

English for Banking and Finance

INSTRUMENTAL ENGLISH

English for Banking and Finance

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**For Alexander Theodore
and Miriam Bess**

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Preface

Instrumental English for Banking and Finance has been written for the student of English who works in the sphere of banking and finance. This textbook is designed to give the student an introduction to English banking and financial terminology, while at the same time reviewing some of the more important grammatical structures of the language.

The book is divided into two sections of seven lessons each. The first section covers basic banking procedures; the second section deals with investment, and international banking and finance. This broad range of topics should meet the English language needs of people working across the whole spectrum of banking. An appendix of numbers and dates has also been provided as a reference for the student.

Each of the fourteen chapters of this book is centered on a different aspect of banking or finance, and provides numerous exercises, both structural and communicative, in which the learner practices the new vocabulary and grammatical points introduced in the lesson. Some lessons also contain supplementary readings (the *Reading Plus* sections) which give the student the opportunity to read authentic materials written in the field. Special emphasis has been given to international banking and international monetary arrangements in selecting topics for this book, in order to better meet the varied needs of our students.

We hope that *Instrumental English for Banking and Finance* will address those students of English who want to review and expand their command of the basic patterns of the language, while at the same time acquiring vocabulary that is closely related to their professional interests and concerns. This book will give them the knowledge and skills they need to use English successfully in the areas of banking and finance, and will provide them with a solid basis for more advanced study.

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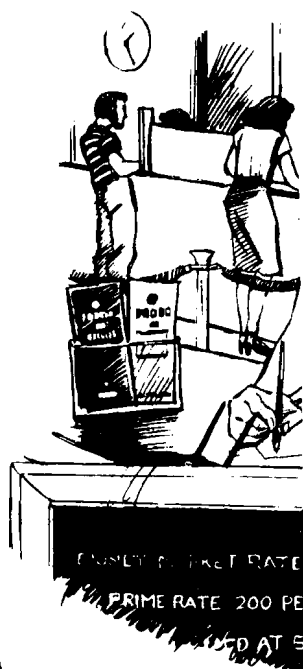
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D.M.S.

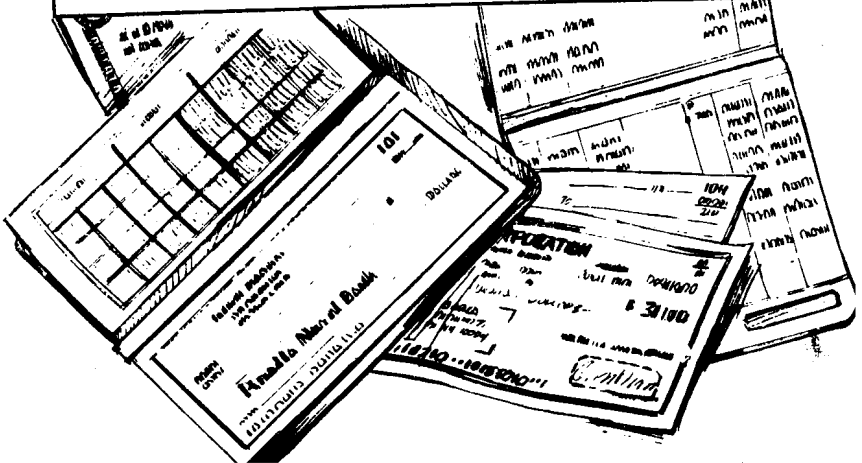
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PART I BANKING SERVICES AND PROCEDURES





CHASE MANHATTAN BANK

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LESSON 1

SAVINGS BANKS

VOCABULARY

manager—person who directs or conducts the operations of a bank

paycheck—check for salary given by an employer to someone who works for him

window—the place where bank customers come to give money to or get money from a teller

to deposit—to put money into the bank

to withdraw—to take money out of the bank

a deposit—money that a customer puts into the bank

a withdrawal—money that a customer takes out of the bank

a depositor—a customer of a bank who has an account there

a slip—a bank form used to order a deposit or withdrawal when filled out by the customer

teller—the person who receives and gives out money in a bank

to endorse—to write one's name on the back of a check in order to cash or deposit it

passbook—a small book that records a depositor's account. It shows her deposits, withdrawals and interest payments by the bank.

account—a statement or record of money that the bank owes a depositor; a record of a depositor's deposits and withdrawals

a savings account—money left in the bank that draws interest

a joint account—an account shared by two (or more) depositors

a term-deposit account—an account in which the depositor agrees not to withdraw his money for a period of time

to open an account—to begin depositing one's money in a bank

to close an account—to withdraw all of one's money from the bank

interest—payment by the bank for the use of a depositor's money

party—one of the people interested in a contract; one of the depositors in a joint account

delay—slowness; lateness

Expansion

to fill out—to write the necessary information

If you want to deposit money you have to fill out a deposit slip.

If you want to withdraw money you have to fill out a withdrawal slip.

to sign—to write one's name

Please sign on the last line of the slip.

signature—a person's name written by himself

The bank requires the depositor's signature for all withdrawals.

rate—amount or percentage (%)

"What is the current rate of interest on savings accounts?"

"The bank pays 5 1/2% interest a year."

