



高校专门用途英语 (ESP) 系列教材

CASE STUDY

for Business Administration English

工商管理英语案例教程

钟凌 编著

清华大学出版社



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内 容 简 介

本教程理论结合实际,从企业与市场、财务金融、企业管理等多个角度选择案例,编制情景,设计课内外语言活动,以帮助工商管理英语学习者充分利用语境,通过大量实训,逐步提高工商管理中的英语口语、笔头交际能力和技巧。本教程内容可操作性强,有较高的实践价值,理论上紧扣专业基础知识,并做到语言简洁、思路清晰;案例选择上注重工商管理情景的真实性和趣味性;实训操作上强调实用性、互动性和新颖性。

本教程分为四大模块(模块一:商务基本理念;模块二:市场与营销;模块三:财务金融;模块四:商务管理),共16个单元。每一单元都包含理论简介、两个实践案例和补充阅读三个部分。

本教程可作为高等院校学生专门用途英语教程,也可用作相关职业培训专用教材。

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Preface

This book is an attempt to introduce the basic knowledge of business and administration to Business English majors in university. It intends to give a concise but fairly well-rounded overview of present day business society, not only a theoretical picture, but practice in business situations by studying cases.

Nearly all aspects of business administration are presented through brief theoretical introduction; and more importantly, rich cases are applied to provide learners with chances to use the basic theories, concepts and terms. All the cases are collected and carefully chosen from various sources, like classic business course books, magazines, newspapers, and so on. These cases can give non-economy majors a concrete perspective that goes beyond the abstract description of the field. It is hoped that the book can help the readers gain a better understanding and draw their own conclusions in case study activities.

Most of the cases in this book are selected on the basis of the following criteria:

1. The suitability for proving the proper background and problems related to the topic of each unit or some aspects of the topic.
2. The appeal to the non-economy major learners. These cases should be authoritative and reliable, neither too complicated nor too elementary. The content should be of interest to most learners.
3. The linguistic quality and degree of difficulty. These cases are intended for university students majoring in Business



English, other college students with a fairly good command of English, and the general readers who are interested in business administration and with fairly good comprehension of the language.

Moreover, to provide adequate resources for learners in case study activities, additional reading materials are prepared as the last part of each unit.

Obviously no book can give a completely comprehensive picture of such a complex topic. Many may disagree with our choice of topics, may complain we have left out some important ones, or may say we have made unwise judgment in case selection. We must admit that, restricted by the limited amount of materials to choose from, this book is far from satisfactory even in our own view. So, we welcome suggestions and criticisms from specialists, experts, and our readers. In spite of all its shortcomings, if the book could provide any help to the learners to gain some insight into and understanding of the business and administration world and to stimulate the learners to go further and study more, then in a modest way this book would have accomplished much of its intention.

Zhong Ling

May, 2016



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Part 1

Basic Concepts in Business



**Unit 1****Business and Business Regulations****I Function, Environment, and Social Responsibility of Business****1 Functions of Business**

Business is originally an organized process or approach used by individuals to make profit by providing goods and services to other individuals. From modern economic view, this process, in turn, helps raise a nation's standard of living, primarily because it leads to increased production.

Standard of living is a term we use when we talk about how well off the people of a particular nation are. Often it is measured by dividing total production by population. The reasoning behind this method of calculation is simply that if production is high and/or population is low, there are more goods and services available to everyone. Today the nations of the world can be divided into two broad categories: those that have a high rate of productivity and those that have a low rate, in relation to their populations. As a result, there are "have" and "have-not" nations. The U.S. is one of "have" nations because when its production is divided by its population, it ends up with a lot of "good things in life." While the standard of living in China has not reached the level of the "have" nations yet, because its population is several times larger yet its production is less than that of the U.S. Of course, business can do very little to directly increase or decrease a country's population. However, they can work to increase the production of goods and services, for example, by making

available to consumers more air conditioners, refrigerators, and television sets at prices low enough for people to afford. As this happens, the overall standard of living increases.

