

To ----- (the name of the bank)  
Date:

Amount in figures: -----  
Amount of words: -----

Pound sterling Foreign currency

To be sent in

Charges  All charges to be debit to me.  
 All charges to be deducted from amount.  
 Your charges to be debited to me but correspondent's charges to be paid by beneficiary.

\*Beneficiary's Bankers -----

Cable Rate  Urgent  
 Ordinary  
 Overnight

\*beneficiary – бенефициар

**Exercise 19. Give the following information for the different kinds of loans your bank offers.**

Type of loan	Repayment Period	Interest Rate	Min/Max Amount

**Exercise 20. Role-play.**

You are receiving a visitor. Show him round your bank. Tell him/her about its history, structure, departments and services.

Your friend wants to open an account your bank Tell him/her about different types of accounts, interest rate and services for the public.

3 You want to get a loan from a bank. Present your enterprise as a good credit risk. A bank manager asks you questions about your financial situation and tells you what documents you should submit and about the bank's requirements.

4 You are an investment expert. Act out a conversation in which you give a client advice on how he/she might invest \$ 2 million (or any sum of money).

**Language notes**

**Some nouns are usually uncountable in English but often countable in other languages.**

Remember that 'money' and 'news'? are not plural in English:

- Where h the money I gave you? : (not 'Where **are** .....?')
- **It is** on the table.
- The news is very good. (not 'The news **are** .....')

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## UNIT 9.

### THE FINANCIAL SYSTEM

a) Read and translate the following texts. B) Answer the comprehension questions to the texts. C) Render the texts.

#### Text A

#### The Financial System

The financial system of a developed country is a network of financial institutions comprising organizations carrying out and regulating financial activities, the ministry of finance, the treasury, the central bank, tax service, stock and currency exchanges.

Financial activities embrace budgeting, financing, investment, banking, taxation and insurance. Financial assets flow in the system from savers, who act as source of funds, to borrowers, who use them. Savers and borrowers in the system are linked by financial intermediaries – banks, finance, investment and insurance companies. Banks occupy a central place in any financial system.

Historically the heart of financial services industry in Britain has been located in the famous “Square Mile” in the city of London. The City is one of the largest financial centers in the world.

There are more overseas banks in the City than in any other financial centre. The banking sector in Britain accounts for about a fifth of total international bank lending.

The world’s largest financial markets - the London Stock Exchange, the Foreign Exchange Market, the Financial Futures and Options Market, Eurobond and Eurocurrency markets, the world’s largest international insurance market – are also located there.

#### Vocabulary list you may need

financial system – молиявий тизим	banking – банк фаолияти
developed country – ривожланган давлат	insurance - суғурта
financial institutions – молиявий ташкилот	financial assets – молиявий активлар
network – тармоқ	money flow – пул оқими
comprise – ўз ичига олмақ	saver - омонатчи
carry out – амалга оширмақ	funds - жамғармалар
ministry of finance – молия вазирлиги	borrower – қарз олувчи

central bank – марказий банк	link - боғланмоқ
stock exchange – фонд биржаси	intermediary - воситачи
currency exchange – валюта биржаси	locate - жойлашмоқ
embrace – қамраб олмақ	bank lending – банк ссуда операцияси
financial services – молиявий хизматлар	budgeting – бюджетни ташкил қилиш
future - фьючер	financing – молиялаштириш
option - опцион	foreign exchange market – валюта бозори
eurobond – еврооблигация	international bank – халқаро банк

### Comprehension Questions

1. What does a financial system comprise?
2. What do financial activities embrace?
3. Who are the savers and borrowers linked by?
4. What financial markets are located in London?
5. What is the “Square Mile”

### Exercises

**Ex.1. Find in Text A English equivalents for the following Uzbek phrases:**

- ривожланган давлатларнинг молия тизими
- молиявий ташкилотларнинг филиали
- молиявий фаолиятни амалга оширмоқ ва назорат қилмоқ
- давлат солиқ хизмати органлари
- валюта ва фонд биржалари
- молиявий фаолият ...ларни ўз ичига олади
- марказий ўринни эгалламоқ (банд қилмоқ)
- банк ссуда операциялари

### Personal Finance

Many people regard financial security as the most important thing in family finances. This is not the same as being rich. It means being freed from the need to think about money, living within your means. For day-to-day living you need ready cash but you also need a bit in reserve for a rainy day. The first thing to think about is your current account and how much is in it. Credit cards can be a helpful way of handling unexpected expenses, but credit is always costly, and of course it's just another form of debt.

