a) externality b) price floor c) public goods.

**Exercise 3. Complete the professional statements with one suitable term from the unit.**

*public goods; externality; regulation; taxation; subsidy; redistribution; fiscal policy; monetary policy; social welfare; market failure; price ceiling; price floor*

1. Managers must understand the concept of \_\_\_\_\_, which can be defined as goods or services that are non-excludable and non-rival.
2. From a professional point of view, \_\_\_\_\_ refers to a side effect of economic activity imposed on others.
3. In specialised discussion, \_\_\_\_\_ is the standard term for rules imposed by the state to shape behavior.
4. Students should remember that \_\_\_\_\_ means the collection of money by government from individuals or firms.
5. Managers must understand the concept of \_\_\_\_\_, which can be defined as financial support given by government to encourage an activity.
6. From a professional point of view, \_\_\_\_\_ refers to the transfer of income or wealth to reduce inequality.
7. In specialised discussion, \_\_\_\_\_ is the standard term for government decisions on spending and taxation.
8. Students should remember that \_\_\_\_\_ means actions affecting money supply and interest rates.
9. Managers must understand the concept of \_\_\_\_\_, which can be defined as public support provided to protect living standards.

10. From a professional point of view, \_\_\_\_\_ refers to a situation in which markets allocate resources inefficiently.
11. In specialised discussion, \_\_\_\_\_ is the standard term for a legal maximum price.
12. Students should remember that \_\_\_\_\_ means a legal minimum price.

## UNIT 10. The Business Cycle

### Text for reading and discussion

The business cycle refers to recurring fluctuations in aggregate economic activity, typically described in terms of expansion, slowdown, recession, and recovery. These phases are associated with changing output, employment, investment, credit conditions, and expectations. The cycle does not follow a perfectly regular rhythm, yet its movements influence households, firms, governments, and financial markets in far-reaching ways. Discussion of the business cycle therefore connects macroeconomic indicators with deeper questions about instability, adjustment, and the limits of prediction.

The core mechanisms of the business cycle include changes in demand, credit conditions, expectations, inventory adjustment, monetary policy, and fiscal responses. These mechanisms help explain how value is created, transferred, priced, or protected. In practice, financial professionals rarely rely on one indicator only. They compare short-term and long-term objectives, assess available information, and consider how incentives shape behaviour. Clear communication is especially important because a small difference in wording may change the meaning of a contract, a report, or a policy decision.

Like every macroeconomic pattern, the business cycle is marked by uncertainty. Particular attention is often paid to risks such as deep recessions, prolonged unemployment, inflationary overheating, and broader financial fragility. These phases affect not only aggregate indicators, but also expectations, confidence, and the timing of decisions across the economy. The language of cyclical analysis therefore connects statistical observation with interpretation of shifting momentum and structural vulnerability.

Another important issue is change over time. Today the field is influenced by greater use of real-time indicators, stress testing, and debate over whether supply shocks produce unusual cycle patterns. These developments are altering both language and practice. New business models create new terminology, while regulation often introduces highly specific expressions that professionals must understand accurately. For this reason, analysis of the field requires close attention to specialised vocabulary, analytical prose, and shifts in usage across regulation, reporting, and market practice.

A clear understanding of the business cycle depends on precise terminology and careful distinction between cyclical movement, structural change, and temporary shock. Similar indicators may point to different stages of adjustment depending on timing and context. Accurate usage therefore requires more than memorising definitions: it involves understanding how macroeconomic vocabulary reflects shifts in output, employment, expectations, and policy response.

### Questions to the text

1. What does the business cycle refer to in this unit?
2. Why is the business cycle important in modern economies?
3. Which institutions or market participants are involved in this field?
4. What mechanisms or processes are central to this topic?
5. Why is precise professional vocabulary especially important in this area?

6. What types of risk should specialists monitor carefully?
7. How are recent trends changing the language and practice of this field?
8. Why is it important to explain these concepts in clear professional English?

**Exercise 1. Complete the sentences with the words from the box.**

*expansion; peak; recession; recovery; aggregate demand; consumer confidence; unemployment; inflation; output gap; stimulus; automatic stabilizers; inventory cycle*

1. In this unit, the term \_\_\_\_\_ means a period of rising output, income, and employment.
2. Financial specialists use the expression \_\_\_\_\_ to describe the highest point of economic activity before decline.
3. Analysts often refer to \_\_\_\_\_ when they mean a significant fall in economic activity.
4. A report on this topic may mention \_\_\_\_\_, that is, the phase in which the economy begins to grow again.
5. In this unit, the term \_\_\_\_\_ means the total demand for goods and services in an economy.
6. Financial specialists use the expression \_\_\_\_\_ to describe the degree of optimism households feel about their finances.
7. Analysts often refer to \_\_\_\_\_ when they mean the state of being without paid work while seeking it.
8. A report on this topic may mention \_\_\_\_\_, that is, a sustained rise in the general price level.
9. In this unit, the term \_\_\_\_\_ means the difference between actual and potential economic output.
10. Financial specialists use the expression \_\_\_\_\_ to describe measures designed to encourage economic activity.
11. Analysts often refer to \_\_\_\_\_ when they mean features of the budget that soften economic fluctuations without new laws.
12. A report on this topic may mention \_\_\_\_\_, that is, changes in business inventories that amplify economic swings.

