Unit 1

Business
# Word Form Chart

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<th>Verb</th>
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Definitions and Examples of Word Forms

1. **acquisition**, n., something that you get; buying or taking over a company

   When your business grows, acquisition of your competitor is one way to improve your share of the market.

   Companies try to make sure they are successful by buying new equipment. For example, a moving company might acquire (v.t.) new trucks every three years.

2. **asset**, n., something valuable that is owned by an individual, group, or corporation

   A company’s assets include offices, factories, and also investments and personnel.

   At the meeting, the directors of the Tenex Corporation decided to sell off some of its assets in order to raise some cash.

3. **brief**, v.t., to give a summary or short report to someone

   At the yearly meeting, the finance director briefs company shareholders on income and costs.

   The chief executive officer will hold a briefing (n.) for the other directors so they can set goals for the future.

4. **capital**, n., the money used to begin and support a business

   Companies can create capital by selling property or stock.

   A good businessperson tries to capitalize (v.i.) on the opportunities that arise.
5a. **compensate**, v.t., to pay a person or organization for work

Managers are usually compensated more than manual workers because they are responsible for many parts of the business.

A company provides different levels of **compensation** (n.), depending on the roles of people in the organization and their responsibilities.

5b. **compensate for**, v., to balance something negative with something positive

Five more vacation days do not compensate employees for all the money lost on benefits.

In compensation (n.) for the benefits that were cut, workers were allowed five more vacation days a year.

6. **compromise**, n., an agreement that requires each party to give up something

Group members often have to make compromises to reach a decision.

During negotiations, managers and workers usually compromise (v.t.) on issues such as wages and benefits.

7a. **conduct**, v.t., to behave in a certain way

When college graduates start to work for a company, they must conduct themselves in a more serious way than they did during college.

7b. **conduct**, v.t., to carry out a formal process

The company conducted a search for a new branch manager.
8. **deduct**, v.t., to take away from, subtract

   In order to calculate how much profit a company makes, you must **deduct** costs from income.

   The salary that a person takes home is the money left after **deductions** (n.) for health care, retirement, and taxes.

9. **export**, v.t., to send products or services to another country

   Countries in the Middle East have **exported** oil all over the world.

   Financial services are an important **export** (n.) for developed countries.

10. **found**, v.t., to create a company or other organization

    Sam Watson **founded** the MicroPro Company in Houston.

    A lot of time is spent carefully planning a newly **founded** (adj.) enterprise.

11. **incentive**, n., a reward to encourage someone to do something

    A big **incentive** for employees who work harder than others is an increased level of pay.

    People need incentives such as promotion to a higher position if they are expected to take on more responsibility.

12. **invest**, v.t., to buy assets in the hope that their value will increase

    Many people **invest** in the stock market to save for retirement.

    There are many kinds of **investments** (n.), including the buying of gold and real estate, as well as placing money in interest-bearing accounts in banks.
13. **irrelevant**, adj., not related to, or having nothing to do with, a subject

The skill of managers is irrelevant when the demand for a product disappears.

National borders are not relevant when talking about the global economy because many large companies have factories all over the world.

14. **mutual**, adj., something that is shared or done together

A mutual fund is an investment tool that shares risk over different stocks, bonds, and cash.

A contract to buy a house is signed when the buyer and the seller mutually (adv.) agree on the price.

15. **optimistic**, adj., having a good or positive attitude about the future

After many months of decline in value, some economists are optimistic about the future of the dollar.

Jake is an optimist (n.) because he believes that new technologies will solve the climate change problem.

16. **personnel**, n., the people who work for a company or organization (usually takes a plural verb)

Personnel, sometimes called “human capital,” are a valuable asset of any company.

The personnel (adj.) department is responsible for processing paychecks, administering insurance plans, and hiring employees.
17. **specify**, v.t., to give detailed information about something; to be exact or precise

   The Holiday Toy Company specified that the new doll had to be introduced two months before the holiday season.

   Computer parts must be made according to exact specifications (n.) in order to function correctly.

18. **violate**, v.t., to break a rule or a law

   In the future, car manufacturers will not be able to violate strict limits on pollution.

   If a U.S. company sold advanced military technology to a foreign country, it would be a violation (n.) of U.S. export controls.
Vocabulary Practice

A. Match Point

Write the letter of the best definition next to each word. The first one has been done as an example.