For some people, the English and the Americans, however, living on credit is a normal way of life. They believe that credit enables them to enjoy the use of goods and services before they have fully paid for them. Such people are not afraid to use

consumer credit (credit from suppliers, hire purchase and loans from banks) because they have an income. If they want to buy a house they almost always borrow the money in the form of a mortgage from a building society or a mortgage bank. They pay for expensive things in instalments by means of a hire purchase plan.

People earn money in different ways. First of all they get an income from employment, then from keeping money in a saving account with a bank, from renting property, and from investing in shares in the stock market.

People who are paid by the hour get wages. People who are paid on an annual basis get salaries and people, paid for a particular service, get fees.

The worst-off people are the unemployed and the homeless.

For those living at a subsistence level, even buying essentials is a struggle. People on low incomes sometimes take out loans, borrow money from banks. Very often they are unable to cope with repayments and interest on loans. Banks are not willing to lend money to such people.

### Vocabulary list you may need

finance- молия	saving account – жамғарма ҳисоби
regard - ...деб ҳисобламоқ	rent - ижара
financial security- молиявий таъминот	property - мулк
be freed from- ...дан эркин бўлмоқ	share - акция
means - восита	stock market – акционерлик бозори
wage – иш ҳақи	lend – қарз бермоқ
in reserve- захирада	annual basis – йиллик асос
current account– жорий ҳисоб	salary – ойлик, маош
creditcard– кредит картаси	fee – гонорар, бадал
handle – кимгадир мурожат қилмоқ	worst-off – ёмон вазиятда қолмоқ
credit- кредит	employment- иш билан бандлик
debt- қарз	essentials – бирламчи зарур нарса
on credit- кредит ҳисобига	cope with - уддаламоқ
consumer credit – истеъмол кредити	repayment – қарзни узмоқ
borrow- қарз олмоқ	interest on loan – ссуда фоизи
mortgage- ипотека	pay in instalments– бўлиб тўламоқ
live within smb’s means– кимнингдир ҳисобига яшамоқ	subsistence level – кун кечириш учун озиқ-овқатнинг энг оз миқдори
building society- қурилиш жамияти	

### Comprehension Questions

1. What do people regard as the most important thing in family life?
2. What do people need for day-to-day living?
3. Why do some people live on credit?
4. How do people save their money which they earn?

5. Who are the worst-off people?
6. To what people are banks unwilling to lend money?

### Grammar Revision: The verb to be

Present indefinite		Past Indefinite	
<b>Бўлишли шакли (Тасдиқ шакли)</b>			
I am...	We are ...	I was...	We were...
She is...	You are ...	He was...	You were...
He is...	They are...	She was...	They were...
It is...		It was...	
<b>Сўроқ шакли</b>			
Am I...?	Are we...?	Was I...?	Were we...?
Is he...?	Are you...?	Was he...?	Were you...?
Is she...?	Are they...?	Was she...?	Were they ...?
Is it ...?		Was it...?	
<b>Инкор шакли</b>			
I am not...	We are not...	I was not...	We were not...
He is not...	You are not...	He was not...	You were not...
She is not...	They are not...	She was not...	They were not...
It is not...		It was not...	

#### • Choose the correct form of the verb.

1. I (am, is, are) a student now.
2. We (is, are, am) all students now.
3. He (am, is, are) a student now.
4. (Is, are, am) she a mathematician?
5. She (was, were, is) a student of this Academy.
6. He (is, are, am) not English.
7. They (was, were, are) in London at that time.
8. (Was, were, are) he in London too at that time?

## Text B

a) Read and translate the following texts into Uzbek, explain the role of commodities, precious metals and barter in the appearance of banknotes.

### MONEY AND ITS HISTORY

At different periods of time and in different parts of the world many different commodities have served as money. These commodities were: cattle, sheep, furs, leather, fish, tobacco, tea, salt, shells etc. The experts underline that to serve effectively as money, a commodity should be fairly durable, easily divisible and portable. None of the above-mentioned commodities possessed all these qualities, and in time they were replaced by precious metals. First they were replaced by silver and later by gold.

When a payment was made the metal was first weighed out. The next stage was the cutting of the metal into pieces of definite weight and so coins came into use.

Paper money first came into use in the form of receipts given by goldsmiths in exchange for deposit of silver and gold coins. After goldsmiths became bankers their receipts became banknotes. That's how the first banknotes came into existence.

