

23.1

9 marks

Draw a line from each word on the left to a word on the right to make a word pair. (There is one extra word that you don't have to use.) Then use your word pairs to complete the sentences below.

price
list
up
bottom
entry

price
cut
level
end
loss
market

- Our basic range of tennis rackets is priced at the of the market.
- For example, our racket for beginners is just £20.
- Last year, the for our most expensive model was £250.
- But after last week's it is now just £200.
- Lots of people start with one of our cheaper rackets and then move

23.2

7 marks

Choose the best word to fill each gap from the alternatives given below. Put a circle around the letter, A, B or C, of the word you choose.

Homestead is a new company selling consumer durables at low prices. The company has a policy of permanently low (1) In fact, they guarantee that all branded products will be at least 10% less than the recommended (2) price. For example, a washing machine listed at £380 is on sale at £320. That's a (3) of over 15%. Competitors are angry that the company is using loss (4) to attract customers. A spokesperson for Homestead admitted that some products were being sold at a (5) but argued that this is standard business practice. 'They just don't like the fact that we are (6) them,' he added. Is this the start of a price (7) ?

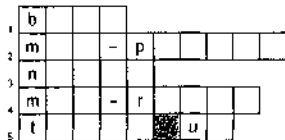
- | | | |
|------------------|---------------|---------------|
| 1 A charging | B pricing | C trading |
| 2 A retail | B sale | C cost |
| 3 A charge | B profit | C discount |
| 4 A dealers | B leaders | C traders |
| 5 A loser | B lost | C loss |
| 6 A undercutting | B discounting | C overpricing |
| 7 A hike | B war | C tag |

23.3

5 marks

Find the answer to each clue. One or two letters are given in each case.

- When prices are rising quickly: a price
- Not cheap and not expensive
- Small, specialized market
- Goods between basic and sophisticated
- Buy a better model than the one you have



Your score

/22

24.1
8 marks

Find the word from the list below that *best* fits each statement. Write the letter of your chosen answer next to the statement. There is one extra word that you don't have to use.

1 We buy large quantities of wine directly from the producers and sell to shops and restaurants.	
2 We have a small shop selling newspapers, magazines, sweets and cigarettes.	
3 We opened in Chicago in 1952. We sell coffee, sodas and pastries. And, of course, medicines!	
4 I own the Pizza Express restaurant in our town. I get a lot of help from the parent company.	
5 It is a huge shop and it sells everything – food, clothes, furniture, plants, everything.	
6 We sent out 200,000 letters to car owners last week promoting our new insurance service.	
7 We phone people between 6 and 8 in the evening trying to sell them home security products.	
8 Most big towns in England have a shopping centre but the idea came from the US.	

A telemarketing B mail C discounter D hypermarket E drugstore
F mailshot G wholesaler H retailer I franchise

24.2
10 marks

Draw a line from each word on the left to a word on the right to make a word pair. (There is one extra word that you don't have to use.) Then use your word pairs to complete the sentences below.

chain
deep
direct
cold
call

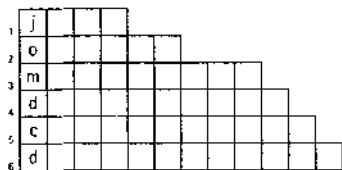
marketing
centre
calls
store
precinct
discounters

- 1 Mailshots, telemarketing and door-to-door selling are all part of
- 2 We have about 150 telesales people in our in Dublin.
- 3 We use to find new customers but most people don't like being approached by companies that they don't know.
- 4 The bigger supermarkets don't like because they offer very low prices.
- 5 The 'Body Shop' is a with branches throughout the UK.

24.3
6 marks

Find the answer to each clue. The first letter is given in each case.

- 1 Disapproving term for direct mail: mail
- 2 A shop can also be called a retail
- 3 Disapproving term for wholesalers
- 4 Type of store that sells a wide range of goods
- 5 Local shop that's open long hours: store
- 6 Wholesalers and retailers are



Your score

24

25.1
marks

Complete each sentence by writing in the gap the correct form of the verb given in brackets ().