1. _____ violate a. the people who work in a company
2. _____ specify b. to begin a new business or organization
3. _____ personnel c. to gain by either buying, trading, or learning
4. _____ optimism d. to not follow a rule or law
5. _____ mutual e. to say exactly what a procedure or product should be
6. _____ invest f. opposite of add
7. _____ incentive g. when both sides have something in common
8. _____ found h. agreement made when each side is flexible
9. _____ deduct i. to use your money to earn a profit
10. _____ compromise j. anything of value that you have
11. _____ asset k. a person’s positive outlook
12. _____ acquire l. prize for doing something better than before
B. Branching Out

Write the correct form of the word. Refer to the Word Form Chart if necessary. You may have to change the verb form. The first one has been done as an example.

1. acquire
   a. By ______ acquiring ______ new technology, businesses can improve efficiency.
   b. The management team of Big Business Corporation decided to ______ a new computer and software.
   c. It is clear that the ______ of technology is important to Big Business Corporation.

2. found
   a. Jim Evans ______ his company, General Business, in Mexico in the late 1970s.
   b. Other business people collect money from investors before they can ______ a company.
   c. The ______ of a business or a company takes time, money, and hard work.
3. **invest**
   
a. Mary always ________________ in a variety of companies to reduce her risk of losing money.

b. Another ________________ that some people choose is government bonds.

c. How to ________________ for early retirement interests many people.

4. **compromise**
   
a. The managers and the workers ________________ on work conditions for a special project last week.

b. The managers reached a ________________ with the workers on the pay level for overtime.

   c. In a negotiation, everyone has to ________________ on something.

5. **deduction**
   
a. When paying federal taxes in the United States, you can make several ________________ from your income to reduce your taxes.

b. It is possible to ________________ some business expenses if your company has not paid you for them.

   c. Don't forget that you can ________________ donations that you make to charities from you taxes.
6. brief
   
a. A good _____________________ should be short, but it should contain specific and useful information.

b. One responsibility of an executive is to _____________________ managers and workers about business conditions.

c. On the other hand, senior workers should provide some type of _____________________ to managers on the difficulties they found in manufacturing.

C. In the Wrong Place

In each paragraph, the underlined vocabulary words are in the wrong place. Cross out the inappropriate word and replace it with the underlined word that makes sense. The first one has been done as an example.

1. Globalization is an important force in the world economy. Leaders in the car industry, the food industry, and the credit card industry have exported/acquired companies from several countries. As a result, jobs are being acquired/exported from industrialized countries to developing countries.

2. Several conditions must be met before a company can compromise_____________ international business. One condition is having enough start-up money. Investors can provide violate_____________ for companies to enter new markets. In addition, international trade may require countries to capital_____________ on taxes in order to attract new businesses. However, companies should not conduct_____________ trade agreements if they want to have successful relationships with a country.
3. In any business, the amount of irrelevant _______ is an important question. Decisions have to be made about basic pay and additional personnel _______ for excellent work. Pay raises may depend on incentives _______ performance, but should not be based on compensation _______ factors such as age, gender, or race.

4. Jamesco is a small business run by an individual in a small town. The owner, Jim Banes, needs to give his employees a conduct _______ on the state of the business occasionally. Jim tells them about the company’s capitalize _______ and how their assets _______ affects the company’s bottom line. Finally, Jim coaches them about how to briefing _______ on client meetings in order to increase profits.

5. Having an export business is not easy, as Xin is finding out. First of all, in order to violation _______ his business, he needs to find ways to increase sales. When he increases the amount of product he sells, he wants to be sure his specifications _______ is safe. He has to make sure the optimize _______ are acceptable to the overseas shippers so he doesn’t waste any money. The final step is to be sure there is no investment _______ of international trade laws so that he doesn’t receive any sanctions or fines.
D. What’s the Word?

With your partner, fill in each box on the grid. Student A will use Grid A. Student B will use Grid B in Appendix 1 on page 165. Each grid is missing different words. Describe the words on your grid so your partner can fill in his or her blank spaces. When all of the blanks are full, compare your grids to see if you have the correct answers.

Example: For Box 1, Student A might give Student B these clues: It’s a verb. It’s when you learn a new skill. It means to make a large purchase in a formal way.

Grid A

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Frequent Collocations: Business

Collocations are fixed expressions that are frequently used by native speakers. Knowing which words are frequently used together is important because your sentence may sound awkward if the wrong words are used together.

Correct: crystal clear, middle management, nuclear family, cosmetic surgery
Incorrect: diamond clear, middle supervisor, restricted family, cosmetic operation

Some common business collocations are listed. What others can you think of?