**Exercise 2. Choose the correct option in each sentence.**

1. Choose the correct option. The term referring to a period of rising output, income, and employment is: a) recession b) peak c) expansion.
2. Choose the correct option. The term referring to the highest point of economic activity before decline is: a) recovery b) peak c) recession.
3. Choose the correct option. The term referring to a significant fall in economic activity is: a) recovery b) aggregate demand c) recession.
4. Choose the correct option. The term referring to the phase in which the economy begins to grow again is: a) aggregate demand b) recovery c) consumer confidence.

5. Choose the correct option. The term referring to the total demand for goods and services in an economy is: a) consumer confidence b) unemployment c) aggregate demand.
6. Choose the correct option. The term referring to the degree of optimism households feel about their finances is: a) inflation b) unemployment c) consumer confidence.
7. Choose the correct option. The term referring to the state of being without paid work while seeking it is: a) unemployment b) inflation c) output gap.
8. Choose the correct option. The term referring to a sustained rise in the general price level is: a) inflation b) output gap c) stimulus.
9. Choose the correct option. The term referring to the difference between actual and potential economic output is: a) output gap b) automatic stabilizers c) stimulus.
10. Choose the correct option. The term referring to measures designed to encourage economic activity is: a) inventory cycle b) stimulus c) automatic stabilizers.
11. Choose the correct option. The term referring to features of the budget that soften economic fluctuations without new laws is: a) automatic stabilizers b) expansion c) inventory cycle.
12. Choose the correct option. The term referring to changes in business inventories that amplify economic swings is: a) peak b) inventory cycle c) expansion.

**Exercise 3. Complete the professional statements with one suitable term from the unit.**

*expansion; peak; recession; recovery; aggregate demand; consumer confidence; unemployment; inflation; output gap; stimulus; automatic stabilizers; inventory cycle*

1. Managers must understand the concept of \_\_\_\_\_, which can be defined as a period of rising output, income, and employment.
2. From a professional point of view, \_\_\_\_\_ refers to the highest point of economic activity before decline.
3. In specialised discussion, \_\_\_\_\_ is the standard term for a significant fall in economic activity.
4. Students should remember that \_\_\_\_\_ means the phase in which the economy begins to grow again.
5. Managers must understand the concept of \_\_\_\_\_, which can be defined as the total demand for goods and services in an economy.
6. From a professional point of view, \_\_\_\_\_ refers to the degree of optimism households feel about their finances.
7. In specialised discussion, \_\_\_\_\_ is the standard term for the state of being without paid work while seeking it.
8. Students should remember that \_\_\_\_\_ means a sustained rise in the general price level.
9. Managers must understand the concept of \_\_\_\_\_, which can be defined as the difference between actual and potential economic output.
10. From a professional point of view, \_\_\_\_\_ refers to measures designed to encourage economic activity.

11. In specialised discussion, \_\_\_\_\_ is the standard term for features of the budget that soften economic fluctuations without new laws.
12. Students should remember that \_\_\_\_\_ means changes in business inventories that amplify economic swings.

## UNIT 11. Corporate Social Responsibility

### Text for reading and discussion

Corporate social responsibility concerns the idea that business activity has social, ethical, and environmental consequences that cannot be reduced to profit alone. It relates to how firms treat employees, communities, supply chains, natural resources, and governance obligations. In this sense, responsibility is not only a matter of public image, but also of institutional practice, accountability, and long-term legitimacy. The language of corporate social responsibility therefore joins ethical evaluation with reporting standards, stakeholder relations, and strategic decision-making.

The core mechanisms of corporate social responsibility include stakeholder engagement, ethical sourcing, sustainability reporting, labour standards, community investment, and governance policies. These mechanisms help explain how value is created, transferred, priced, or protected. In practice, financial professionals rarely rely on one indicator only. They compare short-term and long-term objectives, assess available information, and consider how incentives shape behaviour. Clear communication is especially important because a small difference in wording may change the meaning of a contract, a report, or a policy decision.

Like every framework that combines ethics and strategy, corporate social responsibility involves uncertainty. Particular attention is often paid to risks such as greenwashing, vague commitments, weak measurement, and conflict between short-term profit and long-term responsibility. Public claims may be persuasive, yet their substance depends on implementation, evidence, and accountability. For that reason, discussion of responsibility often focuses as much on credibility and governance as on aspiration.

Another important issue is change over time. Today the field is influenced by ESG disclosure, supply-chain due diligence, climate targets, and stronger expectations from consumers and investors. These developments are altering both language and practice. New business models create new terminology, while regulation often introduces highly specific expressions that professionals must understand accurately. For this reason, analysis of the field requires close attention to specialised vocabulary, analytical prose, and shifts in usage across regulation, reporting, and market practice.

A clear understanding of corporate social responsibility depends on precise terminology and careful distinction between ethical claims, reporting practices, governance measures, and substantive outcomes. Similar expressions may differ greatly in their legal status, strategic purpose, or evidential basis. Accurate usage therefore requires more than memorising definitions: it involves recognising how this vocabulary links business conduct with legitimacy, accountability, and long-term social impact.

### Questions to the text

1. What does corporate social responsibility refer to in this unit?
2. Why is corporate social responsibility important in modern economies?
3. Which institutions or market participants are involved in this field?
4. What mechanisms or processes are central to this topic?
5. Why is precise professional vocabulary especially important in this area?

6. What types of risk should specialists monitor carefully?
7. How are recent trends changing the language and practice of this field?
8. Why is it important to explain these concepts in clear professional English?