- I work for a large agency. (advertise)
- We have placed a full-page display in every national newspaper. (advertise)
- Product is very effective if you use a really big sports star. (endorse)
- This year we will spend about 2 million dollars on (sponsor)
- The of our new product range starts next week. (promote)
- The first prize in our is a week's holiday in Spain. (compete)

25.2
marks

Draw a line from each word on the left to a word on the right to make a word pair. (There is one extra word that you don't have to use.) Then use your word pairs to complete the sentences below.

sales
special
free
loyalty
cross

samples
offer
product
territory
promotion
card

- We sent of our new shampoo to 100,000 homes for people to try.
- When a customer shows her she gets a 2% discount.
- We use so, for example, if you buy our toothpaste you get a special deal on our toothbrushes.
- My covers the north of England and Scotland.
- The on this product range ends on the first of September.

25.3
marks

Choose the best word from the brackets () to fill the gap.

- I think that a TV commercial is the best advertising (place/medium/agency)
- Our magazine offers readers a free every month. (prize/discount/gift)
- We value the men and women of our (salesmen/salespeople/sales force)
- I'm running the advertising for the launch of our new model.
(campaign/endorsement/promotion)
- I'm Sally Forbes and I'm manager for Iceberg Frozen Foods.
(sells/sales/selling)
- Most of the who use our newspaper are small, local businesses.
(advertisers/adverts/advertising)

score
/22

26.1
10 marks

Choose the best word to fill each gap from the alternatives given in the box below. There are some words that you don't have to use.

I'm Justin and I run a chain of bookshops specializing in old and rare books. Last year we started an e- (1) operation. It's been very successful. We have about 4,000 unique (2) and last month our home page had over 15,000 (3) Visitors use the site's search (4) to look for book titles or authors. They add items to their shopping (5) and, when they've finished, they pay (6) using a credit card. We send the books out by post so we don't have any (7) mile problems like some companies. Since we started (8) we've had more customers in our traditional (9)-and-mortar shops. People see our site while they are (10) the web and that persuades them to come along.

hits	cart	page	engine	securely	e-tailing	surfing
users	clicks	bricks	first	last	commerce	procurement

26.2
6 marks

In each sentence, there is *one* word which is *wrong*. Circle the mistake and write the correct word at the end of the line.

- E-port is the country's latest Internet serving provider.
- It gives free Internet excess to registered users.
- You can open an accountant by visiting E-port's website.
- The first thing to do is to get your user word from the ISP.
- Then you enter a secret passport so that only you can log on.
- Now you can explore the World Wild Web at any time.

26.3
9 marks

- a) Complete the meaning of each abbreviation.
b) Decide whether each statement is about B2C, B2B or B2G. Tick (✓) the right box.

B2C: business to B2B: business to
B2G: business to

	B2C	B2B	B2G
1 Members of the public can buy train tickets online.			
2 Last year we paid our business tax directly over the Internet.			
3 We order all our office stationery from our supplier on the web.			
4 All our workshops use e-procurement for the spare parts they need.			
5 We applied for the contract after seeing the details on the Ministry's website.			
6 I order my contact lenses over the Internet and pay with my credit card.			

Your score
/25

27.1
8 marks

Choose the best word from the brackets () to fill the gap.

- The new model will be sale in July. (at/on/in)
- The shop was having a so I got these shoes at half price. (sale/sales/sell)
- It's easy to a sale if the product's good and the price is right. (do/make/give)
- Last month, sales reached nearly 1500. (unit/piece/number)
- Sales last month were below our of €120,000. (gross/target/share)
- Staff salaries are included in our costs. (direct/indirect/overhead)
- Our basic model has a selling of £28. (cost/margin/price)
- We estimate that sales next year will be about 5%. (growth/forecast/volume)

27.2
8 marks

Choose the best word to fill each gap from the alternatives given in the box below. There are some words that you don't have to use.

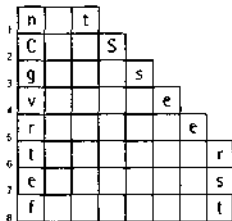
I've just finished the new computer we are launching next year. Direct costs will be \$480. I estimate our to be about \$20. That gives costs of \$500. We want a up of about 20% so the sale price will be \$600. That gives a margin of nearly 17%. Not bad.

forecast	production	costing	total	profit	mark	revenue	overheads
----------	------------	---------	-------	--------	------	---------	-----------

27.3
8 marks





Find the answer to each clue. The first and last letters are given in each case.

- Selling price minus total costs: margin
- Abbreviation for the variable costs in making goods
- Selling price minus direct costs: margin
- Number of things sold: sales
- Money received from sales
- Money received from sales (another word)
- Another word for indirect costs
- Estimate of next year's sales

Your score
/22

28.1
5 marks

Look at the costs and prices of these lamps. Choose the best word from the brackets () to fill the gap in each sentence that follows.

