

COLLIER MACMILLAN

SPECIAL ENGLISH FOR

BUSINESS

SHARON ABRAMS/HUGH G. WALES

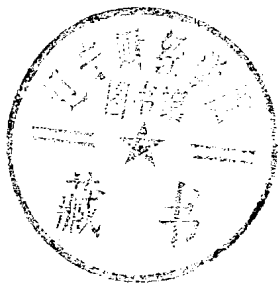




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SHARON ABRAMS
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LESSON



A Sole Proprietorship

DIALOGUE

John: Hi, Carol. How are you?

Carol: Fine, thanks, John. How are you?

John: Fine. It's good to see you.

Carol: You, too. I'm glad you have time to talk today.

John: Sure.

Carol: I'd like some advice.

John: Well, I'd be happy to help in any way I can.

Carol: You know, I've been designing clothes for quite a while and I've always been interested in fashion. I'm thinking of starting my own business—a boutique.

John: I think you might have a good idea.

Carol: Well, I need to learn about the responsibilities of going into business.

John: Are you going into this business by yourself?

Carol: Yes. I'd like to have a company with my name on it, where I make the decisions and where I control the profits.

John: You seem determined, so I'll try to help you. If you go into business alone, it's called a sole proprietorship. In this case, you probably won't even need a lawyer to form the business. You can start or stop the business whenever you like.

Carol: That's good. What other encouraging things can you tell me?

DEDICATION

A great many people contributed their time, knowledge, and support to the making of this book. In a professional context, many thanks are due to my co-author, Dr. H. G. Wales; to the editors at Macmillan Educational Corporation; to the students and staff of the English Language Program of Roosevelt University; and to the typists, Gunde Green and Robin Erlich.

In a more personal vein, I want to express deep thanks and appreciation to my family and all my friends. It was through your encouragement, patience, and supportiveness that this book became a reality. It is dedicated to you.

Sharon Abrams

I would like to acknowledge, with grateful appreciation, the invaluable contributions of Charles E. Bever, Managing Editor of *The Monroe (Louisiana) News-Star*, Prof. Lyndon E. Dawson, Jr., Edward W. Cade, and of my wife, Mary.

Hugh G. Wales
Emeritus Professor
University of Illinois

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Carol: That's good. What other encouraging things can you tell me?

- John:** You don't have to consult partners or a board of directors, so you can put your policies into effect quickly. You decide on your vacation, hours, salary, hiring and firing.
- Carol:** It sounds good.
- John:** Wait a minute. I feel I have to tell you about some of the risks involved, too.
- Carol:** What kinds of risks?
- John:** The most important risk to remember is that you have unlimited liability. This means that you are responsible for all your business debts.
- Carol:** Does that mean that I have to declare personal bankruptcy if the business fails?
- John:** Exactly. You could lose personal assets.
- Carol:** It sounds frightening. What else should I know?
- John:** You won't get some of the tax benefits other types of business get. Do you have financing? That's usually difficult for a small business to get.
- Carol:** Yes, I know. Fortunately, that's taken care of. By the way, do you know of a good accountant to do my taxes?
- John:** Sure. You'll also have to hire a bookkeeper unless you think you can do your books yourself.
- Carol:** I'm not sure about that yet. I have to think about it. What else, John?
- John:** Well, before we get into other things, why don't we have a cup of coffee?
- Carol:** As usual, you have good advice, John.

EXERCISE 1: STRUCTURAL PRACTICE

Notice this sentence from the conversation:

I'm thinking of starting my own business.

Use this structure to respond to the following cues:

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LESSON



A Sole Proprietorship

DIALOGUE

- John:** Hi, Carol. How are you?
- Carol:** Fine, thanks, John. How are you?
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- John:** Well, before we get into other things, why don't we have a cup of coffee?
- Carol:** As usual, you have good advice, John.

EXERCISE 1: STRUCTURAL PRACTICE

Notice this sentence from the conversation:

I'm thinking of starting my own business.

Use this structure to respond to the following cues:

Example: start my own business

I'm *thinking of* starting my own business.

- | | |
|--------------------|------------------------|
| 1. open a boutique | 5. hire an employee |
| 2. call a lawyer | 6. file for bankruptcy |
| 3. pay my taxes | 7. manage it myself |
| 4. sell my shop | 8. fire my accountant |

EXERCISE 2: SUBSTITUTION DRILL

STATEMENT: *There are several advantages to having a sole proprietorship.*

Example: *many*

There are *many* advantages to having a sole proprietorship.

(Note that you will always be substituting for a different word in the sentence.)