Why do some countries have low standards of living while others have high ones? One answer is found in the factors of production a country possesses and what it does with them. In all, there are four factors of production: land, labor, capital, and technology.

Land refers to both geographic territory and natural resources. Labor refers to the people who produce the goods and services. Capital refers to the money and physical labor-saving devices that help people do their work better and faster. Technology refers to the application of knowledge to production.

The success of a country's economy and the living standard level of its people depend largely on how it is able to use these factors of production wisely.

2 Business Environment

All businesses are operating in a certain environment. This environment is made up of many smaller environments.

There is the historical environment. By studying what has already happened, business can be in a better position to forecast and prepare for the future, anticipate new developments and plan for them. For example, American business development experienced the following three stages:

- Private ownership free from government control, i.e. laissez-faire capitalism;
- Machines replacing men, i.e. industrialization;
- Government legislation to regulate business, i.e. modified capitalism.

While Chinese business in the past thirty or more years has transformed from government planning to market adjusting.

There is the natural-physical environment, which consists of all our



physical resources. All our resources, including air, water, iron ore, oil, silver, and copper, etc., are depleting and irreplaceable. Therefore, these resources must be used wisely.

There is the political-legal environment, which mainly consists of the laws the government has enacted over the past hundred years to regulate business. It is also made up of the relationship that exists between business and government. Laws and regulations restrict business activities, and political happenings influence business, for instance, the impact of government purchase on suppliers, competitors, and customers.

There is the social-cultural environment, which is made up of the beliefs, attitudes, and customs of everyone in the society. Though over the past hundred years these have changed dramatically and resulted in completely new challenges to business, business has to coordinate its objectives with the values and beliefs of the society in which it runs.

Finally and most importantly, there is the economic environment, which consists of customers and competitors. Moreover, it is an environment related with the factors of buyers, sellers and competitors, in which business sells products and services to customers. This environment is of more concern to business than any other. For this reason, managers need a working knowledge of economics.

Economics is the allocation of scarce resources for the purpose of fulfilling the society's needs. For every business firm the greatest concern is how economic conditions will affect it directly. This interest can only be satisfied through an analysis of the overall economy as well as a review of the specific situation within the particular industry or market where the firm does business.

The most common indicator in judging the overall economy is GNP (Gross National Product). GNP is the total value of all goods and services produced in an economy in one year. In arriving at this total value, it is common to use an expenditures-equal-income approach. All money spent

on goods and services must have been received by others as income. Since this GNP equation is made up of a number of different parts, it is possible to analyze and sometimes predict the overall economy on the basis of what is happening in each part. Yet these estimates can be wrong, for the economy tends to run in cycles. During the current decade, for example, we have had quite a time with stagnant economic growth and inflation, known as stagflation. This is a big change from the solid economic growth we have witnessed in the past thirty years.

While business is concerned with the overall economy, it is more interested in what is happening internally. This knowledge requires an analysis of consumer demand, production costs, and pricing. It calls for an understanding of specific industry conditions and competitiveness. In all, there are four basic types of industry market models: pure monopoly, oligopoly, monopolistic competition, and pure competition, each having its own characteristics.

Therefore, business environment refers to those social factors that surround and affect business operation and to which businesses have to adjust. For example, government laws, bills or actions; price changes; new products; workers' requirements for better wages, and so on.

3 Social Responsibility of Business

Social responsibility is the obligation business has to assume for the welfare of the society in which it operates. This responsibility extends to a number of important groups, including owners, customers, creditors, employees, the government, and the community. At the present time the social responsibility of business can be categorized into three main areas: equal opportunity, ecology, and consumerism.