	A	B	C	D
				
Production cost	€45	€30	€45	€60
Selling price	€60	€30	€40	€120

- We make a of €15 on lamp A. (budget/expense/profit)
- We even on sales of lamp B. (break/make/take)
- We make a on lamp C. (lose/loss/lost)
- Lamp D is very popular. It's a real-spinner. (cash/finance/money)
- We are going to stop making lamp C because it's just not
(profitable/saleable/valuable)

28.2
5 marks

Choose the best word to fill each gap from the alternatives given in the box below. There are some words that you don't have to use.

'My name is Ann Morgan and I'm Advertising Manager at Gissing PLC. Last year, I had an advertising of £1,000,000. Our on TV adverts was £800,000 and £400,000 went on placing display ads in magazines. So our actual was £1,200,000. That means that we by £200,000. The Director of Finance was not pleased and I have been told that I must not be budget again next year.'

expenditure	expenses	budget	under	over	spend	overspent	underspent
-------------	----------	--------	-------	------	-------	-----------	------------

28.3
6 marks

Write one word in each gap to complete the sentences.

- We sell 15,000 of this model a year and make \$80 on each one. It's a real _____ cow.
- I overspent because I didn't budget _____ the repair of the photocopier.
- We reach break-even _____ when we've got ten buyers. After that, everything is profit.
- We sell this product at less than cost price. Loss _____ like this attract customers into the shop.
- The big supermarkets benefit from _____ of scale because they get low prices from suppliers.
- Since we set up the business two years ago we've been on a steep _____ curve.

Your score
/16

29.1

5 marks

Choose the best word from the brackets () to fill the gap in each sentence.

- You have to the furniture directly from the manufacturer. (ask/order/require)
- Your order is now ready and we will it tonight. (plane/train/ship)
- We send the invoice to the customer's address. (billing/receiving/costing)
- We have a strict credit : all accounts to be paid in 28 days.
(policy/police/politics)
- I have a serious cash problem because they haven't paid me.
(credit/expense/flow)
- You must send your tax form to the Revenue tomorrow.
(Inland/Inside/Inboard)
- They are never going to pay the £200 they owe me so I've it off.
(signed/written/posted)
- Our payment are cash or cheque when the goods are delivered.
(terms/words/notes)
- In the US, 'accounts' refers to customers that owe the company money.
(deductible/payable/receivable)

29.2

5 marks

In each of the numbered sentences (1-5) there is *one* word which is *wrong*. Circle the mistake and write the correct word at the end of the line.

Our company supplies stationery and office equipment.

- Customers put their orders by phone or over the Internet.
- Nearly all orders are displaced within 24 hours.
- We give business customers trade debit with 30 days to pay.
- Most people pay on time but some still own us money after six months.
- Last year we had bad depths worth over £10,000.

29.3

6 marks

For each sentence, find *one* word to replace the underlined phrase. Write the word at the end of the sentence.

- I look after our large and important accounts. ---
- I'm also responsible for chasing people who owe us money. -----
- We always pay our suppliers and other people we owe money to on time. -----
- We give our best customers a 10% reduction in the price they have to pay. -----
- We don't give credit so our customers have to pay before they receive the goods. -----
- We raise an invoice and send it to the customer immediately. -----

Your score

/20

Assets, liabilities and the balance sheet

Total	16
Target	13+

30.1
6 marks

Choose the best word from the brackets () to fill the gap in each sentence.

RETAIL BUSINESS FOR SALE: £125,000

- | | |
|---|-----------------------------------|
| 1 Newsagent's shop for sale as a going | (business/concern/outlet) |
| 2 assets include shop, fittings and a new delivery van. | (Permanent/Firm/Fixed) |
| 3 The estimated value of these assets is £120,000. | (book/invoice/paper) |
| 4 assets include stock worth £15,000. | (Current/Present/Actual) |
| 5 The most important asset is our good reputation. | (invisible/invaluable/intangible) |
| 6 The of our customers is included in the asking price. | (goodness/goodwill/goodbye) |

30.2
5 marks

Complete each of the numbered sentences (1–5) by writing one word in the gap. The first letter has been given to help you.

Over time, the equipment that a company owns loses value.

