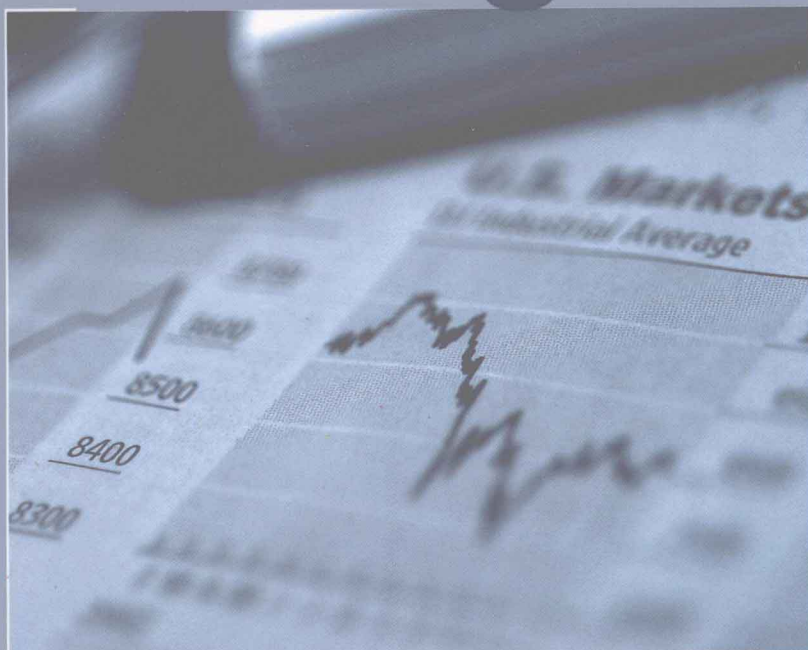


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剑桥金融财务英语

Professional English in Use



Finance

Ian MacKenzie

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内 容 提 要

《剑桥金融财务英语》是剑桥财务英语国际证书考试（ICFE）较理想的专业辅导用书。剑桥大学出版社是剑桥财务英语国际证书考试（ICFE）真题的官方出版机构，而本书正是 ICFE 考生备考过程中必不可少的参考书。

《剑桥金融财务英语》是一本为商务英语中高级或高级学习者设计用以扩充和提高学习者金融词汇和金融知识的书。本书可作为自学的学习资料，也可以作为班级共同学习的课本，既可一对一来学习还可以学习小组的形式来学习。

本书由 50 个双页主题单元组成，共涉及 4 个财务领域：会计学、银行业、公司理财以及经济与贸易。每一个单元的左手边页，详细地解释了新单词和表达方式；右手边页上的一系列练习则会帮助学习者检查和进一步理解所学到的知识。在单元与单元的衔接处还设有“交叉参考知识点”，来讲解同一个单词或近义词在不同的背景下的不同意义和用法。

书的后面附有练习答案和索引。

《剑桥金融财务英语》最有特色的地方是每一单元都设计有“由你参与”部分。这为每一位学习者提供了情境模拟的机会，可以将学习到的新词汇和表达法用到自己相关的金融专业领域中去，因而对新知识可以更好地消化和吸收。

《剑桥金融财务英语》紧扣考点，博采众长，体现金融专业特色，语言简炼，深入浅出。

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Introduction

Who is this book for?

Professional English in Use Finance is designed to help intermediate and upper-intermediate learners of business English improve their financial vocabulary – and perhaps their knowledge of finance. It is for people studying English before they start work as well as for those already working who need English in their job.

You can use the book on your own for self-study, or with a teacher in the classroom, one-to-one, or in groups.

How is the book organized?

The book has 50 two-page thematic units, in four areas of finance: **accounting**, **banking**, **corporate finance**, and **economics and trade**.

The left-hand page of each unit explains new words and expressions, and the right-hand page allows you to check and develop your understanding of them and how they are used, through a series of exercises.

There is **cross-referencing** between units to show connections between the same word or similar words used in different contexts.

There is also a **Language reference** section, giving examples of idioms used to describe changes in the price of financial assets; showing how to say and write numbers and how to stress English words; and listing differences between British and American financial vocabulary.