**Exercise 1. Complete the sentences with the words from the box.**

*stakeholder; sustainability; ethical sourcing; transparency; greenwashing;  
governance; carbon footprint; community engagement; labour standards;  
supply chain due diligence; materiality; long-term value creation*

1. In this unit, the term \_\_\_\_\_ means any group affected by a company's actions.
2. Financial specialists use the expression \_\_\_\_\_ to describe meeting present needs without undermining future needs.
3. Analysts often refer to \_\_\_\_\_ when they mean obtaining materials in a socially and environmentally responsible way.
4. A report on this topic may mention \_\_\_\_\_, that is, openness in reporting decisions and performance.
5. In this unit, the term \_\_\_\_\_ means misleading claims that exaggerate environmental responsibility.
6. Financial specialists use the expression \_\_\_\_\_ to describe the system by which a company is directed and controlled.
7. Analysts often refer to \_\_\_\_\_ when they mean the total greenhouse-gas emissions caused by an activity or organisation.
8. A report on this topic may mention \_\_\_\_\_, that is, cooperation between a company and local communities.
9. In this unit, the term \_\_\_\_\_ means rules concerning fair and safe working conditions.
10. Financial specialists use the expression \_\_\_\_\_ to describe checking whether suppliers meet legal and ethical expectations.
11. Analysts often refer to \_\_\_\_\_ when they mean the degree to which an issue is important for decisions and reporting.
12. A report on this topic may mention \_\_\_\_\_, that is, building durable success rather than focusing only on short-term profit.

**Exercise 2. Choose the correct option in each sentence.**

1. Choose the correct option. The term referring to any group affected by a company's actions is: a) ethical sourcing b) sustainability c) stakeholder.
2. Choose the correct option. The term referring to meeting present needs without undermining future needs is: a) transparency b) sustainability c) ethical sourcing.
3. Choose the correct option. The term referring to obtaining materials in a socially and environmentally responsible way is: a) transparency b) greenwashing c) ethical sourcing.

4. Choose the correct option. The term referring to openness in reporting decisions and performance is: a) greenwashing b) transparency c) governance.
5. Choose the correct option. The term referring to misleading claims that exaggerate environmental responsibility is: a) governance b) carbon footprint c) greenwashing.
6. Choose the correct option. The term referring to the system by which a company is directed and controlled is: a) community engagement b) carbon footprint c) governance.
7. Choose the correct option. The term referring to the total greenhouse-gas emissions caused by an activity or organisation is: a) carbon footprint b) community engagement c) labour standards.
8. Choose the correct option. The term referring to cooperation between a company and local communities is: a) community engagement b) labour standards c) supply chain due diligence.
9. Choose the correct option. The term referring to rules concerning fair and safe working conditions is: a) labour standards b) materiality c) supply chain due diligence.
10. Choose the correct option. The term referring to checking whether suppliers meet legal and ethical expectations is: a) long-term value creation b) supply chain due diligence c) materiality.
11. Choose the correct option. The term referring to the degree to which an issue is important for decisions and reporting is: a) materiality b) stakeholder c) long-term value creation.
12. Choose the correct option. The term referring to building durable success rather than focusing only on short-term profit is: a) sustainability b) long-term value creation c) stakeholder.

**Exercise 3. Complete the professional statements with one suitable term from the unit.**

*stakeholder; sustainability; ethical sourcing; transparency; greenwashing; governance; carbon footprint; community engagement; labour standards; supply chain due diligence; materiality; long-term value creation*

1. Managers must understand the concept of \_\_\_\_\_, which can be defined as any group affected by a company's actions.
2. From a professional point of view, \_\_\_\_\_ refers to meeting present needs without undermining future needs.
3. In specialised discussion, \_\_\_\_\_ is the standard term for obtaining materials in a socially and environmentally responsible way.
4. Students should remember that \_\_\_\_\_ means openness in reporting decisions and performance.
5. Managers must understand the concept of \_\_\_\_\_, which can be defined as misleading claims that exaggerate environmental responsibility.
6. From a professional point of view, \_\_\_\_\_ refers to the system by which a company is directed and controlled.
7. In specialised discussion, \_\_\_\_\_ is the standard term for the total greenhouse-gas emissions caused by an activity or organisation.
8. Students should remember that \_\_\_\_\_ means cooperation between a company and local communities.

9. Managers must understand the concept of \_\_\_\_\_, which can be defined as rules concerning fair and safe working conditions.
10. From a professional point of view, \_\_\_\_\_ refers to checking whether suppliers meet legal and ethical expectations.
11. In specialised discussion, \_\_\_\_\_ is the standard term for the degree to which an issue is important for decisions and reporting.
12. Students should remember that \_\_\_\_\_ means building durable success rather than focusing only on short-term profit.

## UNIT 12. Efficiency and Employment

### Text for reading and discussion

Efficiency and employment concern the relationship between the productive use of resources and the availability, quality, and distribution of work. High productivity may expand output and incomes, yet it can also alter labour demand, skill requirements, and wage structures. Employment outcomes depend on technology, education, labour-market institutions, mobility, and business conditions rather than on a single variable. Discussion of this theme therefore links economic performance with social inclusion, adjustment costs, and the changing organisation of labour.

The core mechanisms of efficiency and employment include labour productivity, skills formation, wage setting, labour mobility, automation, and active employment policy. These mechanisms help explain how value is created, transferred, priced, or protected. In practice, financial professionals rarely rely on one indicator only. They compare short-term and long-term objectives, assess available information, and consider how incentives shape behaviour. Clear communication is especially important because a small difference in wording may change the meaning of a contract, a report, or a policy decision.