- For example, computers and other IT equipment d very quickly.
- When we do our accounts, we a them over three years.
- So the value of a \$6,000 PC is w down by a third in the first year.
- The depreciation of \$2,000 is shown as a d in our financial records.
- Depreciation of all assets is shown on the b sheet at the end of the year.

30.3
5 marks

Choose the best word from the brackets () to fill the gap.

- Our include a €12,000 tax bill and the €8,000 we owe our suppliers.
(assets/debtors/liabilities)
- Our are valuable because they have good customer recognition.
(brands/types/makes)
- Company cars depreciate quickly. We write them completely after five years.
(up/out/off)
- Our year runs from the 1st of June to the 31st of May.
(financial/revenue/capital)
- Our only liability is a €10,000 bank loan to be paid off over five years.
(current/long-term/fixd)

Your score

/16

31.1
5 marks

Choose the best word to fill each gap from the alternatives given below. Put a circle around the letter, A, B or C, of the word you choose.

It was announced today that the chemical giant Emronia UK is to be investigated. This follows an (1) which revealed problems in the company's (2) A company spokesperson said that annual (3) for the past five years had given a (4) and fair picture of Emronia's financial position. He stressed that the company follows British accounting (5) But expert commentators are not convinced. Last year, Emronia reported a pre-tax (6) of £29.6 million but many think that this was due to (7) accounting – or worse. Giles Merchant, advisor to the Stock Exchange, said that the company was haemorrhaging red (8) but had hidden the size of its liabilities.

- | | | |
|------------------|---------------|-----------|
| 1 A amortization | B accountancy | C audit |
| 2 A accounts | B assets | C credits |
| 3 A books | B records | C reports |
| 4 A false | B good | C true |
| 5 A results | B rules | C firms |
| 6 A profit | B budget | C line |
| 7 A window | B creative | C direct |
| 8 A blood | B ink | C losses |

31.2
5 marks

Match each word in Box A with one word from Box B to make five word pairs. (There is one word in Box B that you don't have to use.) Then use your word pairs to complete the sentences below.

Box A	window	accounting	bottom	exceptional	book	
Box B	line	standards	account	keeper	loss	dressing

- The shown in our year's accounts was due to the purchase of a new shop.
- The used in the US are different from those in Europe.
- At the moment, I'm a but I'm training to be an accountant.
- There was no escaping the ; a net loss of €35,000.
- After a little bit of, our figures for this year look a lot better.

31.3
5 marks

In each sentence, there is *one* word which is *wrong*. Circle the mistake and write the correct word at the end of the line.

- My name is Jane Morton and I am an accountancy in London.
- I prepare the end-of-year accounting for several small businesses.
- They send me their records and I draw up a profit and lost account.
- This shows the growth profit and any charges against the company.
- When these are taken away, you are left with your netting profit for the year.

Your score
/18

32.1
12 marks

Choose the best word to fill each gap from the alternatives given below. Put a circle around the letter, A, B or C, of the word you choose.

When I started my engineering company five years ago I had to (1) a lot of capital. First, I looked around for a (2) and took out a loan. The (3) was £100,000 at an (4) rate of 5.2%. I had to use my house for (5) so that was a big worry. Next I found ten people who wanted to (6) in the business. Each one put (7) £10,000 in return for 1,000 shares. I (8) 12,000 shares so I am the biggest shareholder. Our total (9) is nearly a quarter of a million pounds. We paid our first (10) last year but it wasn't very big. Now we are making a profit, we will start to reduce our (11) I don't like carrying this much (12)

- | | | | | | |
|--------------|------------|--------------|----------------|-----------|--------------|
| 1 A rise | B raise | C rose | 7 A out | B up | C off |
| 2 A lender | B borrower | C capitalist | 8 A hold | B pick | C hand |
| 3 A money | B balance | C principal | 9 A gearing | B venture | C equity |
| 4 A account | B interest | C audit | 10 A division | B divider | C dividend |
| 5 A security | B safety | C salary | 11 A borrowing | B lending | C sharing |
| 6 A lend | B borrow | C invest | 12 A capital | B debt | C collateral |

32.2
5 marks

Decide which of the alternatives (A-H) each speaker is talking about. Write the letter of your answer in the box at the end of the sentence. There are some alternatives that you don't have to use.

1 'We had to find a lender who was prepared to finance an exciting new company.'	
2 'Our lending to companies takes the form of conditional loans or debentures.'	
3 'If you do not keep up with the repayments, we may sell your home to recover our money.'	
4 'The company is highly geared so I wouldn't invest in it.'	
5 'We owe our suppliers \$12,000 and we have a loan of \$8,000 so the total is about \$20,000.'	

