

(英文版)

当代商务基础知识

——商务英语考试必读

Basics of Modern Business

— A Supplementary Reading for BE Examinees

安秉哲 编著



考试必读



经济科学出版社
Economic Science Press

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前言

在各种国际性英语水平考试中，中国考生表现得并不特别差，比如 2008 年雅思 (IELTS) 中国考生平均分数为 5.46 (全球平均成绩为 5.93)。与此相比，中国的商务英语考试通过率却显得特别尴尬。据剑桥大学 ESOL 考试委员会发布的商务英语成绩报告，2008 年全球商务英语考试平均通过率是 89%，而中国考区平均通过率只有 39.5%。为什么中国商务英语考试通过率大大低于世界平均水平？

从考生构成中也许我们能找到原因。国外的商务英语考生多数以商务白领为主，多数人具有一定的商务知识和经验。而中国考生却与之相反，约 80% 以上为在校大学生，主要目的是为了拿一份商务英语“证书”去找一份理想的工作。要考好商务英语考试需要商务工作经验和商务知识，单一的应试技巧和背诵词汇不足以解决所有考试所设计的商务问题。多数西方发达国家的考生在中学阶段就受到商务知识方面的教育或参与商务方面的实践活动，而多数中国考生在中学以及在大学都没有机会受到商务方面的基础知识教育，缺乏实践经验。这给他们带来很大的困惑，因此在商务英语考试中表现得极差。

商务英语考试是一种实用性很强的考试。商务英语考生不仅要掌握语言知识，还要掌握基本的商务知识。掌握商务知识并不仅仅意味着掌握商务词汇，而是考生应该具有对商务体系、商务机理、商务规范、商务惯例和商务文化较全面地理解和正确解释商务现象的综合能力。由于目前师资和教材等原因，商务英语教学往往把“教和学”的重点放在商务英语的词汇上。很多考生认为多背诵商务词汇就是通过商务英语考试的法宝，这是一个误区。问题绝不是简单地死背商务词汇就能解决的。对于商务英语考生来说，比如，不但要知道 **profit** 这个词在商务英语中指的是利润，而且还要知道利润的构成，有哪些因素影响利润，还有具体是税前还是税后利润，它们的性质区别是什么等商务词汇的延伸含义。不然的话我们很难听懂或看懂公司经理们讨论分析公司经营状况的话题。

因此，解决中国学生商务英语考试成绩低下问题的唯一而且最有效的方法是对他们进行商务基础知识教育。《当代商务基础知识》(英文版)一书的出版目的首先是为了满足那些没有商务背景或经验的商务英语考试考生的需求。

本书的作者从事大学英语(含商务英语)教学工作 20 多年，曾多年在一家

国外跨国公司担任过经理工作，并在国内担任过一家企业的董事长职务，具有丰富的当代商务经验和知识。由于在大学多年担任过商务英语考试指导课程教学，同时非常了解商务和商务英语教学，作者知道这本书的读者需要什么，知道这本书应该包括哪些内容。本书有以下特点：（1）以通俗易懂的英语系统介绍当代商务基础知识；（2）所涉及的商务基础知识面广，基本上覆盖当代的商务活动和概念，包括最新的商务概念，如“物联网”、“生态足迹”、“碳贸易”、“团购网”等；（3）汇总了在本书中出现的 1466 个常用商务关键词汇（Glossary）和 97 个常用缩略语（Abbreviations），并附有相应的中文，便于读者掌握商务英语关键词汇。这些关键词汇和缩略语都是名词，基本上折射出当代商务概念和基本知识。

本书不教读者怎样进行商务活动，而是告诉读者应该知道哪些基本的商务知识。本书适合具有大学英语四级以上水平的读者使用。本书的读者群是：（1）具有大学英语四级水平以上，但没有商务经验的商务英语考试考生；（2）大学经济、管理及国际贸易专业的学生；（3）从事涉外商务活动的白领阶层。

由于笔者水平有限，书中不当之处恳请广大读者不吝赐教。

安秉哲

于哈尔滨工业大学 2011 年 7 月

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Chapter One

Business Entity

1.1 Company and Company Registration

Business and company

Business in general is a process or activity of providing goods or services to consumers in return for money through organized **business entities** called companies or firms. The primary purpose of business is typically to earn profit that will increase the wealth of business owners and in turn grow the business itself.

The word origin of “business” refers to the state of being busy doing profitable work as a company or an individual. The term “business” has several meanings depending on the context. The singular form “business” refers to (1) a particular company or corporation, or (2) a particular market sector, such as the “retail business”, or (3) all commercial activities involved in selling and buying goods and services.