Like every labour-market issue, the relationship between efficiency and employment involves uncertainty. Particular attention is often paid to risks such as structural unemployment, skills mismatch, underemployment, and exclusion from emerging labour-market opportunities. Gains in productivity do not automatically translate into secure or equitable work, especially when adjustment is uneven across sectors and regions. The vocabulary of this field therefore combines technical discussion of output with social questions of access, transition, and labour quality.

Another important issue is change over time. Today the field is influenced by remote work, digital upskilling, productivity-enhancing software, and concern about AI-driven job displacement. These developments are altering both language and practice. New business models create new terminology, while regulation often introduces highly specific expressions that professionals must understand accurately. For this reason, analysis of the field requires close attention to specialised vocabulary, analytical prose, and shifts in usage across regulation, reporting, and market practice.

A clear understanding of efficiency and employment depends on precise terminology and careful distinction between productivity, labour demand, participation, and job quality. Similar statistics may conceal very different labour-market realities when context is ignored. Accurate usage therefore requires more than memorising definitions: it involves seeing how this vocabulary connects output, wages, mobility, and the distribution of economic opportunity.

### Questions to the text

1. What does efficiency and employment refer to in this unit?
2. Why is efficiency and employment important in modern economies?
3. Which institutions or market participants are involved in this field?
4. What mechanisms or processes are central to this topic?
5. Why is precise professional vocabulary especially important in this area?
6. What types of risk should specialists monitor carefully?

7. How are recent trends changing the language and practice of this field?
8. Why is it important to explain these concepts in clear professional English?

**Exercise 1. Complete the sentences with the words from the box.**

*productivity; labour market; human capital; upskilling; automation;  
structural unemployment; underemployment; labour mobility; efficiency wage;  
flexibility; matching efficiency; inclusive growth*

1. In this unit, the term \_\_\_\_\_ means output produced per unit of input.
2. Financial specialists use the expression \_\_\_\_\_ to describe the system in which workers and employers interact.
3. Analysts often refer to \_\_\_\_\_ when they mean the knowledge and skills that increase a worker's value.
4. A report on this topic may mention \_\_\_\_\_, that is, learning new skills for better performance or new roles.
5. In this unit, the term \_\_\_\_\_ means the use of technology to perform tasks with limited human input.
6. Financial specialists use the expression \_\_\_\_\_ to describe joblessness caused by changes in the economy's structure.
7. Analysts often refer to \_\_\_\_\_ when they mean working less or below one's skill level.
8. A report on this topic may mention \_\_\_\_\_, that is, the ability of workers to move between jobs or regions.
9. In this unit, the term \_\_\_\_\_ means a wage paid above the market rate to improve productivity.
10. Financial specialists use the expression \_\_\_\_\_ to describe the ability of firms or workers to adapt quickly.
11. Analysts often refer to \_\_\_\_\_ when they mean how effectively vacancies and job seekers are brought together.
12. A report on this topic may mention \_\_\_\_\_, that is, economic growth whose benefits are widely shared.

**Exercise 2. Choose the correct option in each sentence.**

1. Choose the correct option. The term referring to output produced per unit of input is: a) human capital b) labour market c) productivity.
2. Choose the correct option. The term referring to the system in which workers and employers interact is: a) upskilling b) labour market c) human capital.
3. Choose the correct option. The term referring to the knowledge and skills that increase a worker's value is: a) upskilling b) automation c) human capital.
4. Choose the correct option. The term referring to learning new skills for better performance or new roles is: a) automation b) upskilling c) structural unemployment.

5. Choose the correct option. The term referring to the use of technology to perform tasks with limited human input is: a) structural unemployment b) underemployment c) automation.
6. Choose the correct option. The term referring to joblessness caused by changes in the economy's structure is: a) labour mobility b) underemployment c) structural unemployment.
7. Choose the correct option. The term referring to working less or below one's skill level is: a) underemployment b) labour mobility c) efficiency wage.
8. Choose the correct option. The term referring to the ability of workers to move between jobs or regions is: a) labour mobility b) efficiency wage c) flexibility.
9. Choose the correct option. The term referring to a wage paid above the market rate to improve productivity is: a) efficiency wage b) matching efficiency c) flexibility.
10. Choose the correct option. The term referring to the ability of firms or workers to adapt quickly is: a) inclusive growth b) flexibility c) matching efficiency.
11. Choose the correct option. The term referring to how effectively vacancies and job seekers are brought together is: a) matching efficiency b) productivity c) inclusive growth.
12. Choose the correct option. The term referring to economic growth whose benefits are widely shared is: a) labour market b) inclusive growth c) productivity.

**Exercise 3. Complete the professional statements with one suitable term from the unit.**

*productivity; labour market; human capital; upskilling; automation;  
structural unemployment; underemployment; labour mobility;  
efficiency wage; flexibility; matching efficiency; inclusive growth*

1. Managers must understand the concept of \_\_\_\_\_, which can be defined as output produced per unit of input.
2. From a professional point of view, \_\_\_\_\_ refers to the system in which workers and employers interact.
3. In specialised discussion, \_\_\_\_\_ is the standard term for the knowledge and skills that increase a worker's value.
4. Students should remember that \_\_\_\_\_ means learning new skills for better performance or new roles.
5. Managers must understand the concept of \_\_\_\_\_, which can be defined as the use of technology to perform tasks with limited human input.
6. From a professional point of view, \_\_\_\_\_ refers to joblessness caused by changes in the economy's structure.
7. In specialised discussion, \_\_\_\_\_ is the standard term for working less or below one's skill level.
8. Students should remember that \_\_\_\_\_ means the ability of workers to move between jobs or regions.
9. Managers must understand the concept of \_\_\_\_\_, which can be defined as a wage paid above the market rate to improve productivity.

