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## Money and financial issues

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**Exercise 1:** Complete these definitions with words or expressions from the box. In each case, the words / expressions you need are connected in some way: for example, they might have a similar meaning, they might be related to the same business issue, or they might be opposites (but often used together when talking about the same topic). You will need to use one word from the box twice.

audit	balance	bankrupt	borrow	budget	commission	compound	credit
debit	default	deflation	deposit	discount	dividend	duty	exorbitant
expenditure	fund	gross	honour	income	inflation	insolvent	interest
invoice	lend	net	overpriced	pension	rebate	receipt	redundancy pay
refund	royalty	salary	shares	simple	sponsor	statement	stocks
subsidize	tax	underwrite	venture capital	wage	withdraw	working capital	

1. If you \_\_\_\_\_ money to someone, you let someone use your money for a certain period of time. If you \_\_\_\_\_ money from someone, you take someone's money for a short time (usually paying *interest* and then *repaying* it).
2. When you \_\_\_\_\_ an account, you put money into it. When you \_\_\_\_\_ an account, you take money out of it.
3. If a company is \_\_\_\_\_, it has lost all its money. If a company is \_\_\_\_\_, it has lost all its money, it has also borrowed a lot, and it cannot pay back its *debts* (= money it owes).
4. A \_\_\_\_\_ is part of a company's profits shared out among shareholders (see number 18). A \_\_\_\_\_ is money paid to the author of a book, an actor, a rock star, etc, as a percentage of sales.
5. In the UK, \_\_\_\_\_ are one of the many equal parts into which a public company's capital is divided. \_\_\_\_\_ are similar, but are issued by the government.
6. \_\_\_\_\_ profit is the profit you make *before* money is taken away to cover costs of production, labour, tax, etc. \_\_\_\_\_ profit is the money you are left with *after* costs, taxes, etc, have been taken away (money which is taken away is called a *deduction*).
7. If you \_\_\_\_\_ money in an account, you put money into the account. If you \_\_\_\_\_ money, you take it out of your account.
8. \_\_\_\_\_ is money taken by the government from incomes, sales, etc, to pay for government services. \_\_\_\_\_ is money that has to be paid for bringing goods into a country.
9. \_\_\_\_\_ is the money you receive (for example, your *wage* or *salary*). \_\_\_\_\_ is money you spend.
10. Something which is \_\_\_\_\_ is too expensive. Something which is \_\_\_\_\_ costs much more than its true value.
11. A \_\_\_\_\_ is money that is earned on a daily or weekly basis (often for a part-time, temporary or unskilled job). A \_\_\_\_\_ is money that is earned monthly or annually (usually for a full-time, permanent or skilled job or profession).
12. An \_\_\_\_\_ is a note, or *bill*, sent to you to ask for payment for goods or services. A \_\_\_\_\_ is a note (from a shop, for example) which shows how much you have paid for something.
13. A \_\_\_\_\_ is the percentage by which a full price is reduced in a shop. A \_\_\_\_\_ is money paid back to a customer when, for example, returning something to a shop.
14. A \_\_\_\_\_ is money paid back to a customer when, for example, returning something to a shop (see number 13 above). A \_\_\_\_\_ is money that someone gets back as a result of paying too much tax or rent, etc.

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15. \_\_\_\_\_ is a state of economy where prices and wages increase (= *go up*). \_\_\_\_\_ is a reduction of economic activity (usually accompanied by a drop in prices, salaries, etc).
  16. A \_\_\_\_\_ is the money that someone continues to receive after they have retired from a job. \_\_\_\_\_ is the money that is given to someone to compensate them for losing their job when a company no longer needs them and has to dismiss them.
  17. A bank \_\_\_\_\_ is a detailed written document from a bank showing how much money has gone into and come out of a bank account. A \_\_\_\_\_ is the amount of money you have in your bank account.
  18. \_\_\_\_\_ is the percentage of sales value given to a sales person in a company. \_\_\_\_\_ is the percentage that is paid to someone for lending money.
  19. \_\_\_\_\_ interest is interest calculated on the sum of the original borrowed amount and the accrued interest. \_\_\_\_\_ interest is interest that is calculated on the amount of money borrowed and does not include the interest already earned.
  20. \_\_\_\_\_ is the money that is needed or available for running a business or organisation. \_\_\_\_\_ is the money that is needed or available for starting a business or organisation.
  21. If you \_\_\_\_\_ a plan or venture, you provide the money for it. If you \_\_\_\_\_ a plan or venture, you provide the money for it, and also assume financial responsibility for it if it fails.
  22. An \_\_\_\_\_ is an official examination of the financial records of a company, organisation or person. A \_\_\_\_\_ is the amount of money a company, organisation or person has available to spend on something.
  23. If you \_\_\_\_\_ goods or services, you pay part of the costs so that they can be sold to people at a lower price. If you \_\_\_\_\_ something (for example, an event), you pay for all or part of it.
  24. If you \_\_\_\_\_ a debt, you pay back the money you owe. If you \_\_\_\_\_ on a debt, you fail to pay the money back.

**Exercise 2:** Here are 30 two- and three-word expressions relating to business money and finance issues. In either the first, second or third word, each alternate letter has been removed. Replace the letters in each case. Use a dictionary to check the meaning of each expression.

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|--------------------------|---------------------------|
| 1. Business o_e_h_a_s    | 16. Operating _r_f_t      |
| 2. C_e_i_ risk           | 17. Interest r_t_         |
| 3. P_n_i_n plan          | 18. B_d_e_a_y constraints |
| 4. Profit m_r_i_         | 19. F_n_n_e company       |
| 5. E_c_a_g_ rate         | 20. Expense _c_o_n_       |
| 6. C_s_ flow             | 21. Return on i_v_s_m_n_  |
| 7. Credit l_m_t          | 22. Rate of r_t_r_        |
| 8. C_p_t_l gains         | 23. Real a_s_t_           |
| 9. Down p_y_e_t          | 24. D_n_m_c pricing       |
| 10. R_s_ management      | 25. Management b_y_u_     |
| 11. Money _a_n_e_i_g     | 26. Budget d_f_c_t        |
| 12. Offshore b_n_i_g     | 27. C_n_u_e_ spending     |
| 13. Foreign _u_r_n_y     | 28. l_c_m_ tax            |
| 14. V_l_e added tax      | 29. G_l_e_ handshake      |
| 15. Net _p_r_t_n_ income | 30. Price _n_e_s_t_v_     |

Also see *Earnings, rewards and benefits* on pages 13-15.