Company (also called **corporation**, **enterprise** or **firm**) is a form of business organization, which is an artificially created person by law. In other words, a registered company is a separate **legal entity** governed by laws of a country.

Company registration

If you want to produce a product, or to open up a restaurant or to do whatever to make a profit, you must set up a company and have it registered legally in the local government agencies, for example **Companies House** in the United Kingdom and **Bureau of Industrial and Business Administration** in China. The governing law regarding registration of companies in the UK is the **Companies Acts** (corporate law) and in China it is **The Company Law of the People’s Republic of China**. The process of setting up a

company is called **company formation** or **registration**. Registration of a new company is a must for the purpose of **taxation** and **industry regulation** by the government.

When registering a company you are legally required to have a fixed location to register your company and to operate your business. The location can be an office building or buildings with any surrounding land called **premises**. Luxurious office buildings in a **CBD (central business district)** in a city stand for the status of companies to some extent and therefore they attract big companies that can afford expensive rents. Of course the elements of **infrastructure** such as **transportation, communication system, power cost, parking facilities**, banks in the district are taken into consideration when choosing business locations. The common practice is to rent or buy an office or a building. If you buy the premise, you make a long term investment in the **real estate**.

If you want to go into some specialized businesses, you are also required to have special **licenses** under special laws that govern your entry into certain **trades, occupations** or **professions**. Some examples of professions that require special licenses are law, medicine, airplane flying, radio broadcasting, selling liquor, selling **investment securities**, selling used cars, civil engineering, etc. These specialized businesses may require special education or training or sometimes formal tests for the license applicant. The **business practices** of some companies are subject to ongoing special regulations of the government, such as **environmental regulations**, which can impact many kinds of businesses.

Most of the application work is done electronically these days and it takes only several minutes. After completing the application and being officially approved, you will be given a **Certificate of Incorporation**. Only with this certificate you can start your business legally. After the registration you are also required to open an official bank account for the company, through which your business transactions are paid and taxed. This bank account is constantly monitored by the **government tax agencies**.

Business incubators and technology parks

If you want to start a **high-tech venture company** and you do not have enough money, you may apply for admission to a **business incubator**. Business incubators are programs usually designed by a government to accelerate the successful development of small start-up **entrepreneurial companies** through providing **business resources** and services. Although most incubators provide office space and **shared administrative services**, the core of incubation program is the services it provides to start-up companies.

Incubators are different from **technology parks**. Technology parks, on the other hand, tend to house large-scale projects. Most technology parks do not offer business assistance services, but many technology parks also house incubation programs. A technology park is different from **industrial park** in that the industrial park is an area zoned and planned for the purpose of industrial development. Industrial parks are usually located outside the main residential area of a city.

1.2 Company Names and Ownership

When you register a company, you must decide what type of company you will register. Actually there are many different types of companies in the world. You may have noticed that companies usually have names like **Ltd.**, **Inc.**, **plc**, or **Pty Ltd.** at the end of their company names. These abbreviations mean something about ownership of a company. Here are some common forms of companies.

Sole proprietorship

Sole proprietorship (**sole trader** or **proprietorship**) is the quickest and easiest way to register if you want to start a small business because it neither demands you to go through many complicated official formalities, nor does it cost you much. However, you are required to obtain an **occupancy permit** for your place of business and apply for a business license and a registration number for your operation. This registration number is used by the government tax agency to collect sales tax and monitor your business practice.

The registration procedure is very simple and you do not need the assistance of a **solicitor** (**attorney**) or an **accountant**. Once you start a sole proprietorship, you are the sole owner and you alone have full control and responsibility for the operation of your business. This means that you have personal **liability of the debts** incurred by the business. In this case you have the obligation to pay back your debts even if you have to sell off your **private assets**. In this sense you are a “sole” without partners and you have **unlimited liability**. Another disadvantage is that you will likely have a hard time raising **capital** since you have to take all needed funds out of your own pocket. When your business becomes successful, risks accompanying the business tend to grow. To minimize the risks, you have the option of forming a corporation. However some people pre-

fer the sole proprietorship simply because it is simple and easy to set up and manage, and simply because they want to be bosses of their own.

Partnership

Suppose you have several friends and you are all interested in running together a business. Then a **partnership** may be one of choices you may make. In the form of partnership, each partner has personal liability of the debts incurred by the business. When registering a partnership, you are required to have a detailed partnership agreement drafted, in which you are best advised to spell out the following:

- The amount of money each partner is expected to invest
- The rights and duties of the partners
- The method for sharing profits and losses
- The authorization for **cash withdrawals** and salaries
- The methods for resolving disputes
- The methods for taking in new partners
- The method for dividing the assets in case of the **separation**

Corporation

The form of **corporation** is one of great inventions of human beings in business. In modern market economy, corporations have become an increasingly dominant part of economic life of a country.