10. From a professional point of view, \_\_\_\_\_ refers to the ability of firms or workers to adapt quickly.
11. In specialised discussion, \_\_\_\_\_ is the standard term for how effectively vacancies and job seekers are brought together.
12. Students should remember that \_\_\_\_\_ means economic growth whose benefits are widely shared.

## UNIT 13. Exchange Rate

### Text for reading and discussion

The exchange rate is the price of one currency expressed in terms of another currency and is a central variable in the international economy. It affects trade, capital flows, inflation, foreign debt, and cross-border expectations. Exchange rates may float, be managed, or be fixed by policy, but in all cases they reflect interactions between monetary conditions, market sentiment, and institutional credibility. The language of exchange-rate analysis therefore combines market terminology with macroeconomic interpretation and geopolitical sensitivity.

The core mechanisms of exchange rates include floating and fixed regimes, appreciation, depreciation, intervention, interest-rate differentials, and expectations. These mechanisms help explain how value is created, transferred, priced, or protected. In practice, financial professionals rarely rely on one indicator only. They compare short-term and long-term objectives, assess available information, and consider how incentives shape behaviour. Clear communication is especially important because a small difference in wording may change the meaning of a contract, a report, or a policy decision.

Like every price formed under changing expectations, the exchange rate involves uncertainty. Particular attention is often paid to risks such as currency volatility, imported inflation, speculative attacks, and balance-sheet stress for borrowers exposed to foreign currency debt. Exchange-rate movements can improve competitiveness in one context and intensify vulnerability in another. Their interpretation therefore depends on policy regime, external position, market confidence, and the structure of domestic finance.

Another important issue is change over time. Today the field is influenced by managed floats, rapid information transmission, reserve diversification, and greater sensitivity to geopolitical events. These developments are altering both language and practice. New business models create new terminology, while regulation often introduces highly specific expressions that professionals must understand accurately. For this reason, analysis of the field requires close attention to specialised vocabulary, analytical prose, and shifts in usage across regulation, reporting, and market practice.

A clear understanding of exchange rates depends on precise terminology and careful distinction between nominal and real movements, depreciation and devaluation, intervention and adjustment. Similar expressions may signal different policy regimes or different economic consequences. Accurate usage therefore requires more than memorising definitions: it involves recognising how exchange-rate vocabulary reflects competitiveness, confidence, and the international position of an economy.

### Questions to the text

1. What does exchange rate refer to in this unit?
2. Why is exchange rates important in modern economies?
3. Which institutions or market participants are involved in this field?
4. What mechanisms or processes are central to this topic?
5. Why is precise professional vocabulary especially important in this area?

6. What types of risk should specialists monitor carefully?
7. How are recent trends changing the language and practice of this field?
8. Why is it important to explain these concepts in clear professional English?

**Exercise 1. Complete the sentences with the words from the box.**

*exchange rate; appreciation; depreciation; floating exchange rate;  
fixed exchange rate; foreign exchange market; intervention;  
purchasing power; trade balance; capital inflow; speculation; currency risk*

1. In this unit, the term \_\_\_\_\_ means the price of one currency in terms of another.
2. Financial specialists use the expression \_\_\_\_\_ to describe a rise in the value of a currency.
3. Analysts often refer to \_\_\_\_\_ when they mean a fall in the value of a currency.
4. A report on this topic may mention \_\_\_\_\_, that is, a rate determined mainly by market forces.
5. In this unit, the term \_\_\_\_\_ means a rate officially tied to another currency or benchmark.
6. Financial specialists use the expression \_\_\_\_\_ to describe the market in which currencies are traded.
7. Analysts often refer to \_\_\_\_\_ when they mean central-bank action to influence the exchange rate.
8. A report on this topic may mention \_\_\_\_\_, that is, the amount of goods and services money can buy.
9. In this unit, the term \_\_\_\_\_ means the difference between exports and imports.
10. Financial specialists use the expression \_\_\_\_\_ to describe money entering a country for investment.
11. Analysts often refer to \_\_\_\_\_ when they mean buying or selling in the hope of profiting from price changes.
12. A report on this topic may mention \_\_\_\_\_, that is, the danger of loss caused by exchange-rate movement.

**Exercise 2. Choose the correct option in each sentence.**

1. Choose the correct option. The term referring to the price of one currency in terms of another is: a) depreciation b) appreciation c) exchange rate.
2. Choose the correct option. The term referring to a rise in the value of a currency is: a) floating exchange rate b) appreciation c) depreciation.
3. Choose the correct option. The term referring to a fall in the value of a currency is: a) floating exchange rate b) fixed exchange rate c) depreciation.
4. Choose the correct option. The term referring to a rate determined mainly by market forces is: a) fixed exchange rate b) floating exchange rate c) foreign exchange market.
5. Choose the correct option. The term referring to a rate officially tied to another currency or benchmark is: a) foreign exchange market b) intervention c) fixed exchange rate.