- | | |
|------------------|-------------------|
| 1. owning | 5. a new business |
| 2. disadvantages | 6. boutique |
| 3. starting | 7. will be |
| 4. in | 8. a lot of |

EXERCISE 3: FURTHER PRACTICE

Notice this sentence:

I'm going to have a bookkeeper do the books.

Use this structure to respond to the following cues:

Example: A bookkeeper will do the books.

I'm going to have a bookkeeper do the books.

1. An accountant will prepare the tax report.
2. John will give me advice.
3. A lawyer will do this work.
4. A secretary will mail the letters.
5. A friend will finance the business.
6. A salesperson will sell the clothes.
7. A decorator will design the shop.

READING

A business may be privately owned in three important forms. These are the sole proprietorship, the partnership and the corporation. The sole proprietorship is the most common in American business. More than 80 per cent of all businesses in the United States are sole proprietorships.

Sole proprietorships, however, do not do the greatest volume of business. They account for less than 16 per cent of all business receipts. What kind of business is likely to be a sole proprietorship? These small businesses are very often service industries such as laundromats, beauty shops, repair shops and restaurants.

COMPREHENSION QUESTIONS

1. What are three ways that a business can be privately owned?
2. What form do most American businesses have?
3. What form do most businesses in your native country have?
4. Do sole proprietorships make the most money—that is, do they have the greatest volume of business?
5. List some businesses that are likely to be sole proprietorships. Why?
6. List some businesses that are not likely to be sole proprietorships. Why?

VOCABULARY PRACTICE

From the words listed below, select a word to fit each blank space in the sentences. Use each word only once.

corporations	account for	service	receipts
forms	privately	business	

1. A sole proprietorship is very often a small _____ that deals in a service.

2. The _____ industries do not manufacture products.
3. Eighty-four per cent of all business _____ are not from sole proprietorships.
4. Less than 20 per cent of American businesses are partnerships or _____.
5. Sole proprietorships _____ only a small part of all business transactions.
6. Our bank is not publicly owned; it is _____ owned.
7. There are three important _____ of business ownership.





LESSON

2

Partnerships

DIALOGUE

(Two friends, Martin and Barbara, are having lunch together in a restaurant.)

Martin: Well, it's been a long time, Barbara. What have you been doing?

Barbara: I've been pretty busy. You know, I went into business with my friend, Jean.

Martin: Oh, yes. How's it going?

Barbara: Pretty well. We get along quite well and the shop is beginning to attract more customers.

Martin: Good. Are you two a partnership?

Barbara: Yes. I'm very pleased about it. We seem to have the right combination. Jean's background is in accounting. She's the one who's good at keeping the books and ordering stock.

Martin: And you?

Barbara: Well, you know, I've always liked talking a lot—I guess I'm rather good with customers. I enjoy selling.

Martin: Sounds interesting. I guess it's not too risky a business.

Barbara: We haven't had any problems, although I suppose all business can be risky. Being partners, we're both liable.

Martin: Did you both put the same amount of money into the business? Or do you mind my asking?

- Barbara:** To tell you the truth, we didn't invest the same amount of capital. But we've combined our resources very well, I think. It seems to be a good deal for both of us.
- Martin:** It sounds like it. That is one advantage of a general partnership. One partner can invest less capital than the other—in fact, no money at all—but a partner can contribute important services or skills, sometimes just a name or reputation.
- Barbara:** Exactly.
- Martin:** What kind of arrangement do you have for distribution of profits and losses?
- Barbara:** They're equally shared. We hope to be in business for a long time.
- Martin:** Good for you. You've really become very knowledgeable about business.
- Barbara:** Believe me, I'm still learning. The subject becomes quite technical.
- Martin:** But I'm glad to hear you're doing so well. Next time, you'll take me to lunch.

EXERCISE 1: STRUCTURAL PRACTICE

Notice this sentence:

Jean is the woman who keeps the books.

Use this structure to respond to the following cues:

Example: Jean is a woman. She keeps the books.

Jean is the woman *who* keeps the books.

(Note the shift from *a* to *the* with singular nouns.)

1. Jean is a woman. She used to be in accounting.
2. Barbara is a woman. She is Jean's partner.
3. Barbara and Jean are friends. They run a shop.
4. Martin is a friend. He had lunch with Barbara.
5. Barbara is a partner. She is good at selling.
6. Jean is a partner. She is good at ordering stock.
7. Barbara and Jean are partners. They have the right combination.
8. Partners are people. They share unlimited joint liability.



EXERCISE 2: SUBSTITUTION DRILL

STATEMENT: *One partner can invest less capital than another.*

Example: *cash*

One partner can invest less *cash* than another.

- | | |
|--------------|------------|
| 1. money | 5. person |
| 2. put in | 6. may |
| 3. the other | 7. receive |
| 4. more | 8. time |