There is an **answer key** at the back of the book. Most of the exercises have questions with only one correct answer. But some of the exercises, including the **Over to you** activities at the end of each section (see opposite), are designed for writing and/or discussion about yourself and your own organization, or one you would like to work for.

There is also an **index**. This lists all the new words and expressions introduced in the book, and gives the unit numbers in which they appear. The index also tells you how the words and expressions are pronounced.

The left-hand page

This page introduces new vocabulary for each thematic area. The presentation is divided into sections indicated by letters – usually A, B and C – with simple, clear titles.

As well as explanations of vocabulary, there is information about typical word combinations and the grammar associated with particular vocabulary, for example the verbs that are typically used with certain nouns.

There are also notes on language points, including differences between British and American English.

The right-hand page

The exercises on the right-hand page give practice in using the new vocabulary presented on the left-hand page. Sometimes the exercises concentrate on using the words and expressions presented on the left-hand page in context. Other exercises test your understanding of the concepts on the left-hand page. Some units contain diagrams or tables to complete, or crosswords.

'Over to you' sections

An important feature of *Professional English in Use Finance* is the **Over to you** section at the end of each unit. The **Over to you** sections give you the chance to put into practice the words and expressions in the unit in relation to your own professional situation, studies or opinions. For some of them you will need to find information on the internet or in newspapers.

Self-study learners can do this section as a written activity.

In the classroom, the **Over to you** sections can be used as the basis for discussion with the whole class, or in small groups with a spokesperson for each group summarizing the discussion and its outcome for the class. The teacher can then get learners to look again at the exercises relating to points that have caused difficulty. Learners can follow up by using the **Over to you** section as a written activity, for example as homework.

How to use the book for self-study

Find the topic you are looking for by referring to the contents page or the index. Read through the explanations on the left-hand page of the unit. Do the exercises on the right-hand page. Check your answers in the key. If you have made some mistakes, go back and look at the explanations and exercise again. Note down important words and expressions in your notebook.

How to use the book in the classroom

Teachers can choose units that relate to learners' particular needs and interests, for example areas they have covered in course books, or that have come up in other activities. Alternatively, lessons can contain a regular vocabulary slot, where learners look systematically at the vocabulary of particular thematic areas.

Learners can work on the units in pairs, with the teacher going round the class assisting and advising. Teachers should get learners to think about the logical process of the exercises, pointing out why one answer is possible and others are not.

Cambridge International Certificate in Financial English (ICFE)

Professional English in Use Finance is an ideal self-study or classroom companion for students who are preparing for the Cambridge International Certificate in Financial English (ICFE). Cambridge ICFE is set at levels B2 and C1 of the Council of Europe's Common European Framework of Reference for Languages (CEF). The exam is designed to determine whether candidates whose first language is not English have an adequate level of English to function efficiently, in terms of language ability, within the international finance community.

Cambridge ICFE is for finance students and those already employed in or seeking employment in any finance setting. It is also intended to help employers in international finance with the hiring and training of personnel, and to assist finance faculties and course providers with selection, placement and graduation of students.

We hope you enjoy using this book.

1 Money and income

A Currency

The money used in a country – euros, dollars, yen, etc. – is its **currency**. Money in **notes** (banknotes) and **coins** is called **cash**. Most money, however, consists of **bank deposits**: money that people and organizations have in bank accounts. Most of this is **on paper** – existing in theory only – and only about ten per cent of it exists in the form of cash in the bank.

BrE: note or banknote;
AmE: bill

B Personal finance

All the money a person receives or **earns** as payment is his or her **income**. This can include:

- a **salary**: money paid monthly by an employer, or **wages**: money paid by the day or the hour, usually received weekly
- **overtime**: money received for working extra hours
- **commission**: money paid to salespeople and agents – a certain percentage of the income the employee generates
- a **bonus**: extra money given for meeting a target or for good financial results
- **fees**: money paid to professional people such as lawyers and architects
- **social security**: money paid by the government to unemployed and sick people
- a **pension**: money paid by a company or the government to a retired person.