6. Choose the correct option. The term referring to the market in which currencies are traded is: a) purchasing power b) intervention c) foreign exchange market.
7. Choose the correct option. The term referring to central-bank action to influence the exchange rate is: a) intervention b) purchasing power c) trade balance.
8. Choose the correct option. The term referring to the amount of goods and services money can buy is: a) purchasing power b) trade balance c) capital inflow.
9. Choose the correct option. The term referring to the difference between exports and imports is: a) trade balance b) speculation c) capital inflow.
10. Choose the correct option. The term referring to money entering a country for investment is: a) currency risk b) capital inflow c) speculation.
11. Choose the correct option. The term referring to buying or selling in the hope of profiting from price changes is: a) speculation b) exchange rate c) currency risk.
12. Choose the correct option. The term referring to the danger of loss caused by exchange-rate movement is: a) appreciation b) currency risk c) exchange rate.

**Exercise 3. Complete the professional statements with one suitable term from the unit.**

*exchange rate; appreciation; depreciation; floating exchange rate;  
fixed exchange rate; foreign exchange market; intervention;  
purchasing power; trade balance; capital inflow; speculation; currency risk*

1. Managers must understand the concept of \_\_\_\_\_, which can be defined as the price of one currency in terms of another.
2. From a professional point of view, \_\_\_\_\_ refers to a rise in the value of a currency.
3. In specialised discussion, \_\_\_\_\_ is the standard term for a fall in the value of a currency.
4. Students should remember that \_\_\_\_\_ means a rate determined mainly by market forces.
5. Managers must understand the concept of \_\_\_\_\_, which can be defined as a rate officially tied to another currency or benchmark.
6. From a professional point of view, \_\_\_\_\_ refers to the market in which currencies are traded.
7. In specialised discussion, \_\_\_\_\_ is the standard term for central-bank action to influence the exchange rate.
8. Students should remember that \_\_\_\_\_ means the amount of goods and services money can buy.
9. Managers must understand the concept of \_\_\_\_\_, which can be defined as the difference between exports and imports.
10. From a professional point of view, \_\_\_\_\_ refers to money entering a country for investment.
11. In specialised discussion, \_\_\_\_\_ is the standard term for buying or selling in the hope of profiting from price changes.
12. Students should remember that \_\_\_\_\_ means the danger of loss caused by exchange-rate movement.

## UNIT 14. International Trade

### Text for reading and discussion

International trade concerns the cross-border exchange of goods and services between economies. It is driven by differences in resources, technology, costs, consumer demand, and comparative advantage, while also being shaped by logistics, finance, and political agreements. Trade can widen markets and increase efficiency, yet it also exposes countries and firms to external shocks, competition, and strategic dependence. Discussion of international trade therefore links classical economic principles with contemporary questions of resilience, regulation, and global interconnection.

The core mechanisms of international trade include comparative advantage, tariffs, quotas, trade agreements, supply chains, and trade finance. These mechanisms help explain how value is created, transferred, priced, or protected. In practice, financial professionals rarely rely on one indicator only. They compare short-term and long-term objectives, assess available information, and consider how incentives shape behaviour. Clear communication is especially important because a small difference in wording may change the meaning of a contract, a report, or a policy decision.

Like every cross-border system, international trade involves uncertainty despite its integrating effects. Particular attention is often paid to risks such as protectionism, supply disruption, strategic dependency, trade disputes, and uneven distribution of gains. The benefits of openness may be substantial, but they are rarely shared evenly across sectors, regions, and social groups. Trade vocabulary therefore often combines the language of efficiency and opportunity with concern about resilience and adjustment costs.

Another important issue is change over time. Today the field is influenced by regionalisation, supply-chain resilience, digital trade, and strategic concern over critical materials. These developments are altering both language and practice. New business models create new terminology, while regulation often introduces highly specific expressions that professionals must understand accurately. For this reason, analysis of the field requires close attention to specialised vocabulary, analytical prose, and shifts in usage across regulation, reporting, and market practice.

A clear understanding of international trade depends on precise terminology and careful distinction between flows of goods, services, finance, and policy measures. Similar terms may describe different forms of openness, protection, or interdependence. Accurate usage therefore requires more than memorising definitions: it involves recognising how trade vocabulary reflects comparative advantage, institutional rules, and the uneven effects of cross-border exchange.

### Questions to the text

1. What does international trade refer to in this unit?
2. Why is international trade important in modern economies?
3. Which institutions or market participants are involved in this field?
4. What mechanisms or processes are central to this topic?
5. Why is precise professional vocabulary especially important in this area?
6. What types of risk should specialists monitor carefully?

7. How are recent trends changing the language and practice of this field?
8. Why is it important to explain these concepts in clear professional English?

**Exercise 1. Complete the sentences with the words from the box.**

*comparative advantage; tariff; quota; free trade agreement; trade surplus; trade deficit; protectionism; supply chain; customs clearance; non-tariff barrier; trade finance; dumping*

1. In this unit, the term \_\_\_\_\_ means the ability to produce something at a lower opportunity cost.
2. Financial specialists use the expression \_\_\_\_\_ to describe a tax on imported goods.
3. Analysts often refer to \_\_\_\_\_ when they mean a quantitative limit on imports or exports.
4. A report on this topic may mention \_\_\_\_\_, that is, a treaty reducing barriers between countries.
5. In this unit, the term \_\_\_\_\_ means the situation in which exports exceed imports.
6. Financial specialists use the expression \_\_\_\_\_ to describe the situation in which imports exceed exports.
7. Analysts often refer to \_\_\_\_\_ when they mean policy that shields domestic producers from foreign competition.
8. A report on this topic may mention \_\_\_\_\_, that is, the linked stages through which goods move from production to delivery.
9. In this unit, the term \_\_\_\_\_ means official permission for goods to enter or leave a country.
10. Financial specialists use the expression \_\_\_\_\_ to describe a non-tax obstacle such as standards or licensing rules.
11. Analysts often refer to \_\_\_\_\_ when they mean financial services that support international transactions.
12. A report on this topic may mention \_\_\_\_\_, that is, selling goods abroad at unfairly low prices.