Before the development of money people used barter to get what they wanted. Barter also takes place in societies that have a system of money. People began to use such merchandise as medium of exchange much as we use money.

**Money** – is anything that is generally accepted by people in exchange for the things they sell or the work they do. Once gold and silver were use as forms of money. But today money consists mainly paper bills, coins made of various metals and checking account deposits.

Nowadays, each country has its own basic unit of money. Money has 3 main uses.

- 1. Medium of exchange** – people will accept for their goods or services.
- 2. Unit of account** – people state the price of goods and services in terms of money.
- 3. Store of wealth** – people can save money and than use it to make purchases in the future.

Early people had no system of money as we know it to get the things they wanted, people used the barter system of trading. People began to use such merchandise as mediums of exchange, much as we use money. Many people still use barter, especially in the developing countries of Africa, Asia and Latin America. Millions of families in these countries live by farming and produce barely enough food to meet their own needs. But people in industrial countries also turn to barter if money becomes scarce or worthless. Originally was a form of receipting grain stored in temple granaries in Sumer in ancient Mesopotamia, then Ancient Egypt.

In history first coins have been made during the 600's B.C. in Lydia, a country in what is now western Turkey. The coins were bean - shaped lumps of electrum, a natural, mixture of gold and silver. The coins had stamped design to show that the

king of Lydia guaranteed them to be of uniform value. Then trader accepted these coins instead of cattle, cloth, gold dust or other goods as a medium of exchange. Other countries saw the advantage of the Lydian coins and began to make their own coins.

But many historians believe that coins were also invented independently in ancient China and India. At first the Chinese used knives, spades and other metal tools instead of mediums of exchange. As early as 1100 B.C. they began to use miniature bronze tools instead of real ones. In time, the little tools developed into coins.

And paper money began in China, during A.D. 600's. The Italian trader Marco Polo traveled to China in the 1200's was amazed to see the Chinese using paper money instead of coins. He wrote in his description, European couldn't understand how a piece of paper money until the 1600's when banks began issue paper bills, called bank notes, depositors and borrowers. The notes could be exchanged for gold and silver coins on deposit in the bank. Until 1800's most of the paper bills in circulation were notes issued by banks or private companies rather than by government.

### Words and word combinations you may need

barter – молларни ва хизматларни пулсиз айрибошлаш
merchandise – мол, товар
medium of exchange – алмашув воситаси
in circulation – муомалада
guaranteed – кафолатламоқ
instead – ўрнига, эвазига
store of wealth – жамғариш воситаси
unit of account – қиймат воситаси
deposit bank – омонат банк
invented – ихтиро қилинган
system of trading – савдо тизими
bean shaped – ловия шаклида
advantages – афзалликлари
metal tools – метал ускуналар
unit of money – пул бирлиги
own needs – шахсий эҳтиёжлар
value – қиймат

#### Ex.1. Define true or false. Correct the false sentences.

1. Medium of exchange – people will accept for their goods and services.
2. Early people had system of money and they never had had barter system.
3. Paper money began in China, during A.D.600's.

4. Paper money issued 1600's in Europe.
5. The notes couldn't be exchanged for gold and silver coins on deposit in the bank.

**Ex.2. Explain in English the meaning of the following words and expressions according to your own opinion.**

1. Barter system
2. Merchandise as medium of exchange much as we use money
3. Private companies
4. Medium of exchange in barter system

**Ex.3. Find the synonyms for the following:**

money	begin	various
wealth	private	takes
develop	shape	use

**Ex.4. Combine the words listed below into meaningful two or three words of expressions.**

people	money	exchange	advantage
system	use	things	silver
accept	paper	barter	gold
trade	instead	coins	tools

**Ex.5. Agree or disagree. Give your reasons.**

1. Early people used only barter system.
2. Once gold and silver were not use as a form of money.
3. The trader did not accept coins instead of goods as medium of exchange.
4. Before the development of money people used only barter system.

