

Management

1.1 ▶ 34 Listen to two speakers talking about management. Which speaker (1 or 2) ...

- A is concerned about a management issue? —
 B is proud of a recent project? —
 C is in charge of a large workforce? —
 D recently gained a promotion? —
 E is linking up with another company? —



1.2 ▶ 34 Now listen again. Which of the idioms in the box do the speakers use?

a golden opportunity sell like hotcakes a household name a spanner in the works
 a hands-on approach make a name for yourself corner the market the bottom line
 a win-win situation the tricks of the trade in the red

1.3 Now match the words (1–6) from the listening with the definitions (a–f).

- | | |
|-------------------|---|
| 1 promote | a to raise someone to a higher or more important position |
| 2 capital | b to join or unite to form a larger organisation |
| 3 calculated risk | c relating to your own country |
| 4 amalgamate | d a large amount of money for starting a company |
| 5 domestic | e a reduction in something made to save money |
| 6 cutback | f a chance that you consider to be worth taking |

1.4 COLLOCATION Choose the correct alternative to complete the sentences. Use the words in bold to help you.

- We need a set of guidelines for anyone wishing to *draw over / draw up* an employment **contract**.
- When times are tough, employers do not *take on / take up* as many **new staff**.
- We decided to *set down / set up* an **office** near the airport as many of our biggest clients were based there.
- New employees may be tempted to *take in / take on* too much **responsibility** when they first join a firm.
- Each of our managers is *in charge for / in charge of* around 20 **staff**.
- Starting up our own company was a **risk**, but it has really *paid up / paid off* for us.
- It's important to *keep track of / keep track for* how much **money** your department is spending.
- Setting up our own website allowed us to *break through / break into* the **overseas market**.

2 COLLOCATION Match the verbs in box A with the nouns in box B. Some verbs match more than one noun.

A negotiate hold take make sign chair
meet miss reach recruit manage

B a contract a deal a meeting staff an agreement
a deadline a project control

3 Look at the following extract from an IELTS Writing Task 2 answer. Choose the correct alternative to improve the accuracy of the answer.

A common belief nowadays is that the success of a company is determined by how happy its employees are. But ¹a pay / money alone is not sufficient to make staff happy. Instead, companies need to offer them good ²working / job conditions and benefits such as healthcare payments and childcare facilities. It also helps if people choose an ³employment / occupation that they enjoy and find fulfilling rather than simply doing a job to earn money.

Retaining ⁴a staff / an employee means that companies can save a lot of money recruiting and training new ones. A worker who feels well looked after by their ⁵employee / employer is more likely to stay in that job for a long time. Moreover, long-term employees are more likely to be promoted to a ⁶managing / managerial position / place within the company. This type of ⁷location / post can act as a reward for their loyalty and commitment.

! Error warning

The word *staff* refers to all the people working for an organisation. To talk about one person, you need to say *member of staff* or *employee*: *I recently had a problem with a member of staff in your company (or an employee in your company or one of your staff)*. NOT *I recently had a problem with a staff in your company*

V Vocabulary note

We use the preposition *in* with *employment, industry, a/the job* etc.: *My father remained in the same job for 35 years*. NOT *on the same job*. *The number of women in higher posts has dropped recently*. NOT *at higher posts / into higher posts*

Personal finance

4.1 Read the passage and then complete the sentences on the next page with **NO MORE THAN TWO WORDS** from the passage.

In this tough economy, the allure of purchasing lottery tickets seems like a pretty enticing way to erase financial problems. But new research from Vanderbilt Law School found that people who won between \$50,000 and \$150,000 only postponed bankruptcy. The researchers found that mid-level lottery winners did not in fact pay off their debt or increase equity in new or existing assets. And though these mid-level lottery winners were less likely than small winners (those who won less than \$10,000) to become bankrupt immediately after winning, they were 50 per cent more likely to do so three to five years after winning their prize. 'Our results are consistent with some winners using their prize to take additional risks or buy luxury goods,' said a researcher. 'Others simply lack the knowledge to handle large amounts of money wisely.'