A corporation is usually a **limited liability business entity**, which is called a **limited company** (Ltd). This is the most common form of company. A limited company is a corporation with **shareholders** whose liability is limited by **shares**. “Limited by shares” means that you as one of shareholders are only responsible for the liability to the amount of capital you originally invested and on the other hand you also have a limited right to the amount of profit the corporation earns. For example, if you invest \$ 100, you can lose no more than \$ 100, but you have a limited right of only \$ 100 proportion of the profits which the company creates. Your personal assets are thereby protected in the event of the company’s **bankruptcy (insolvency)**, but you will only lose the money you invested in the company.

The majority of corporations are **privately-owned** while there are still some **state-owned corporations**. Corporations can be organized for profit or non-profit, but their common feature is that they are owned by multiple shareholders and overseen by a **board of directors**. A private limited company is not required to open up itself to the public and its shares are usually not offered to the general public, while a **public limited company** (plc) is legally required to disclose its management to the public and the shares are offered to be traded on a public **stock exchange**.

The greatest merit of setting up a public limited company is that you can easily raise the capital needed for your business operation through the stock exchange market. Another merit is that in theory a corporation can continue its operation indefinitely. In other words its existence may not be affected by the death of shareholders or directors of the corporation. **Ownership** in a corporation is also easily transferable to others, either in whole or in part. Business regulations or laws in some local governments are particularly favorable for this purpose. For example, in some places you are not required to be filed to transfer your ownership in a corporation and in some places corporations are taxed at a lower rate than other forms of business entities.

1.3 Other Special Forms of Companies

Holding company

Holding company (also known as **parent company**) usually refers to a company which does not produce goods or services itself, but its main purpose is to control another company or other companies through owning shares in it or in them. Holding companies can make business operations less risky for the owners and can own and control many other companies. Often you can find that holding companies have the word “Holdings” in their company names, such as in Tsinghua Holdings Co. Ltd. and Temasek Holdings.

Parent company and subsidiary

Parent company is a company that owns enough **common stock** (**ordinary shares**) in another company, which is called a **subsidiary**. The parent company controls management and operations of its subsidiary by influencing or electing its board of

directors. A parent company can also be a company that wholly owns another company, which can be called a “wholly owned subsidiary.”

A parent company does not have to be the larger or more powerful than its subsidiaries. It all depends that the parent company may be smaller than a subsidiary, or the parent company may be larger than its subsidiary. The parent and the subsidiary may not operate the same businesses in the same locations. Although a subsidiary company is genetically related to its parent company, the parent and subsidiary are legally separate entities. Therefore it is possible for one of them to be involved in legal proceedings or bankruptcy while the other is not.

Shell company

A **shell company** (also known as **paper company**, **front company**, **mailbox company**) usually does not have any significant assets or business operations of its own, but it serves as an “entity” for business **transactions**. Shell companies are usually registered officially and appear to have legitimate business purposes. However, they are often considered to be a main part of the **underground economy**, especially those based in **tax havens**, where certain taxes are levied at a low rate or not at all. Most shell companies disguise their true profits to avoid taxes by selling and buying in tax havens where they base. In the international operations shell companies in foreign territories do not report to its home country the sums involved in business transactions, thus avoiding taxes.

Dummy company

Dummy company is a company set up to serve as a front or cover for one company or companies for some purposes. It appears to be a real company with its logo, website or anything a company should have, but it does not have enough capacity to operate independently. The real purpose of a dummy company can be (1) to disguise true ownership, (2) to hide the true financial status of a company and (3) to prevent **speculators** from interfering with its management and decision making. For example, in 1987 before South Korea normalized diplomatic relations with the People's Republic of China, SAM-SUNG (one of the biggest companies in South Korea) set up a dummy company Xingjin Co. Ltd. in Hong Kong and then opened its office in Beijing to develop its business in China. The dummy company signed import and export contracts on behalf of SAMSUNG with Chinese companies until the two countries set up diplomatic relations in 1992.

Offshore company

Offshore company (also known as **non-resident company**) usually refers to a company set up outside the legal place of its original business operations, for example, a company set up offshore in a British territory such as Virgin Islands for the purpose of a Chinese citizen. It is said that there are about 700,000 registered offshore companies in the world, among which 500,000 offshore companies are registered in British Virgin Islands and about 40% of offshore companies registered in the islands are connected with China.