**Ex.6. Give verbs which correspond to the following nouns.**

development	acceptation
trade	invention



advantage	borrower
shape	depositor

### Text C

a) **Read and translate the text into Uzbek. Retell the text.**

#### TYPES OF MONEY

Currently, for most of history, almost all money was commodity money, such as gold and silver coins. As economies developed most modern monetary system are based on fiat money. However, commodity money was eventually replaced by representative money such as the gold standard as traders found the physical transportation of gold and silver burdensome. Many items have been used as commodity money such as naturally scarce precious metals, conch shells, barley, beads etc., as well as many other things that are thought of as having value. Commodity money value comes from the commodity out of which it is made. The commodity itself constitutes the money and the money is the commodity. Examples of commodities that have been used as mediums of exchange include gold, silver, copper, rice, salt, peppercorns, large stones, decorated belts, shells, alcohol, cigarettes, cannabis, candy, etc. These items were sometimes used in a metric of perceived value in conjunction to one another, in various commodity valuation or price system economies. Use of commodity money is similar to barter, but a commodity money provides a simple and automatic unit of account for the commodity which is being used as money. Although some gold coins such as Krugerrand are considered legal tender, there is no record of their face value on either side of coin. The rationale for this is that emphasis is laid on their direct link to the prevailing value of their fine gold content. American eagles are imprinted with their gold content and legal tender face value.

Representative money that consists of token coins or other physical tokens such as certificates, that can be reliably exchanged for a fixed quantity of a commodity such as gold or silver. The value of representative money stands in direct and fixed relation to the commodity that backs it, while not itself being composed of that commodity.

Fiat money or fiat currency is money whose value is not derived from any intrinsic value or guarantee that it can be converted into a valuable commodity (such as a gold). Instead, it has value only by government order (fiat). Usually, the government declares the fiat currency (typically notes and coins from a central bank, such as the Federal Reserve System in the U.S.) to be legal tender, making it unlawful to not accept the fiat currency as a means of repayment for all debts, public and private. Fiat money, if physically represented in the form of currency (paper or coins) can be accidentally damaged or destroyed. However, fiat money has an advantage over representative or commodity money, in that the same laws that created the money can also define rules for its replacement in case of damage or destruction. For example,

the U.S. government will replace mutilated Federal Reserve notes (U.S. fiat money) if at least half of the physical note can be reconstructed, or if it can be otherwise proven to have been destroyed. By contrast, commodity money which has been lost or destroyed cannot be recovered.

### Active vocabulary you may need

break up – тарқалмоқ, ёпилмоқ	traders - савдогарлар
fiat money – қоғоз пул	precious - қимматбаҳо
value – қиймат	legal tender – қонуний тўлов воситаси
scarce – кам, тақчил	tokens – рамзий белги
item – товар, нарса	fixed - қатъий
commodity – товар, хом ашё	means - восита
monetary system – пул тизими	currency - валюта
gold and silver coins – олтин ва кумуш тангалар	
F.R.S (Federal Reserve System) – Федерал захира тизими	

### •GRAMMAR REVISION: The Present and Past Indefinite Tenses of other verbs

Present Indefinite		Past Indefinite	
Тасдиқ шакли			
I study ...	We study ...	I studied ...	We studied ...
	You study ...		You studied ...
He studies ...	They study ...	She studied...	They studied ...
She studies ...		He studied ...	
Сўроқ шакли			
Do I study ...?	Do we study ...?	Did I study...?	Did we study...?
	Do you study ...?		Did you study...?
Does he study...?	Do they study...?	Did he study...?	Did they study...?
Does she study...?		Did she study...?	

Инкор шакли

I do not study...	We do not study ...	I did not study ...	We did not study...
	You do not study...		You did not study...
He does not study...	They do not study...	He did not study...	They did not study...
She does not study...		She did not study...	

- Choose the correct forms of the verbs.

He (*like, likes, liked*) English.

They all (*like, likes, liked*) English

She (*do not, does not, did not*) speak English.

Did you (*study, studies, studied*) German at school?

She did not (*study, studies, studied*) French at the university.

I did not (*like, liked, likes*) mathematics.

At school I did not (*study, studied, studies*) the economy of Great Britain.

**Ex.1. Use the words in the brackets, explain the meaning of the following term:**

1. The commodity itself constitutes the money (mediums of exchange, used, gold)
2. Commodity money provides a simple and (account of unit, money, use)
3. Fiat money or fiat currency is money (value, guarantee, covered, valuable)
4. Fiat money has an advantage over representative (commodity, money, change)

**Ex.2. Combine the words into meaningful two or three word expression.**

commodity	money	used
value	made	money
constitutes	medium	exchange
unit	account	provide

**Ex.3. Find synonyms for the following:**

money	price	public
commodity	derive	private

precious	debt	advantage
modern	scarce	mediums

**a) Read and translate the text into Uzbek. Retell and discuss about main essence of it.**

### **SMALL BUSINESS**

A small business is a business that is privately owned and operated, with a small number of employees and relatively low volume of sales. Small businesses are normally privately owned corporations, partnerships or sole proprietorships. The legal definition of “small” varies by country and by industry, ranging from fewer than 15 employees under Fair Work Act 2009, 50 employees in the European Union and fewer than 500 employees to qualify for many U.S. Small Business Administration programs. Small business can also be classified according to other methods such as sales, assets or net profits.