The researchers used data from Florida's *Fantasy 5* lottery game from April 1993 through November 2002. They examined all winners who won more than \$600. This added up to almost 35,000 individuals. In all, almost 2,000 *Fantasy 5* winners were linked to a bankruptcy in the five years after winning. The fact that they filed for bankruptcy is significant for several reasons. 'Filing for bankruptcy is arguably the most extreme signal of financial distress,' said the researcher. 'Not only is it bad for creditors, but it also seriously harms a filer's credit rating, affecting the availability and cost of future loans.'

- 1 People may buy a lottery ticket as a way of solving _____.
- 2 Researchers found that winners of between \$50,000 and \$150,000 failed to get out of _____.
- 3 Researchers believe lottery winners often spend their money on _____.
- 4 A certain number of lottery winners were _____ within five years of winning their prize.
- 5 Lottery winners may find it difficult to obtain _____ if they have had financial problems.



Error warning



When you are writing large numbers, do not add an 's' to the number: 200,000 = two hundred thousand. NOT two-hundreds thousands

The plural form is only used to give an approximate idea: *There were thousands of people there.*

You can use numerals instead of words, but we usually write larger numbers such as three million.

4.2 COLLOCATION Highlight or underline each occurrence in the passage of the words and phrases associated with money problems.

4.3 COLLOCATION The words in bold in the following sentences collocate with either *cost*, *income* or *budget*. Use a dictionary to help you choose the right words to complete the sentences.

- 1 We increased our profits through a combination of _____-cutting and price increases.
- 2 I try to **stay within my** _____, but then I see something I really want to buy!
- 3 **Low-**_____ families must find it difficult to manage when prices rise rapidly.
- 4 You may need to take on an extra job to **supplement your** _____ and help pay off your debts.
- 5 Our department has an **annual** _____ of \$100,000 to cover travel expenses.
- 6 The recent rise in interest rates will increase the _____ of living.
- 7 My annual bonus **covers the** _____ of our summer holiday.

5 Look at the pie chart and complete the paragraph below with the words and phrases in the box. There is one extra word/phrase that you don't need.

spent 40 thousand of 13 thousand for amount of
paid seven thousand purchases on budget

According to the chart, the average family in the US made over

- 1 _____ dollars worth of household
- 2 _____ in 2003. The pie chart shows how this
- 3 _____ money was ⁴ _____.

The vast majority ⁵ _____ the family
⁶ _____ went on accommodation, which accounted
for over ⁷ _____ dollars on average.

The average household ⁸ _____ a total of \$6,021
for their groceries, while also spending over
⁹ _____ dollars ¹⁰ _____ travel.



■ Housing \$13,432	□ Entertainment \$2,187
■ Transport \$7,781	□ Clothing \$1,640
□ Food \$6,021	■ Other \$9,756
Total \$40,817	

Reading

You should spend about 20 minutes on **Questions 1–13**, which are based on the Reading Passage below.

Questions 1–6

The Reading Passage has seven paragraphs, **A–F**.

Choose the correct headings for paragraphs **A–F** from the list of headings below.

Write the correct number, **i–viii**, next to questions 1–6 below.

List of headings

- i** The advantages of offering a variety of products
- ii** Increasing profits by working with other industries
- iii** Regaining customer trust
- iv** Turning protection for the customer into profit for the company
- v** Initial good intentions that may eventually lose you customers
- vi** Industry that profits from a lack of commitment
- vii** The main reason companies choose to ignore a core business belief
- viii** Profiting from customers' wish to save money

- 1 Paragraph A
- 2 Paragraph B
- 3 Paragraph C
- 4 Paragraph D
- 5 Paragraph E
- 6 Paragraph F

Companies and the customers who hate them

Many companies encourage customers to make bad purchases.