Salaries and wages are often paid after deductions such as social security charges and pension contributions.

Amounts of money that people have to **spend** regularly are **outgoings**. These often include:

- **living expenses**: money spent on everyday needs such as food, clothes and public transport
- **bills**: requests for the payment of money owed for services such as electricity, gas and telephone connections
- **rent**: the money paid for the use of a house or flat
- a **mortgage**: repayments of money borrowed to buy a house or flat
- **health insurance**: financial protection against medical expenses for sickness or accidental injuries
- **tax**: money paid to finance government spending.

A financial plan, showing how much money a person or organization expects to earn and spend is called a **budget**.

BrE: social security; AmE: welfare
BrE: flat; AmE: apartment

Planned monthly budget for next year (€)			
Income		Outgoings	
Salary (after deductions)	3,250	Rent	900
Commission (average)	600	Bills	250
		Living expenses	1,200
		Health insurance	130
		Tax	800
Total	3,850	Total	3,280

1.1 Complete the sentences with words from the box. Look at A and B opposite to help you.

commission	bonus	currency	earn	mortgage	tax
overtime	pension	rent	salary	social security	

- 1 After I lost my job, I was living on for three months. This was difficult, because the amount was much lower than the I had before.
- 2 I used to work as a salesperson, but I wasn't very successful, so I didn't much
- 3 If the company makes 10% more than last year, we'll all get a at the end of the year.
- 4 It'll take me at least 25 years to repay the on my house.
- 5 Many European countries now have the same , the euro.
- 6 My wages aren't very good, so I do a lot of
- 7 Nearly 40% of everything I earn goes to the government as
- 8 The owner has just increased the on our flat by 15%.
- 9 When I retire, my will be 60% of my final salary.

1.2 Are the following statements true or false? Find reasons for your answers in A and B opposite.

- 1 Bank deposits are not classified as money.
- 2 People earning wages get paid more often than people earning a salary.
- 3 People working on commission always get paid the same amount.
- 4 When you stop working at the end of your career, you receive a pension.
- 5 Most people pay a rent and a mortgage.

Over to you

Do you know what the average income is in your country, and in your job, or the one you are studying for? How important is salary in your choice of career?

2 Business finance

A Capital

When people want to **set up** or start a company, they need money, called **capital**.

Companies can **borrow** this money, called a **loan**, from banks. The loan must be paid back with **interest**: the amount paid to borrow the money. Capital can also come from issuing **shares** or **equities** – certificates representing units of ownership of a company. (See Unit 29) The people who **invest** money in shares are called **shareholders** and they **own** part of the company. The money they provide is known as **share capital**. Individuals and financial institutions, called **investors**, can also **lend** money to companies by buying **bonds** – loans that pay interest and are repaid at a fixed future date. (See Unit 33)

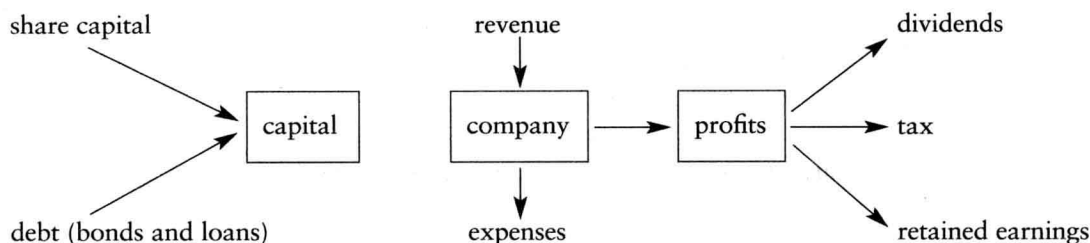
Money that is **owed** – that will have to be paid – to other people or businesses is a **debt**. In accounting, companies' debts are usually called **liabilities**. Long-term liabilities include bonds; short-term liabilities include debts to suppliers who provide goods or services **on credit** – that will be paid for later.

The money that a business uses for everyday expenses or has available for spending is called **working capital** or **funds**.