Small businesses are common in many countries, depending on the economic system in operation. Typical examples include, convenience stores, other small shops (such as bakery or delicatessen) hairdressers, businessmen, lawyers, accountants, restaurants, guest houses, photographers, small-scale manufacturing, and online business, such as web design and programming etc. A small business can be started at a very low cost and on a part-time basis. Small business is also well suited to internet marketing because it can easily serve specialized niches, something that would have been more difficult prior to the internet revolution which began in the late 1990s. Adapting to change is crucial in small business and particularly small business; not being tied to any bureaucratic inertia, it is typically easier to respond to the marketplace quickly.

Small business proprietors tend to be intimate with their customers and clients which results in greater accountability and maturity. Independence is another advantage of owners. A study showed that 38% of those who left their jobs at other companies said their main reason for leaving was that they wanted to be their own bosses. Freedom to operate independently is a reward for small business owners. In addition, many people desire to make their own decisions, take their own risks and reap the rewards of their efforts.

Small business owners have the satisfaction of making their own decisions within the constraints imposed by economic and other environmental factors. However, entrepreneurs have to work very long hours and understand that ultimately their customers are their bosses. Several organizations also provide help for the small business sector, such as the Internal Revenue Service (Tax Boarding Offices) and Self-Employed One-Stop Resources. Some small businesses are further financed through credit card debt usually a poor choice, given that the interest rate on credit

cards is often several times the rate that would be paid on a line of credit or bank loan. Many owners seek a bank loan in the name of their business, however banks will usually insist on a personal guarantee by the business owner.

### Words and word combinations you may need

qualify – аниқлик киритмоқ	privately owned – хусусий эгалик
suited – қулай	volume of sales – сотув ҳажми
maturity – етук бўлмоқ	proprietorships - мулкчилик
reward – мукофот	particularly - хусусан
survey – кўздан кечирмоқ	own decision – ўз қарори
extend – чўзмоқ, узайтирмоқ	depending on - ...га боғлиқ ҳолда
several – айрим	specialized - ихтисослашган
environmental factors – атроф-муҳит омиллари	

### GRAMMAR REVISION: The three forms of some irregular verbs

Infinitiv	Past Indefinite	Participle II
to make	made	made
to become	became	become
to come	came	come
to write	wrote	written
to read	read	read
to teach	taught	taught

#### • Use the verbs in brackets in the Past Indefinite Tense:

He ( to make) great contributions in economics.

He (to write) an extraordinary work and (to publish) it in 1776.

He (to become) the founder of political economy.

I (to read) something about this scientist at school in Russian.

#### Ex.1. Find antonyms for the following words.

small	private	sale
difficult	begin	easy
employee	depend	quick

**Ex.2. Find synonyms for the following words.**

pledge	desire	decision
relative	start	help
own	suit	boss

**Ex.3. Complete the following gaps on the basis of the information given in the text:**

1. A small business is .....
2. Small businesses can also be classified .....
3. Freedom to operate independently is a reward .....
4. Many people desire to make their own decision .....
5. The SBA also requires business owners .....
6. Many owners seek a bank loan .....

**Ex.4. Put the right prepositions into the sentences.**

1. Small businesses can also be classified according .... other methods such as sales, assets or net profits.
2. Small businesses are common .... many countries, depending .... the economic system .... operation.
3. Small businesses proprietors tend .... be intimate .... their customers and clients which results .... greater accountability and maturity.
4. Independence is another advantage .... owning a small business.
5. Freedom .... operate independently is a reward .... small business owners.
6. Small business owners have the satisfaction .... making their own decision within the constraints imposed .... economic and other environmental factors.

**Ex.5. Put the appropriate articles into the sentences.**

1. .... Small business can be started at .... very low cost and on .... part-time basis.
2. .... Entrepreneurs have to work very long hours and understand that ultimately their customers are their bosses.
3. Several organizations also provide help for ....small business sector.
4. Many owners seek .... bank loan in .... name of their business.
5. Banks will usually insist on .... personal guarantee by .... business owner.
6. In .... United States .... small business (SBA) runs several loan programs that may help .... small business secure loans.