- A** One of the most influential propositions in marketing is that customer satisfaction means loyalty and loyalty means profits. Why, then, do so many companies infuriate their customers with contracts, fees and fine print, penalising them for their business? Because, unfortunately, companies have found that confused and ill-informed customers, who often end up making poor purchasing decisions, can be highly profitable indeed.
- B** Some companies consciously and cynically exploit their customers' confusion in this way. However, in our conversations with dozens of executives in various industries we found that many firms have unwittingly fallen into this trap. Think of the cell or mobile phone service, and banking and credit card industries, each of which now profits from customers who fail to understand or follow the rules about minute use, minimum balances, overdrafts, credit limits, or

payment deadlines. Most of the companies in these industries started out with product and pricing strategies designed to provide value to a variety of customer segments, each with its own needs and price sensitivities. Yet today, many companies in these industries find that their transparent, customer-centred strategies for delivering value have evolved into confusing company-centred strategies for extracting it. Although this approach may work for a while (many notable practitioners are highly profitable), businesses that prey on customers are always vulnerable to possible hostility. At any time, customers may retaliate with anger, lawsuits and defection.

- C** Companies can profit from customers' confusion, ignorance and poor decision making using several means. The first stems from a legitimate attempt to create value by giving customers a broad set of options. A company creates a diverse product and pricing portfolio to meet the price range and needs of different customer segments. All else being equal, a hotel that has three types of room at three different prices can serve a wider customer base than a hotel with just one type of room at one price. However, customers benefit from such diversity only when they are guided towards the option that best suits their needs. A company is less likely to help customers make good choices if it knows that it can generate more profits when they make poor ones. Of course, only the most flagrant companies would explicitly persuade customers into making bad choices. Yet there are subtle ways in which even generally well-intentioned firms use a complex range of choices to encourage poor decisions. A wide range of offers can confuse customers with a lack of transparency (hotels, for example, often don't reveal information about discounts and, along with car hire companies, fail to inform customers about possible upgrades); they can make it harder for customers to distinguish between products, even when complete information is available (as is often the case with banking services); and they can often take advantage of consumers' difficulty in predicting their needs (for instance, how many cell phone minutes they'll use each month).
- D** Companies can also profit from customers' bad decisions by over-relying on penalties and fees. Such charges may have been conceived as a way to deter undesirable customer behaviour and offset the costs that businesses incur as a result of that behaviour. Penalties for problems such as bouncing a cheque, for example, were originally designed to discourage banking customers from spending more money than they had and to recoup administrative costs. The practice was thus fair to customer and company alike. But many firms have discovered just how profitable penalties can be; as a result, they have an incentive to encourage their customers to incur them – or at least not to discourage them from doing so. Many credit card issuers, for example, choose not to deny a transaction that would put the cardholder over his or her credit limit; it's more profitable to let the customer overspend and then impose penalties.
- E** These strategies are common across industries from hotels to video stores and car rentals. Health club companies also have a long history of luring customers with attractive short-term offers, assaulting them with aggressive sales pitches, and then binding them with long-term contracts. That's because some of their most profitable customers have been those who were enticed to sign up for a long-term membership but then rarely visited the club. Indeed, many companies, knowing the typical health club customer will underuse the facility, intentionally sell many more memberships than they have floor space to accommodate.
- F** Some companies are challenging the industry's bad behaviour. In fact one company, Life Time Fitness, has become one of the largest fitness chains in the US by eschewing contracts altogether. Membership can be cancelled at any time with no penalty. Other smaller companies are experimenting with less antagonistic ways to retain customers, such as reward points for customers who work out regularly. As Brad Fogel, chief marketing officer at 24 Hour Fitness, explains, 'We learned that by giving customers incentives to visit the club more frequently, they become more loyal and ultimately remain with us longer.'

Questions 7 and 8

Which **TWO** of the following are mentioned in relation to banks?

Choose **TWO** of the letters, **A-E**.

- | |
|--|
| <p>A giving false information
B limiting customer choices
C giving confusing information
D customers paying for mistakes
E hiding discounts</p> |
|--|

Questions 9–13

Complete the sentences below with **NO MORE THAN THREE WORDS** from the passage.

- 9 Both hotels and car hire companies may choose not to tell their customers about
- 10 Credit card companies would help customers avoid penalties by deciding to
- 11 Health clubs use tempting to persuade new customers to join.
- 12 is the name of a company that has decided not to make their customers sign an agreement.
- 13 are one way of encouraging customers to stay with a company without a contract.