1. acquisition—acquisition of knowledge or skills, mergers and acquisitions, a million dollar acquisition
2. asset—asset management, a financial asset, a valuable asset
3. capital—capital gains, a capital investment, venture capital
4. compensate—executive compensation, worker’s compensation, to compensate for
5. conduct—to conduct business, criminal conduct, professional conduct
6. found—to found a company, to found a group, to go on to found [a company]
7. incentive—financial incentive, little/much incentive, to provide incentive
8. invest—foreign investment, investment firm, to invest in companies
9. optimistic—to be cautiously optimistic, to be optimistic about, a sense of optimism
10. violate—to violate a law, to violate someone’s rights, to violate someone’s privacy
E. Complete the Thought

Complete each sentence by filling in the blank with a missing part of a collocation from the unit. (The given part of the collocation is underlined.) The first one has been done as an example.

1. Canco Company wishes to buy an overseas factory that will be a million dollar _____________.

2. After a year of good sales in the auto industry, large car manufacturing companies are fairly __________________ about next year.

3. One method that managers use to improve productivity is to provide workers with __________________ such as extra time off to get workers to work faster.

4. When a company has been in business for a long time, the buildings and equipment get old and worn out. It is then necessary to make a capital __________________ in new infrastructure.

5. Ravi needs help investing his money since he has a very successful new business, so he found an __________________ management firm to help him.

6. Companies with foreign investments must be careful not to __________________ a law overseas.

7. Jerszy Luckowitz __________________ an internet company when he was only 12 years old.

8. The head of Boston Oil Company was found guilty of __________________ and fined 2.5 billion dollars.
F. Get It Together

Unscramble the words and phrases to write sentences containing the collocations. The first one has been done as an example.

1. Sexual harassment / a person’s rights / violates

   **Sexual harassment violates a person’s rights.**

2. often go on / new companies / Successful / to found / businesswomen

3. to maintain / It is important / with customers / professional conduct / and co-workers

4. extra hours / are unhappy / compensate fairly for / Workers / because / the company does not
5. an online jewelry store / to start / capital / venture / Sharon needed

6. thought that / Joe / there was / incentive / to work / little / extra hours / for him

7. violates / If a manager / a subordinate's rights, / he or she / will be fired

8. cautiously / that the economy / Businesses are / is improving / optimistic
Practice Quiz

G. The Choice Is Yours

Circle the best answer.

1. A violation of international trading laws would _____.
   a. produce a profit for the company
   b. be considered good luck
   c. cause the company to lose business
   d. be punished by a fine or a jail sentence

2. An import-export business is an example of _____.
   a. a management plan
   b. a government policy
   c. an international trading company
   d. the length/width/cost of a product

3. An overly optimistic person is someone who _____.
   a. frequently makes business decisions
   b. always thinks the best result will occur
   c. always receives mutual benefits
   d. can see the dangers in founding a new business
4. Capital is ____.
   a. the amount of money a business earns
   b. the buildings and personnel in a company
   c. the most important city in the state of Venture
   d. money from investors to support a new business

5. If management and the work force agree to a compromise, then ____.
   a. both sides agree to give up some demands
   b. the management gives in to the workers
   c. the workers give in to the management
   d. they do not reach an agreement

6. It is illegal for a stock broker to ____.
   a. invest in another company
   b. carry out import-export trade
   c. exchange hours with another employee
   d. use insider information to buy or sell stocks and shares

7. When two companies both gain an advantage through their cooperation, then the arrangement is ____.
   a. overly optimistic
   b. seemingly irrelevant
   c. mutually beneficial
   d. confidentially brief
8. Adequate compensation is ____.
   a. enough money for the job
   b. not enough money for the job
   c. too much money for the job
   d. an unfair amount of money for the job

9. A confidential briefing should ____.
   a. not be discussed with people outside the meeting
   b. be announced publicly on television
   c. not be kept a secret from the whole company
   d. be punished with a ten-year jail sentence

10. If clients provide precise specifications on a product, then ____.
    a. they give the manufacturer a wide range of choices
    b. they give the manufacturer exact details about it
    c. they have no preferences about it
    d. they dislike the manufacturer's proposals
H. Sense or Nonsense?

Using your knowledge of the unit’s target vocabulary, write Y (yes) for statements that make sense or N (no) for statements that do not make sense.

1. ____ Department heads may use extra pay as an incentive for the sales staff.

2. ____ It is impossible for one company to acquire another.

3. ____ The Microsoft Corporation was founded in 1900.

4. ____ Asset management involves careful supervision of workers’ safety.

5. ____ A company will usually deduct taxes before a worker receives his or her salary.

6. ____ The company expects honest conduct from its chief financial officer.

7. ____ Laborers frequently brief the executives in a company.

8. ____ The government is irrelevant to the economy and business profits.

9. ____ An optimistic sales team is beneficial to the company.

10. ____ Individuals can invest their money to make a profit.