An offshore company must be incorporated under Offshore Company Laws and regulations of **offshore jurisdictions**. However some unlawful companies register their offshore companies simply for the purpose of taking advantage of taxation benefits because most jurisdictions do not tax individuals (or companies) who are treated as non-residents. It is also very simple and not costly (about \$300 ~ \$1,000) to register an offshore company with lesser reporting requirements than **onshore jurisdictions**. For these reasons, professionals and many self-employed individuals can gain tax benefits by working as employees of offshore companies, of which they may be the only employee or only shareholder. There are often significant advantages in using an offshore company to avoid **inheritance tax** and **capital gains tax** or to manage **money laundering**.

Liaison office

Liaison office is not a legal entity of a company. It is an office that functions as collecting and relaying information between customers and main company in other remote locations. In some places liaison offices are still required to register in the local government agency but not allowed to do business operations such as selling products or providing direct services. If you want your liaison office to do business, then you are required to register a branch company or a new company.

1.4 Industry Classifications

Classification of traditional industry

When you register a company, you are required to identify the type of business you

are going to operate. There are many types of businesses and they are classified in many different ways. The **Global Industry Classification Standard (GICS)** (developed by Morgan Stanley Capital International and Standard & Poor's) and the **Industry Classification Benchmark (ICB)** (developed by Dow Jones and FTSE) are the commonly cited two standard classification systems. Some classification examples are shown in Table 1.1.

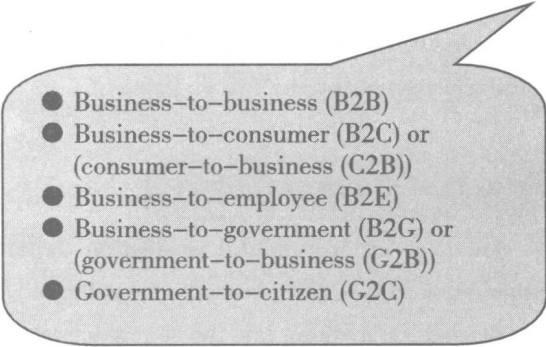
Table 1.1 Examples of Industry Classification

Classification	Main Features
Agriculture and mining	Primarily producing raw material, such as grains, plants, fishing, live stocks or minerals.
Finance	Including banks and other companies that generate profits through providing financial services.
Manufacturing	Manufacturing physical commodities such as cars or pipes.
Retailers and distributors	Generating profits from the difference between buying price and selling price. Buying goods produced by manufacturers and selling them to consumers.
Service businesses	Including consulting firms, restaurants, hotels and entertainers that generate profits by offering intangible goods or services to other businesses or consumers.
Transportation	Including airline companies and railway companies that generate profits by delivering goods or passengers from location to location.
Utilities	Generating profits by producing public services, such as heat, gas, water, electricity or sewage treatment.
Information and IT	Generating profits primarily from the sale or resale of intellectual property including books, movies, software, etc. and from providing IT services.

Classification of e-business

Electronic business (also known as **eBusiness** or **e-business**) is a newly emerged industry. Electronic business refers to the activities of applying **information and communication technologies (ICT)** in business while **electronic commerce** refers to the

activities of using ICT to sell goods or services in the market. Basically, electronic commerce is the process of buying and selling, providing services and exchanging commercial information through computer networks. Electronic commerce involves everything from selling digital products to selling conventional goods and services. E-businesses can be classified into following categories according to different relationships:

- 
- Business-to-business (B2B)
 - Business-to-consumer (B2C) or (consumer-to-business (C2B))
 - Business-to-employee (B2E)
 - Business-to-government (B2G) or (government-to-business (G2B))
 - Government-to-citizen (G2C)

Most electronic commerce involves selling physical items, such as books, DVDs, accessories and clothes. For this reason the activity of selling goods or services online is called **online retail** (sometimes known as **e-tail**) and the company that sells goods or services online is called **online retailer** (also known as an **e-tailer**). The B2B can be open to all interested parties or limited to specific pre-qualified participants. The B2C on the other hand is conducted between businesses and consumers. In B2C the sale and purchase transaction is completed electronically and interactively in real-time. If an **intermediary** (a company or an agency securing the transaction, or acting as a second **distributor**) is present, then the sale and purchase transaction is not B2C, but it is the electronic commerce. Many countries have regulations and laws governing electronic commerce, for examples, Electronic Commerce (EC Directive) Regulations 2002 in the UK and Guiding Opinions of the Ministry of Commerce on Online Trading (for Interim Implementation) in China.

1.5 Business Permits

When you start a new business, you also need to get business permits for certain industries. Without required business permits you are still not allowed to operate your business.