Term-deposit accounts pay higher interest rates than regular savings accounts.

computer—an electronic machine that does difficult mathematical operations and that has a memory

Modern banking depends on computers to perform (= do) complex operations.

to accommodate—to take care of, attend to, help

There was a delay in accommodating the customers because the computer broke down.

assets—everything that a company or bank owns and that has value (= worth)

current assets—assets that can be turned readily into cash

fixed assets—land, buildings, equipment

The assets of our bank are over \$10,500,000.

liabilities—money owed by a company or bank

balance sheet—a statement of a company's assets and liabilities

to owe—to have to pay money

solvent—being able to pay all money that you owe

Since his firm's assets equal the liabilities, his firm is solvent.

Vocabulary Practice

Select the answer that correctly completes each sentence.

1. An account that two or more people hold is a _____.
a. joint account b. term-deposit account c. savings account
2. In order to withdraw money the bank requires your _____.
a. depositor b. interest c. signature
3. The bank records all transactions of an account in the customer's _____.
a. withdrawal slip b. assets c. passbook
4. Many banks work with so many different customers and accounts that they need _____ to record all transactions.
a. deposit slips b. computers c. parties
5. You have to _____ your check in order to cash it.
a. withdraw b. endorse c. accommodate



A BANK MANAGER SPEAKS

My name is Jane Carson and I'm the manager of a savings bank in Portland, Oregon. My bank is open every day from 8:30 in the morning until 4:00 in the afternoon. On Fridays the bank remains open until 6:30 in the evening.

Friday is our busiest day. Many people get their paychecks on Fridays and they come in to deposit them. I find that on Fridays I have to keep six windows open all day long. My bank tries very hard to reduce the amount of time that customers have to wait for service. We have many signs to remind people that they need their passbooks for all transactions and that they must fill out their deposit or withdrawal slips completely. If our depositors cooperate with us we can accommodate them with as few delays as possible.

Of course, people do forget. The tellers inform me that many customers still forget to endorse their checks or try to open or close joint accounts with the signature of only one of the parties. But I hope that my program of information for customers will reduce such delays.

Banking has changed a lot in recent years. Computers now do much of the work that the tellers used to do. As computers improve, they are able to accomplish more difficult tasks and they help us serve our customers better.

Another important change in banking, especially for savings banks, are the many different term-deposit accounts that are now available to our customers. Since these certificates of deposit offer very high interest rates they help attract depositors to our bank. I make sure that my staff always has the latest information about these accounts so that they can advise our depositors correctly.

My bank is not a very large bank. The total of our current assets and fixed assets comes to 15,550,000 dollars.¹ I'm proud of our balance sheet. Although some banks across the country are having difficulties, my bank has more assets than liabilities. We are solvent and growing. The number of customers we serve has increased this year and I expect that it will continue to grow in the future.

¹Students needing a review of numbers should consult the Appendix.

Comprehension Check

A. State whether each sentence is true or false based on the reading.

1. Jane Carson's bank closes at 3:00 P.M. on Fridays.
2. Fridays are very busy days at Jane Carson's bank.
3. Ms. Carson has an information program for customers.
4. Computers and term-deposit accounts have brought changes to banks.
5. Jane Carson's bank has more liabilities than assets.

B. Answer the following questions orally.

1. What does a bank manager do?
2. How many windows are open on Fridays?
3. Why do they need so many windows on Fridays?
4. What are some of the ways in which customers cause delays?
5. What does a depositor have to do to open or close a joint account?
6. Why are computers important to a bank?
7. How do term-deposit accounts help a bank get new customers?
8. Why does the bank manager want her staff to have the latest information on term-deposit accounts?
9. How much money does Jane Carson's bank have in assets?
10. Why is Ms. Carson hopeful about the future of her bank?

C. **Composition.** Make a list of the most important aspects of Jane Carson's job.

Building Your Vocabulary

A. **Matching.** Find the words in the right-hand column that match the words closest in meaning in the left-hand column.

- | | |
|--------------------------|------------------|
| 1. percentage | a. savings |
| 2. customer of a bank | b. joint account |
| 3. person's written name | c. rate |
| 4. money owed | d. slip |
| 5. two-party account | e. delay |
| 6. director | f. account |
| 7. piece of paper | g. manager |
| 8. money in the bank | h. depositor |
| 9. record (noun) | i. signature |
| 10. lateness | j. liabilities |

B. Rewriting sentences. Rewrite each of the following sentences replacing the underlined word or words with the correct form of one of the new words of this lesson.

Model: Please write the necessary information on this form.

→ Please fill out this form.

1. Please write your name on this slip.
2. The bank tries to take care of all its depositors.
3. I must take out fifty dollars today.
4. Please sign the back of this check.
5. Which bank offers a higher percentage of interest?

PRESENTATION

I. Present tense—negatives, questions

I	}	don't	}	deposit money.
You				fill out a deposit slip.
We				close an account.
They				have a savings account.
He	}	doesn't	}	go to the bank on Mondays.
She				
Do	}	I	}	deposit money?
		you		fill out a deposit slip?
		we		close an account?
		the customers		have a savings account?
Does	}	he	}	go to the bank on Mondays?
		she		

Structure Practice

A. Make each sentence negative by adding *don't* or *doesn't*.

Model: Mary works in a bank.

→ Mary *doesn't* work in a bank.

1. I deposit my paycheck on Fridays.
2. The customer endorses his check.
3. We fill out a deposit slip.
4. The manager helps you open an account.
5. We save a lot of money.

B. Now make each of the statements of exercise A into questions using *do* or *does*.

Model: Mary works in a bank.

→ Does Mary work in a bank?