**Exercise 2. Choose the correct option in each sentence.**

1. Choose the correct option. The term referring to the ability to produce something at a lower opportunity cost is: a) quota b) tariff c) comparative advantage.
2. Choose the correct option. The term referring to a tax on imported goods is: a) free trade agreement b) tariff c) quota.
3. Choose the correct option. The term referring to a quantitative limit on imports or exports is: a) free trade agreement b) trade surplus c) quota.
4. Choose the correct option. The term referring to a treaty reducing barriers between countries is: a) trade surplus b) free trade agreement c) trade deficit.
5. Choose the correct option. The term referring to the situation in which exports exceed imports is: a) trade deficit b) protectionism c) trade surplus.
6. Choose the correct option. The term referring to the situation in which imports exceed exports is: a) supply chain b) protectionism c) trade deficit.

7. Choose the correct option. The term referring to policy that shields domestic producers from foreign competition is: a) protectionism b) supply chain c) customs clearance.
8. Choose the correct option. The term referring to the linked stages through which goods move from production to delivery is: a) supply chain b) customs clearance c) non-tariff barrier.
9. Choose the correct option. The term referring to official permission for goods to enter or leave a country is: a) customs clearance b) trade finance c) non-tariff barrier.
10. Choose the correct option. The term referring to a non-tax obstacle such as standards or licensing rules is: a) dumping b) non-tariff barrier c) trade finance.
11. Choose the correct option. The term referring to financial services that support international transactions is: a) trade finance b) comparative advantage c) dumping.
12. Choose the correct option. The term referring to selling goods abroad at unfairly low prices is: a) tariff b) dumping c) comparative advantage.

**Exercise 3. Complete the professional statements with one suitable term from the unit.**

*comparative advantage; tariff; quota; free trade agreement; trade surplus; trade deficit; protectionism; supply chain; customs clearance; non-tariff barrier; trade finance; dumping*

1. Managers must understand the concept of \_\_\_\_\_, which can be defined as the ability to produce something at a lower opportunity cost.
2. From a professional point of view, \_\_\_\_\_ refers to a tax on imported goods.
3. In specialised discussion, \_\_\_\_\_ is the standard term for a quantitative limit on imports or exports.
4. Students should remember that \_\_\_\_\_ means a treaty reducing barriers between countries.
5. Managers must understand the concept of \_\_\_\_\_, which can be defined as the situation in which exports exceed imports.
6. From a professional point of view, \_\_\_\_\_ refers to the situation in which imports exceed exports.
7. In specialised discussion, \_\_\_\_\_ is the standard term for policy that shields domestic producers from foreign competition.
8. Students should remember that \_\_\_\_\_ means the linked stages through which goods move from production to delivery.
9. Managers must understand the concept of \_\_\_\_\_, which can be defined as official permission for goods to enter or leave a country.
10. From a professional point of view, \_\_\_\_\_ refers to a non-tax obstacle such as standards or licensing rules.
11. In specialised discussion, \_\_\_\_\_ is the standard term for financial services that support international transactions.
12. Students should remember that \_\_\_\_\_ means selling goods abroad at unfairly low prices.

## UNIT 15. Economics and Ecology

### Text for reading and discussion

Economics and ecology concern the interaction between economic activity and natural systems. Production, consumption, transport, and investment depend on environmental resources, while ecological degradation can generate costs that markets do not always reflect clearly. This theme explores how growth, efficiency, and welfare are affected by pollution, climate change, biodiversity loss, and resource depletion. The language of economics and ecology therefore connects market analysis with sustainability, interdependence, and the long-term limits within which economic systems operate.

The core mechanisms of economics and ecology include externalities, carbon pricing, regulation, green investment, circular production, and ecosystem valuation. These mechanisms help explain how value is created, transferred, priced, or protected. In practice, financial professionals rarely rely on one indicator only. They compare short-term and long-term objectives, assess available information, and consider how incentives shape behaviour. Clear communication is especially important because a small difference in wording may change the meaning of a contract, a report, or a policy decision.

Like every field that links markets with natural limits, economics and ecology involve uncertainty. Particular attention is often paid to risks such as climate damage, biodiversity loss, resource depletion, and delay in effective policy response. Many environmental pressures unfold gradually, yet their economic consequences can accumulate across production systems, infrastructure, and social welfare. Discussion in this area therefore moves between present incentives and long-term systemic vulnerability.

Another important issue is change over time. Today the field is influenced by decarbonisation, green finance, sustainable supply chains, and debate over just transition policies. These developments are altering both language and practice. New business models create new terminology, while regulation often introduces highly specific expressions that professionals must understand accurately. For this reason, analysis of the field requires close attention to specialised vocabulary, analytical prose, and shifts in usage across regulation, reporting, and market practice.