- A indebtedness B equity C share capital D bonds
E leverage F gross profit G venture capitalist H collateral

32.3
5 marks

Complete each sentence by writing in the gap a noun formed from the verb given in brackets (). The first one is an example.

- 0 We charge each borrower a fee of £200 to arrange a loan. (borrow)
1 This year we will pay a of 25¢ per share. (divide)
2 To get the loan we had to use the new lorry as (secure)
3 We are looking for a who offers reasonable interest rates. (lend)
4 Their debts have grown steadily and now their is dangerously high. (gear)
5 I think that our is now under control. (borrow)

Your score

/22

33.1
6 marks

Choose the best word to fill each gap from the alternatives given in the box below. There are some words that you don't have to use.

Bad news for shareholders of Barloni PLC. Jacky Lai, the CEO appointed last year, has failed to turn the ailing company and last month it defaulted its huge \$1.2 million debt. There is no hope of finding anyone to bail Barloni so it will be put receivership next week. When the company is wound, shareholders will get almost nothing.

up	before	out	into	at	round	from	on
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33.2
6 marks

Choose the best word to fill each gap from the alternatives given below. Put a circle around the letter, A, B or C, of the word you choose.

Alicom is a successful company. For the past ten years it has (1) part of its profits as dividends. However, its (2) earnings have been considerable. Its cash (3) are now estimated to be around €20 million. Financial experts say that Alicom has only a small debt to (4) and so may use its cash (5) to buy out one of its rivals. CEO, Angela White, said that the company has no immediate plans to make an (6), but that it couldn't be ruled out in the future.

- | | | |
|-----------------|------------------|---------------|
| 1 A posted | B distributed | C retailed |
| 2 A retained | B stored | C kept |
| 3 A shares | B burden | C reserves |
| 4 A file | B default | C service |
| 5 A stock | B mountain | C hill |
| 6 A acquisition | B administration | C application |

33.3
7 marks

In each line there is *one* word which is *wrong*. Circle the mistake and write the correct word at the end of the line.

- We need time to reorganize our finances so we're filing for bankruptness.
- That should protect us from our credits for at least six months.
- The truth is we have a debt cries which has been building up for years.
- Yesterday we asked the bank to schedule our debt over ten years.
- If they don't agree, then the company will collide immediately.
- We will have to cease traiding and make all our staff redundant.
- If the bank says yes, then I think that we can make a full recover.

Your score
/18

34.1
9 marks

Choose the best word from the brackets () to fill the gap in each sentence.

- I have a 20% in a small printing company. (invest/interest/input)
- Charles Wilson now has a majority in Alicom PLC. (hold/holder/holding)
- ProSports and Fit Folk gave details of their new joint
(venture/account/combine)
- Kola-Co has made a bid of 21p per share. (kind/friendly/gentle)
- Buying out the contracts of senior executives will be a poison for any predator to swallow. (medicine/tablet/pill)
- Eastern Water proved to be our white, saving us from collapse.
(angel/knight/saint)
- Their company is a multinational based in New York. (parent/father/family)
- We started as a music company but we into television.
(diversified/diverted/differed)
- We do many things but our activity is publishing. (concern/centre/core)

34.2
5 marks

In each of the numbered sentences (1-5) there is *one* word which is *wrong*. Circle the mistake and write the correct word at the end of the line.

Our manufacturing company is small but it has lots of assets.

- We are worried that we may be pray to a big multinational.
- Last year, Anders Holdings made a hostage bid for us.
- They wanted to ackquier us as their subsidiary in Europe.
- We didn't want to be part of a huge conglomerus so we rejected the bid.
- We are now considering a murger with another small engineering firm.

34.3
6 marks

For each sentence, find *one* word to replace the underlined phrase. Write the word at the end of the sentence. The first two letters have been given to help you.

- The problem is that the company is not concentrating on a few important things.
u n
- Robert Bateson now has a bigger than 50% stake in English Petroleum. m a
- I think that selling off non-core assets is necessary to save the company. d i
- Europe Airways has formed an arrangement to work together with Alpha Airlines.
a l
- Global Electric's latest company that it has bought is Cambridge Electra. a c
- At the moment, we just make shoes but we want to start doing business in other areas.
d i



Your score
/20