Why is business involved in this social responsibility area? There are several reasons, which relate to changing personal values, enlightened self-interest, managerial know-how, and government legislation. Each



of these is a sufficient reason alone, but together they create a great willingness on the part of business to do its part in helping the society. As a result, there are many business programs today for providing equal opportunity, including minority hiring programs, support for minority capitalism, and the hiring, training, and promoting of female employees. There are also programs for protecting the environment by fighting air, water, and noise pollution. Finally, there are programs to ensure consumer protection by providing information and product safety. The development of these programs illustrates that business is not only aware of its social responsibility but also meets the challenge with positive action.

Business has to undertake moral obligation for the welfare of the society in which it survives. While social responsibilities of different businesses may differ, traditionally most businesses are mainly obligated to the following six subjects (See Figure 1-1).

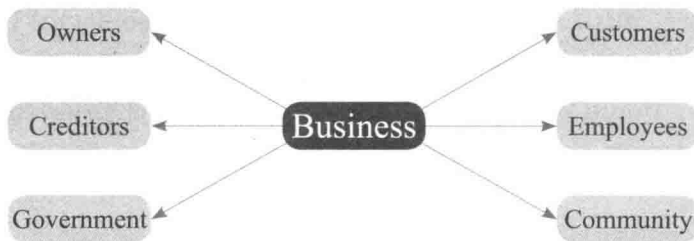


Figure 1-1 Six Main Business Obligation Subjects

II Business Forms

When an individual decides to go into business for himself or herself, an evaluation must be made of the various possible forms of ownership. These forms are generally categorized into three types: sole proprietorship, partnership, and corporation.

1 Sole Proprietorship

Sole proprietorship, owned and controlled by one individual, is the easiest form of ownership to start or to dissolve. Some of its common advantages include the fact that the owner gets to keep all the profits, has the freedom of deciding what he or she wants to do, can keep the operations very secretive, and often derives a good deal of personal satisfaction from business successes. However, the downside is that sole proprietors must assume unlimited liability for all obligations. Other disadvantages are that the size to which proprietorships can grow and the life of the business are both limited. The advantages and disadvantages of sole proprietorship can be summed up as follows:

Advantages:

- Less financial burden: no profit sharing/low tax/higher credit standing, etc.;
- Less restrictions in management: quick decision-making/easy to set up and manage/more free time, etc.;
- More privacy and secrecy in: sales/profit margins/production process/financial status, etc.;
- More personal satisfaction: operating in one's own way/being one's own boss, etc.

Disadvantages:

- Unlimited liability: risking all the proprietor's personal possessions for debts owners/creditors;
- Limited size: limited in financial sources/limited managerial skills/with few to share workloads and ideas, etc.;
- Limited life: life span of the owner/potential bankruptcy.

2 Partnership

A partnership consists of two or more people as co-owners who get



together to operate a business for profit. The most common type of partner is the general partner, who has unlimited liabilities. However, there are other types as well, including limited partner, silent partner, secret partner, dormant partner, and the nominal partner.

Descriptions of responsibility for each kind of partner are as follows:

- General partner: unlimited liability (risk all his or their assets); playing an active role in the firm's operation; assuming ultimate responsibility for all the firm's obligations; empowered with the right of entering into contracts in the name of the business. There is at least one general partner in such a business.

- Limited partner: limited liability (only risk his own or the partner's investment); playing no active role in the operation of the business; having no right to enter into contracts.

- Silent partner: known by the public as an owner of the business but playing no active role in managing the operation; having no voice in operational matters.

- Secret partner: playing an active role in running the business, but not known as a partner by the general public.

- Dormant partner: playing no active role in running the firm, and not known as a partner by the general public.

- Nominal partner: lending name to the enterprise but investing no money in the business and playing no role in business administration.

In contrast to the sole proprietorship, the partnership form of ownership offers the partners a better chance to raise capital and credit and to improve their decision-making by having two or more people thinking through business problems. In addition, there is the possibility for expansion and growth with few problems about the legal status of the partners, because these issues have now virtually all been resolved by the courts. On the other hand, all the partners except those with limited