BrE: shares; AmE: stocks
BrE: shareholder; AmE: stockholder

B Revenue

All the money coming into a company during a given period is **revenue**. Revenue minus the cost of sales and operating **expenses**, such as rent and salaries, is known as **profit**, **earnings** or **net income**. The part of its profit that a company pays to its shareholders is a **dividend**. Companies pay a proportion of their profits to the government as **tax**, to finance government spending. They also **retain**, or keep, some of their earnings for future use.

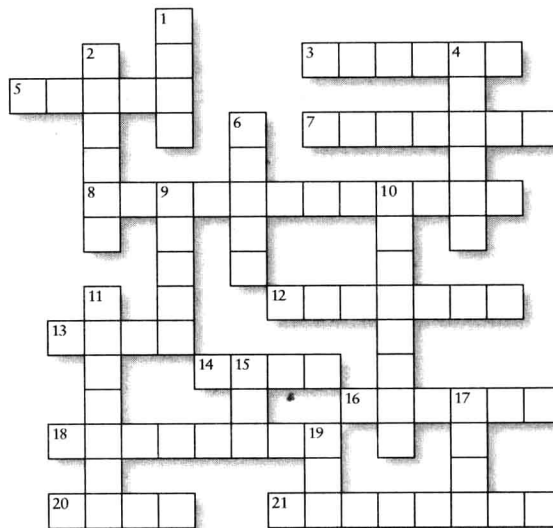


C Financial statements

Companies give information about their financial situation in **financial statements**. The **balance sheet** shows the company's **assets** – the things it owns; its **liabilities** – the money it owes; and its capital. The **profit and loss account** shows the company's revenues and expenses during a particular period, such as three months or a year.

BrE: profit and loss account; AmE: income statement

2.1 Complete the crossword. Look at A, B and C opposite to help you.



Across

- 3 Small companies often try to get bank loans when they need to money. (6)
 5 We don't have sufficient to build a completely new factory. (5)
 7 and 6 down Details of a company's liabilities are shown on the (7,5)
 8 We're going to raise more money by selling new shares to our existing (12)
 12 We had to raise €50,000 in order to start the business. (7)
 13 We're going to pay back some of the people who lent us money, and reduce our (4)
 14 I decided to buy a \$10,000 instead of shares, as it's probably safer. (4)
 16 Another term for profit is net (6)
 18 I think this is a good investment: it pays 8% (8)
 20 When they saw our financial statements, the bank refused to us any more money. (4)
 21 Profit is the difference between revenue and (8)

Down

- 1 The profit and account shows if a company is receiving more money than it's spending. (4)
 2 If you don't like taking risks, you should only in very successful companies. (6)
 4 A company's retained earnings belong to its (6)
 6 See 7 across.
 9 Anything a company uses to produce goods or services is an (5)
 10 The company made such a big profit, I expected a higher (8)
 11 We sold a lot more last year, so our went up. (7)
 15 We our suppliers \$100,000 for goods bought on credit. (3)
 17 Everyone who buys a share part of the company. (4)
 19 Thirty per cent of our profits goes straight to the government in (3)



Over to you

Think of the company you work for, or one that you are interested in. How was it financed when it was set up, and how is it financed now?

3 Accounting and accountancy

A Accounting

- **Accounting** involves **recording** and summarizing an organization's **transactions** or business deals, such as purchases and sales, and reporting them in the form of financial statements. (See Units 11–14) In many countries, the accounting or **accountancy** profession has professional organizations which operate their own training and examination systems, and make technical and ethical rules: these relate to accepted ways of doing things.
- **Bookkeeping** is the day-to-day recording of transactions.
- **Financial accounting** includes bookkeeping, and **preparing** financial statements for shareholders and **creditors** (people or organizations who have lent money to a company).
- **Management accounting** involves the use of accounting data by managers, for making plans and decisions.

B Auditing

Auditing means examining a company's systems of control and the **accuracy** or exactness of its records, looking for errors or possible **fraud**: where the company may have deliberately given false information.

- An **internal audit** is carried out by a company's own **accountants** or **internal auditors**.
- An **external audit** is done by **independent auditors**: auditors who are not employees of the company.