A clear understanding of economics and ecology depends on precise terminology and careful distinction between private cost, social cost, sustainability, and ecological constraint. Similar expressions may imply very different assumptions about value, measurement, and responsibility. Accurate usage therefore requires more than memorising definitions: it involves recognising how this vocabulary connects economic decision-making with environmental limits and long-term collective welfare.

### Questions to the text

1. What does economics and ecology refer to in this unit?
2. Why is economics and ecology important in modern economies?
3. Which institutions or market participants are involved in this field?
4. What mechanisms or processes are central to this topic?
5. Why is precise professional vocabulary especially important in this area?

6. What types of risk should specialists monitor carefully?
7. How are recent trends changing the language and practice of this field?
8. Why is it important to explain these concepts in clear professional English?

**Exercise 1. Complete the sentences with the words from the box.**

*externality; carbon tax; cap-and-trade; renewable energy; resource depletion;  
biodiversity; circular economy; green investment; sustainable development;  
polluter pays principle; ecosystem services; just transition*

1. In this unit, the term \_\_\_\_\_ means a cost or benefit affecting others who are not directly involved in a transaction.
2. Financial specialists use the expression \_\_\_\_\_ to describe a tax on activities that emit carbon dioxide.
3. Analysts often refer to \_\_\_\_\_ when they mean a system that limits emissions and allows permits to be traded.
4. A report on this topic may mention \_\_\_\_\_, that is, energy from sources that are naturally replenished.
5. In this unit, the term \_\_\_\_\_ means the exhaustion of natural resources.
6. Financial specialists use the expression \_\_\_\_\_ to describe the variety of plant and animal life in an ecosystem.
7. Analysts often refer to \_\_\_\_\_ when they mean an economic model based on reuse, repair, and recycling.
8. A report on this topic may mention \_\_\_\_\_, that is, capital directed to environmentally beneficial projects.
9. In this unit, the term \_\_\_\_\_ means development that balances economic, social, and environmental goals.
10. Financial specialists use the expression \_\_\_\_\_ to describe the idea that those causing pollution should bear the cost.
11. Analysts often refer to \_\_\_\_\_ when they mean benefits people obtain from natural systems.
12. A report on this topic may mention \_\_\_\_\_, that is, a fair shift toward a low-carbon economy.

**Exercise 2. Choose the correct option in each sentence.**

1. Choose the correct option. The term referring to a cost or benefit affecting others who are not directly involved in a transaction is: a) cap-and-trade b) carbon tax c) externality.
2. Choose the correct option. The term referring to a tax on activities that emit carbon dioxide is: a) renewable energy b) carbon tax c) cap-and-trade.
3. Choose the correct option. The term referring to a system that limits emissions and allows permits to be traded is: a) renewable energy b) resource depletion c) cap-and-trade.

4. Choose the correct option. The term referring to energy from sources that are naturally replenished is: a) resource depletion b) renewable energy c) biodiversity.
5. Choose the correct option. The term referring to the exhaustion of natural resources is: a) biodiversity b) circular economy c) resource depletion.
6. Choose the correct option. The term referring to the variety of plant and animal life in an ecosystem is: a) green investment b) circular economy c) biodiversity.
7. Choose the correct option. The term referring to an economic model based on reuse, repair, and recycling is: a) circular economy b) green investment c) sustainable development.
8. Choose the correct option. The term referring to capital directed to environmentally beneficial projects is: a) green investment b) sustainable development c) polluter pays principle.
9. Choose the correct option. The term referring to development that balances economic, social, and environmental goals is: a) sustainable development b) ecosystem services c) polluter pays principle.
10. Choose the correct option. The term referring to the idea that those causing pollution should bear the cost is: a) just transition b) polluter pays principle c) ecosystem services.
11. Choose the correct option. The term referring to benefits people obtain from natural systems is: a) ecosystem services b) externality c) just transition.
12. Choose the correct option. The term referring to a fair shift toward a low-carbon economy is: a) carbon tax b) just transition c) externality.

**Exercise 3. Complete the professional statements with one suitable term from the unit.**

*externality; carbon tax; cap-and-trade; renewable energy; resource depletion;  
biodiversity; circular economy; green investment; sustainable development;  
polluter pays principle; ecosystem services; just transition*

1. Managers must understand the concept of \_\_\_\_\_, which can be defined as a cost or benefit affecting others who are not directly involved in a transaction.
2. From a professional point of view, \_\_\_\_\_ refers to a tax on activities that emit carbon dioxide.
3. In specialised discussion, \_\_\_\_\_ is the standard term for a system that limits emissions and allows permits to be traded.
4. Students should remember that \_\_\_\_\_ means energy from sources that are naturally replenished.
5. Managers must understand the concept of \_\_\_\_\_, which can be defined as the exhaustion of natural resources.
6. From a professional point of view, \_\_\_\_\_ refers to the variety of plant and animal life in an ecosystem.
7. In specialised discussion, \_\_\_\_\_ is the standard term for an economic model based on reuse, repair, and recycling.
8. Students should remember that \_\_\_\_\_ means capital directed to environmentally beneficial projects.

9. Managers must understand the concept of \_\_\_\_\_, which can be defined as development that balances economic, social, and environmental goals.
10. From a professional point of view, \_\_\_\_\_ refers to the idea that those causing pollution should bear the cost.
11. In specialised discussion, \_\_\_\_\_ is the standard term for benefits people obtain from natural systems.
12. Students should remember that \_\_\_\_\_ means a fair shift toward a low-carbon economy.