

# 41 Business and finance

## A Rise and fall

These verbs describe **trends** [movements] in **sales** [how much you sell], prices, etc.

When sales or prices **rise / go up / increase**, they can do it in different ways:

They can rise **slightly**. [a bit] →

They can rise **gradually**. [slowly over a long period] →

They can rise **sharply**. [quickly and by a large amount] ↗

The opposite can also happen. Prices or sales can **fall / go down / decrease** slightly, gradually or sharply. If prices don't rise *or* fall, they **stay the same**. →

We use certain prepositions to say by how much something rises or falls.

The price has risen **by** 10 pence. Sales fell **from** 8,000 units to 6,500 units.

**Rise/increase** and **fall/decrease** can also be used as nouns, with certain prepositions.

There's been a **gradual rise in** prices. We've seen a **slight increase in** profit.

There's been a **sharp fall in** sales. Profits were £5 million, which is a **decrease of** 10%.

### Language help

**Profit** is the money you receive from your business after you have paid all your costs (*opp* loss).  
*Last year the company made a profit of €2 million but this year they could make a loss.*

## B Financial language

With the **economy**<sup>1</sup> now improving, banks are reporting positive **signs**<sup>2</sup> that the number of **loans**<sup>3</sup> is increasing.

With **inflation**<sup>4</sup> expected to rise, there are **growing fears**<sup>5</sup> that **interest rates**<sup>6</sup> could go up by as much as **2%**<sup>7</sup> next year.

**Figures**<sup>8</sup> published yesterday show that **trade**<sup>9</sup> between the two countries has now risen for the fifth year **in a row**<sup>10</sup>.

Although the **value**<sup>11</sup> of the pound fell slightly against the dollar yesterday, the news that sales rose in the last **quarter**<sup>12</sup> has **raised**<sup>13</sup> hopes that we may be coming out of **recession**<sup>14</sup>.

<sup>1</sup> the system by which a country's trade, industry and money are organised

<sup>2</sup> something which shows something is happening

<sup>3</sup> money that you borrow

<sup>4</sup> the rate at which prices increase

<sup>5</sup> increasing worries

<sup>6</sup> (see language help below)

<sup>7</sup> this is spoken as *two per cent*

<sup>8</sup> an amount shown in numbers, e.g. 500

<sup>9</sup> buying and selling between countries

<sup>10</sup> one after another with no break

<sup>11</sup> the money that something can be sold for

<sup>12</sup> (in business) a period of three months

<sup>13</sup> increased; you can also **raise prices**

<sup>14</sup> a time when the economy is not successful

### Language help

**Interest** is what the bank **charges** you [asks you to pay] when you borrow money from them, and the **interest rate** is how much you must pay as a **percentage**, e.g. 5%, 8%, etc. So, if you borrow €100 for a year and the interest rate is 15% a year, you'll have to **pay back** €115.

# Exercises

## 41.1 Choose the correct word to complete the sentences.

- 1 We made a profit *(of)* for six million euros.
- 2 Sales rose *to / by* 10% last year.
- 3 The value of the shares fell *from / for* 240 pence to 225 pence.
- 4 There was a fall *of / from* 5% in the value of the shares.
- 5 There has been a gradual rise *with / in* profits.
- 6 The company made a loss two years *on / in* a row.
- 7 What's the current value *of / in* the euro?

## 41.2 Which words or phrases are being defined?

- 1 The amount of money that something can be sold for. *value*
- 2 Money you borrow from a bank for your business.
- 3 What the bank charges you when you borrow money.
- 4 The rate at which prices increase.
- 5 The money that a company receives for its goods after paying all the costs.
- 6 Buying and selling goods and services between countries.
- 7 A movement in sales, prices, etc. over a period of time.

## 41.3 Complete the two short texts, then answer each of the two questions.

- 1 If you get a bank ..... of €500 for one year and the bank ..... you 20% ....., how much will you have to ..... to the bank at the end of the year? .....
- 2 If you take out a similar amount from another bank, and the interest ..... is 15 ....., how much will you ..... at the end of the year? .....

## 41.4 Look at the graph and complete the text.

The <sup>1</sup>graph ..... shows sales  
<sup>2</sup> ..... for the last three and a half years. Three years ago sales  
<sup>3</sup> ..... slightly and reached 100,000 units by the end of the year. The company <sup>4</sup> ..... a profit of almost £500,000 and decided to  
<sup>5</sup> ..... the price from £8.95 to £10.25. It had an immediate effect: there was a <sup>6</sup> ..... <sup>7</sup> ..... in sales over the year. It was bad news, and the company made a <sup>8</sup> .....  
 And in the next year sales <sup>9</sup> ..... the same. However, in the first two <sup>10</sup> ..... of this year, they have <sup>11</sup> ..... <sup>12</sup> ..... for the first time in many years.



## 41.5

### Over to you

Can you answer these questions about your own country?

- 1 What is the inflation rate at the moment?
- 2 If you borrow money from the bank, what is the approximate interest rate you will be charged?
- 3 Do you think the economy is doing well or badly?
- 4 When was the last time your country was in recession?
- 5 What is the value of your currency against the dollar?