The external audit examines the truth and fairness of financial statements. It tries to prevent what is called '**creative accounting**', which means recording transactions and values in a way that produces a false result – usually an artificially high profit.

There is always more than one way of presenting accounts. The accounts of British companies have to give a **true and fair view** of their financial situation. This means that the financial statements must give a correct and reasonable picture of the company's current condition.

C Laws, rules and standards

In most continental European countries, and in Japan, there are **laws** relating to accounting, established by the government. In the US, companies whose stocks are traded on public stock exchanges have to **follow rules** set by the Securities and Exchange Commission (SEC), a government agency. In Britain, the rules, which are called **standards**, have been established by independent organizations such as the Accounting Standards Board (ASB), and by the accountancy profession itself. Companies are expected to **apply** or use these standards in their **annual accounts** in order to give a true and fair view.

Companies in most English-speaking countries are largely funded by shareholders, both individuals and financial institutions. In these countries, the financial statements are prepared for shareholders. However, in many continental European countries businesses are largely funded by banks, so accounting and financial statements are prepared for creditors and the tax authorities.

3.1 What type of work does each person do, and what is the name of each job? Look at A and B opposite to help you.

1 I record all the purchases and sales made by this department.

2 This month, I'm examining the accounts of a large manufacturing company.

3 I analyse the sales figures from the different departments and make decisions about our future activities.

4 I am responsible for preparing our annual balance sheet.

5 When the accounts are complete, I check them before they are presented to the external auditors.

3.2 Match the two parts of the sentences. Look at C opposite to help you.

- 1 In Britain
- 2 In most of continental Europe and Japan
- 3 In the USA
- 4 In Britain and the USA
- 5 In much of continental Europe

- a accounting rules are established by a government agency.
- b companies are mainly funded by shareholders or stockholders.
- c accounting rules are set by an independent organization.
- d the major source of corporate finance is banks.
- e accounting rules are set by the government.

3.3 Find verbs in A, B and C opposite that can be used to make word combinations with the nouns below.

.....
.....

an audit

.....
.....
.....

standards

.....
.....
.....
.....

rules

.....
.....

transactions

Over to you



Is accounting in your country based on standards, rules, laws, or a mixture of these? What accounting system do international companies in your country use?

A Double-entry bookkeeping

Zaheer Younis works in the accounting department of a trading company:

'I began my career as a bookkeeper. **Bookkeepers** record the company's daily **transactions**: sales, purchases, debts, expenses, and so on. Each type of transaction is recorded in a separate **account** – the cash account, the liabilities account, and so on. **Double-entry bookkeeping** is a system that records two aspects of every transaction. Every transaction is both a **debit** – a deduction – in one account and a corresponding **credit** – an addition – in another. For example, if a company buys some **raw materials** – the substances and components used to make products – that it will pay for a month later, it debits its purchases account and credits the supplier's account. If the company sells an item on credit, it credits the sales account, and debits the customer's account. As this means the level of the company's **stock** – goods ready for sale – is reduced, it debits the stock account. There is a corresponding increase in its **debtors** – customers who owe money for goods or services purchased – and the debtors or accounts payable account is credited. Each account records debits on the left and credits on the right. If the bookkeepers do their work correctly, the total debits always equal the total credits.'



BrE: debtors; AmE: accounts receivable

BrE: creditors; AmE: accounts payable

BrE: stock; AmE: inventory

B Day books and ledgers

'For accounts with a large number of transactions, like purchases and sales, companies often record the transactions in **day books** or **journals**, and then put a daily or weekly summary in the main double-entry records.

In Britain, they call the main books of account **nominal ledgers**. **Creditors** – suppliers to whom the company owes money for purchases made on credit – are recorded in a **bought ledger**. They still use these names, even though these days all the information is on a computer.'

Note: In Britain the terms **debtors** and **creditors** can refer to people or companies that owe or are owed money, or to the sums of money in an account or balance sheet.

C Balancing the books

'At the end of an **accounting period**, for example a year, bookkeepers prepare a **trial balance** which transfers the debit and credit balances of different accounts onto one page. As always, the total debits should equal the total credits. The accountants can then use these balances to prepare the organization's financial statements.'